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## Hyundai Motor Company

# Supply Chain Sustainability Management Policy

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2026.09

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## **1. General Provisions**

### **a. Declaration and Purpose**

Hyundai Motor Company has established this Policy to build an ethical and sustainable supply chain. Hyundai Motor Company supports its domestic and overseas suppliers that provide goods or services or that enter into other contractual business relationships (hereinafter "Suppliers") in strictly complying with all applicable laws and regulations governing their business activities—including, but not limited to, those relating to anti-corruption, economic sanctions, forced labor, occupational safety and health, and fair trade—while adopting best operational practices aligned with international standards such as the "OECD Due Diligence Guidance for Responsible Business Conduct," the "UN Guiding Principles on Business and Human Rights (UNGPs)," and ISO 20400 in the areas of ethics, environment, human rights and labor, and safety and health. To build a sustainable supply chain, Hyundai Motor Company operates a responsible due diligence process to identify, assess, prevent, mitigate, monitor, and disclose ESG risks arising across the supply chain, and provides training, guidelines, and technical support to enhance the capabilities of its Suppliers.

This Policy is reviewed and revised regularly to reflect the input of stakeholders, including management.

### **b. Scope of Application**

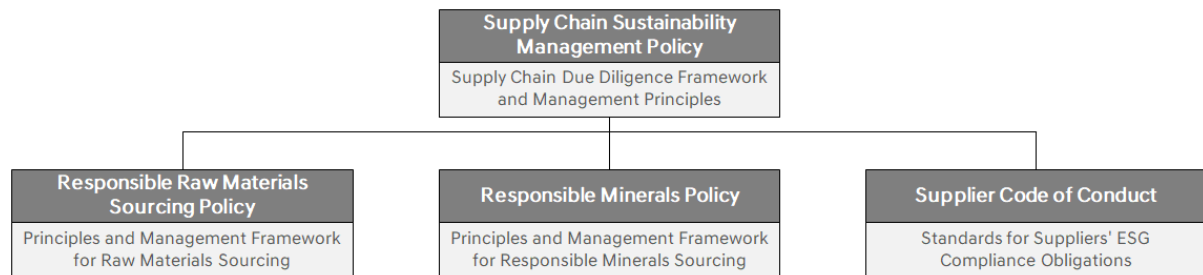
This Policy applies to all domestic and overseas operations of Hyundai Motor Company (including its headquarters, regional offices, sales corporations, production plants, service centers, and delivery centers) and its subsidiaries. It also applies to all relevant stakeholders involved in or affected by Hyundai Motor Company's business activities, such as suppliers and distributors engaged at every stage from vehicle design to production and distribution.

Where any provision of this Policy conflicts with the legally binding laws or regulations of a specific country, the laws and regulations of that country shall take precedence.

This Policy has been developed with reference to major laws, regulations, and global standards, including the "EU Corporate Sustainability Due Diligence Directive (EU CSDDD)," the "Corporate Sustainability Reporting Directive (CSRD)," the "ILO Core Conventions," the "OECD Due Diligence Guidance for Responsible Business Conduct," the "UN Guiding Principles on Business and Human Rights," the "OECD Guidelines for Multinational Enterprises," the "Responsible Business Alliance (RBA)," the "Ten Principles of the UN Global Compact (UNGIC)," the "Global Reporting Initiative (GRI)," and the "K-ESG Guidelines."

### c. Related Policies

This Policy serves as the overarching reference policy for the "Responsible Raw Materials Sourcing Policy," the "Responsible Minerals Policy," and the "Supplier Code of Conduct"; for any matter not separately specified in these subordinate policies, this Policy shall apply.



**[ Supply Chain Management Policy Hierarchy ]**

Hyundai Motor Company expects all individuals, organizations, and stakeholders throughout the supply chain—including its executives and employees, subsidiaries, and Suppliers—to share the purpose and intent of this Policy, to conduct responsible business activities through due diligence, and to strengthen their capabilities together. Hyundai Motor Company further calls for joint efforts to effectively prevent, mitigate, and resolve adverse impacts within the supply chain.

As a contractual obligation, Hyundai Motor Company requires its Suppliers to comply with its policies, including but not limited to the following:

- i. the "Supplier Code of Conduct"
- ii. the "Responsible Minerals Policy"
- iii. the "Responsible Raw Materials Sourcing Policy"

## **2. General Principles**

### **a. Establishment of Due Diligence System**

Hyundai Motor Company has established and operates a due diligence system to proactively prevent or minimize social responsibility and environmental risks within its supply chain and to eliminate any violations of applicable laws and regulations, in accordance with social responsibility and environmental regulatory requirements.

As part of fulfilling these obligations, Hyundai Motor Company carries out the following internal responsibilities. All due diligence activities are conducted with reference to the "OECD Due Diligence Guidance," the "UN Guiding Principles on Business and Human Rights (UNGPs)," and relevant domestic and international laws, under the oversight of the Board of Directors or its subcommittees (such as the Sustainability Management Committee) and management committees (see Section 5-a, "Roles of the Management Committee, the Board of Directors, and Executives").

- i. Establishment of a supply chain risk management system: defining a standardized process encompassing risk identification and assessment, prevention and mitigation, remediation, monitoring, and disclosure.
- ii. Formation of an internal implementation team: designating a dedicated due diligence department that operates under the supervision of management.
- iii. Regular risk analysis: conducting periodic risk assessments and re-analyzing risks as needed.
- iv. Development and implementation of preventive and corrective measures: setting priorities based on the severity and likelihood of risks.
- v. Formulation of preventive and corrective measures for both the Company and its Suppliers.
- vi. Stakeholder engagement: maintaining communication channels with Suppliers, executives and employees, local communities, and civil society organizations.
- vii. Information disclosure: fulfilling data provision requirements in accordance with ESG disclosure standards.

### **b. Stakeholder Engagement**

Hyundai Motor Company respects the rights and interests of all stakeholders who may be affected by the activities of the Company, its subsidiaries, or its Suppliers, in order to effectively respond to ESG

risks within the supply chain. Stakeholder engagement is treated as a core element of the supply chain due diligence system, and the input of relevant stakeholders is incorporated throughout the entire due diligence process. In particular, in accordance with the principle set out in [3-a-③, "Rights of Local Communities and Indigenous Peoples"] of [Section 3, Supply Chain Sustainability Management Principles], Hyundai Motor Company shall respect and protect the rights of women, Indigenous Peoples, minorities, and other marginalized or underserved communities in the course of its ESG risk management activities, and shall, in the extraction and processing of raw materials, cooperate with Indigenous Peoples and local communities and respect their right to Free, Prior and Informed Consent (FPIC).

The input of stakeholders is reflected in the following procedures:

- i. Identification and assessment of adverse impacts
- ii. Gathering of information for prioritization
- iii. Development of plans for the prevention and correction of adverse impacts
- iv. Implementation of remediation for affected parties

### **3. Supply Chain Sustainability Management Principles**

Hyundai Motor Company defines the Supply Chain Sustainability Management Principles in order to fulfill its social, environmental, and ethical responsibilities across the supply chain. These Principles function as the indicators and basis for identifying, preventing, and mitigating risks throughout the supply chain due diligence process, and may be continuously supplemented and revised in response to changes in the regulatory environment. By operating a supply chain due diligence system based on [Section 4, Supply Chain ESG Due Diligence Process], Hyundai Motor Company monitors compliance with these Principles and prevents the risks arising from any non-compliance.

#### **a. Social Responsibility**

##### **① Respect for Human Rights and Prohibition of Serious Human Rights Violations**

In accordance with the "UN Guiding Principles on Business and Human Rights," the "Universal Declaration of Human Rights," and the "International Covenants on Human Rights," Hyundai Motor Company respects and protects human rights across its supply chain and strictly prohibits the following:

- i. All forms of abuse, including torture and cruel, inhumane, or degrading treatment
- ii. Discrimination, sexual harassment, sexual violence, and other serious violations of human rights
- iii. Inhumane criminal acts that violate international human rights law, such as war and genocide

## **② Prohibition of Child Labor**

In accordance with "ILO Convention No. 138 (C138)" and "ILO Convention No. 182 (C182)," Hyundai Motor Company prohibits all forms of child labor, including the following:

- i. The employment of children under the age of 15
- ii. The assignment of workers under the age of 18 to the worst forms of labor or to hazardous work

Where child labor is identified, Hyundai Motor Company shall immediately implement appropriate remedial measures, including the cessation of the work or employment, the provision of protective measures, and support for education.

## **③ Prohibition of Forced Labor**

In accordance with "ILO Convention No. 29 (C029)" and "ILO Convention No. 105 (C105)," Hyundai Motor Company prohibits all forms of forced labor, including the following:

- i. Debt bondage
- ii. Modern slavery and human trafficking
- iii. Confinement and the restriction of freedom of movement
- iv. The confiscation of identification documents or personal papers and the restriction of the freedom to change employment
- v. State-imposed forced labor

All workers shall be able to refuse labor performed against their free will and shall be free to terminate their employment relationship without fear or concern of penalty. Where forced labor is identified, Hyundai Motor Company shall immediately implement appropriate remedial measures, including the cessation of the work or employment and the provision of protective measures.

## **④ Non-Discrimination and Anti-Harassment**

Hyundai Motor Company prohibits all forms of discrimination and physical or mental harassment based on gender, race, ethnicity, nationality, religion, disability, age, marital or family status, political opinion, social status, or other personal characteristics. All workers shall be guaranteed equal opportunity and

fair treatment throughout all processes and systems, including recruitment, assignment, promotion, training, and compensation.

#### **⑤ Fair Working Conditions**

All workers within the supply chain shall work under fair working conditions. Hyundai Motor Company complies with the statutory standards for working hours and holiday pay and, in accordance with the laws of each country, establishes fair and reasonable compensation systems. All workers shall be paid at or above the statutory minimum wage, and plans shall be established and implemented to close any gap with a living wage that takes into account essential living costs such as housing, meals, and healthcare. Charging workers recruitment fees is prohibited, and all working and employment conditions shall be clearly communicated in advance in a language that workers can understand.

#### **⑥ Freedom of Association**

Hyundai Motor Company respects the labor relations laws of the countries in which this Policy applies. In accordance with the laws of each country, all workers shall be provided with sufficient opportunities for communication and shall be guaranteed the right to freely form associations and engage in collective bargaining. Where workforce changes are unavoidable for management reasons, such as large-scale relocations or layoffs, Hyundai Motor Company shall reach agreement with worker representatives within the prior consultation periods prescribed by the laws of each country.

#### **⑦ Safety and Health**

Hyundai Motor Company endeavors to ensure a safe and healthy working environment across its supply chain. All workers shall be protected through measures including the following:

- i. The establishment and operation of a health and safety management system based on health and safety laws and international industry standards
- ii. The assessment and identification of potential hazards in all areas where workers work and live
- iii. The installation and monitoring of safety devices to prevent industrial accidents
- iv. The implementation of appropriate measures in the event of an industrial accident and the establishment of measures to prevent recurrence
- v. The establishment and operation of an emergency response system for emergencies such as natural disasters, fires, and outbreaks of disease
- vi. The provision of safe housing conditions, including emergency escape facilities, an adequate supply of drinking water, and the maintenance of sanitary conditions



## **⑧ Rights of Local Communities and Indigenous Peoples**

In accordance with the "UN Declaration on the Rights of Indigenous Peoples (UNDRIP)," Hyundai Motor Company respects the legal and customary rights, cultures, and traditions of the local communities and Indigenous Peoples affected by its business activities across the supply chain. The rights of local communities and Indigenous Peoples shall be protected through measures including the following:

- i. The protection of the rights of all individuals, including vulnerable groups such as women and minorities
- ii. The obtaining of Free, Prior and Informed Consent when acquiring or using land and when developing or extracting resources
- iii. The prohibition and prevention of adverse impacts on local communities, including the following:
  - Land grabbing, unlawful forced eviction, the dispossession of property rights, and the destruction of cultural and ceremonial sites
  - Air, water, and soil pollution, deforestation, and the improper disposal of waste
- iv. Continuous communication with local communities and Indigenous Peoples

## **⑨ Protection of Human Rights Defenders**

Hyundai Motor Company supports the role of human rights defenders in promoting and protecting fundamental rights and freedoms, and all business activities across the supply chain shall be conducted in a manner that protects human rights defenders from threats, intimidation, and retaliation.

## **b. Environmental Responsibility**

### **① Response to Climate Change and Energy Management**

In compliance with the "Paris Agreement," Hyundai Motor Company manages and reduces the greenhouse gas emissions generated across its supply chain. To this end, it implements measures including the following:

- i. The establishment and implementation of targets aligned with international initiatives such as the Science Based Targets initiative (SBTi)
- ii. The accurate measurement, monitoring, and reporting of energy consumption and greenhouse gas emissions

- iii. The improvement of energy efficiency, the adoption of low-carbon technologies, and the expanded use of renewable energy to reduce greenhouse gas emissions

## **② Air Pollutant Management**

Hyundai Motor Company manages and minimizes the adverse environmental impacts caused by air pollutants generated by business activities within its supply chain. To this end, it implements measures including the following:

- i. The accurate measurement, monitoring, and reporting of air pollutant emissions
- ii. Strict compliance with the air pollutant emission standards under the laws of each country
- iii. The implementation of reduction measures, such as the adoption of emission-reduction technologies and the optimization of transportation and logistics

## **③ Water Resources Management and Prevention of Water Pollution**

Hyundai Motor Company implements measures including the following for responsible water resources management and the prevention of water pollution:

- i. The accurate measurement, monitoring, and reporting of water usage and wastewater discharge
- ii. The improvement of water use efficiency and the expansion of recycling
- iii. Strict compliance with the wastewater discharge and treatment standards under the laws of each country
- iv. Ensuring local communities' access to water resources
- v. The protection of water systems and marine and seabed ecosystems

## **④ Prevention of Soil Pollution and Sustainable Land Use**

Hyundai Motor Company is guided by the principles of preserving healthy soil and using land responsibly. It implements appropriate measures to prevent soil pollution, soil erosion, and land degradation resulting from business activities within its supply chain, and prohibits the unlawful acquisition of land and the forced expropriation of land.

## **⑤ Protection of Biodiversity**

Hyundai Motor Company endeavors to protect, restore, and enhance biodiversity and to preserve healthy ecosystems. To this end, it implements measures including the following:

- i. The assessment of the impact of, and dependence of, its business activities on biodiversity

- ii. The prevention and minimization of adverse impacts on biodiversity
- iii. The management of risks associated with sourcing raw materials that cause deforestation or degradation, in accordance with relevant laws such as the "EU Deforestation Regulation (EUDR)"
- iv. The prohibition of the illegal trade in, and handling of, endangered species of wild fauna and flora, in accordance with relevant laws such as the "Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)"

#### **⑥ Management of Waste and Hazardous and Chemical Substances**

Hyundai Motor Company minimizes adverse environmental impacts within its supply chain through the responsible management of waste, the appropriate use, management, and disposal of hazardous and chemical substances, and the expanded use of circular resources. To this end, it implements measures including the following:

- i. The minimization of waste generation and the expansion of reuse and recycling
- ii. The safe management of hazardous waste and chemical substances throughout their transportation, storage, handling, use, and disposal
- iii. Compliance with relevant international standards, such as the "Basel Convention" and "EU REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals)"

#### **⑦ Environmental Risk Management**

Hyundai Motor Company responsibly manages noise, vibration, and other environmental risks arising from business activities within its supply chain. It regularly monitors noise and vibration levels and endeavors to identify, in advance, potential environmental hazards that may affect neighboring communities and ecosystems.

### **c. Ethical Responsibility**

#### **① Compliance with Laws and Regulations**

Hyundai Motor Company complies with all applicable laws and regulations in every country in which it conducts business within its supply chain. Where the standards prescribed by this Policy differ from the requirements of the relevant laws and regulations, the stricter standard shall apply. Such laws and regulations include those relating to export controls and economic sanctions.

## **② Anti-Corruption and Transparency**

Hyundai Motor Company maintains standards of ethical conduct consistent with the anti-corruption laws applicable in every country in which it conducts business within its supply chain and with relevant international standards. It applies a zero-tolerance principle to all forms of unethical conduct, including the following, and operates reporting and investigation procedures for violations as well as a whistleblower protection system:

- i. Corruption and the giving or receiving of bribes
- ii. Money laundering, embezzlement, and financial crimes
- iii. Fraud, collusion, and other improper conduct

Hyundai Motor Company records, manages, and maintains information on its business activities and transactions, risks, and performance in accordance with applicable standards—including matters relating to supply chain due diligence and sustainability management—and discloses such information transparently where necessary.

## **③ Prevention of Conflicts of Interest**

Hyundai Motor Company makes fair and transparent decisions throughout all of its business activities. To this end, it prohibits conduct including the following:

- i. Conduct that harms the Company or its stakeholders for personal gain
- ii. Conduct that uses one's position or authority to receive or provide undue benefits

## **④ Fair Trade and Competition**

Hyundai Motor Company complies with the fair-trade and competition laws of every country in which it conducts business within its supply chain, and prohibits conduct including the following:

- i. Price fixing, the restriction of supply volumes, bid rigging, and other conduct that undermines fair competition
- ii. The abuse of a dominant market position

## **⑤ Prevention of Counterfeit Parts**

Hyundai Motor Company prohibits the entry into its supply chain of raw materials and parts that have been manufactured, used, or distributed through unauthorized reproduction or counterfeiting.

## **⑥ Intellectual Property Protection**

Hyundai Motor Company protects the intellectual property rights of the Company and its stakeholders and uses all intellectual property within its supply chain—including patents, copyrights, trademarks, and trade secrets—in accordance with proper authorization and procedures.

#### **⑦ Information Security and Personal Data Protection**

Hyundai Motor Company securely manages the confidential information and personal data of the Company and its stakeholders in accordance with relevant laws and international standards. To this end, it implements measures including the following:

- i. The lawful processing of personal data in accordance with the purpose of collection and the retention period
- ii. The establishment of an information security system and measures to prevent security breaches
- iii. The prohibition of disclosing or improperly using information without the consent of stakeholders

#### **⑧ Supply Chain Transparency and Responsible Sourcing**

In accordance with relevant laws and standards, such as the "OECD Guidelines for Multinational Enterprises," the "EU Battery Regulation (EUBR)," and the "EU Deforestation Regulation," Hyundai Motor Company progressively secures origin information and traceability, focusing on Priority Raw Materials and discloses the related information transparently. To this end, it manages its supply chain to prevent conduct including the following:

- i. The production, distribution, or use of raw materials that cause adverse impacts on human rights or the environment in the course of their production
- ii. The false labeling of the origin of, or information on, raw materials
- iii. The provision of direct or indirect support or benefits to armed groups

## **4. Supply Chain ESG Due Diligence Process**

Hyundai Motor Company identifies not only its domestic and overseas Tier 1 suppliers but also Tier 2 suppliers that have a material impact on business operations. From among its suppliers at Tier 2 and beyond, it selects those subject to priority management and conducts annual written assessments. Based on the results of these assessments and risk mapping, Hyundai Motor Company's Purchasing Division identifies high-risk suppliers and carries out on-site audits.

Through its ESG due diligence system, Hyundai Motor Company operates an integrated and structured risk management framework. This framework allows for the proactive identification, assessment, and analysis of significant risks across the entire supply chain, enabling prioritization and the implementation of necessary actions. These due diligence activities are conducted annually. The results are used to continuously improve the effectiveness and appropriateness of policies and actions by incorporating stakeholder feedback, including input from top management. The findings are also reflected in purchasing policies and used to formulate Hyundai Motor Company's strategy for strengthening ESG performance in the supply chain.

### **a. Risk Identification**

To systematically identify potential risks within the supply chain, Hyundai Motor Company assesses risks across the entire ESG spectrum, considering supplier-specific factors (including their business operations, country, and geographic location), as well as factors related to the products and services they supply and their industry. This process leverages information from external supply chain organizations and media research. Identified risks are categorized and managed based on their respective areas, such as ethics, environment, human rights and labor, and health and safety. They are then incorporated into a risk evaluation framework that utilizes both quantitative and qualitative assessment criteria, including the indicators for the written assessment.

### **b. Written Assessment**

To verify suppliers' compliance with the "Supplier Code of Conduct" and relevant laws, a written assessment is conducted by examining business records, transaction documents, and other materials.

The assessment indicators cover the areas of ethics, environment, human rights and labor, and health and safety. Based on our "Supplier Code of Conduct," these indicators are designed to comply with domestic and international regulations. They are informed by laws and standards related to the environment, human rights and labor, health and safety, fair trade, and supply chain due diligence, as well as by the "OECD Guidelines for Multinational Enterprises," the RBA, and industry initiatives such as Drive Sustainability.

Hyundai Motor Company only requests limited information and materials specifically required to verify compliance. Suppliers are asked to exclude or redact any technical or pricing information unrelated to compliance before submitting. Information and materials provided by suppliers are used solely for the

purpose of ensuring compliance with applicable laws, regulations, and Hyundai Motor Company's internal policies.

The results of the written assessment serve as foundational data for our supply chain operational strategy. They are used to identify supplier sustainability risks, select suppliers for on-site audits, and classify high-risk suppliers, with consideration for factors like the supplier's size and whether they have met key indicators.

### **c. On-site Audits**

Where necessary, Hyundai Motor Company conducts on-site audits following a written assessment to verify compliance more thoroughly. Suppliers selected for these audits are chosen based on a comprehensive review of factors, including the supplier's country of operation, industry, supplied parts or raw materials, and the results of their written assessment. In particular, suppliers with incomplete responses or insufficient documentation in their written assessment, or those identified as having potential or actual sustainability risks, are prioritized for on-site audits.

On-site audits are performed in collaboration with third-party organizations that specialize in ESG consulting, assessment, and auditing, and are conducted in close coordination with Hyundai Motor Company's Purchasing Division. Hyundai Motor Company and its commissioned third-party organizations inspect and audit suppliers to verify their compliance with the company's Code of Conduct and all applicable legal requirements, within the scope permitted by law.

### **d. Corrective Actions**

Recognizing that it is not feasible to prevent, mitigate, and resolve all ESG risks within the supply chain equally and simultaneously, Hyundai Motor Company operates a prioritization framework based on the severity and likelihood of each risk. Risks identified from written assessment responses and on-site audits are prioritized by considering critical issues from the risk identification stages, along with the specific characteristics of supply chain activities. This prioritization enables the efficient allocation of resources and capabilities. Hyundai Motor Company addresses the most critical risks first through proactive measures, followed by the gradual resolution of relatively minor risks.

In particular, when significant social or environmental risks are identified at business sites, subsidiaries, direct suppliers, etc., Hyundai Motor Company implements preventive and mitigating measures without delay. These measures are established by taking the following criteria into account:

- i. Severity of the adverse impact
- ii. Likelihood of the adverse impact occurring
- iii. Availability of resources for implementation
- iv. Structural characteristics of the industry and business relationships

## **e. Monitoring**

Based on the results of assessments and audits, Hyundai Motor Company recommends improvements for identified risks. These results may be a key criterion in supplier selection, and a failure to prevent or mitigate adverse impacts could lead to the suspension of new contracts or renewals. Depending on the risks identified, plans must be established to cease, prevent, or mitigate adverse impacts. Hyundai Motor Company continuously monitors the implementation and outcomes of these actions to identify, prevent, and mitigate adverse impacts.

Hyundai Motor Company recognizes its responsibility to work with suppliers to establish and implement appropriate preventive and corrective actions to prevent, eliminate, mitigate, or reduce prioritized potential and actual adverse impacts.

A preventive action plan includes:

- i. A specific and reasonable implementation schedule
- ii. Qualitative and quantitative performance indicators
- iii. Required financial and non-financial investments and infrastructure improvements
- iv. Adjustments to business strategies and operational plans, including purchasing practices, design, and distribution

If an actual social or environmental harm has occurred or is identified, Hyundai Motor Company will promptly establish and implement corrective actions to terminate or minimize the impact. These actions are determined proportionally based on the severity of the impact, the degree of involvement of the responsible party/supplier, and the level of influence Hyundai Motor Company can exert. If a supplier independently completes appropriate corrective actions and the Company has verified their effectiveness, additional measures may be deferred.

A corrective action plan includes:

- i. A clear implementation schedule



- ii. Qualitative and quantitative performance indicators
- iii. Investments in infrastructure and operational system improvements
- iv. Improvements to strategies and operational methods

## **5. Governance and Capacity Building**

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

- ① The operation of the supply chain due diligence system pursuant to [Section 4, Supply Chain ESG Due Diligence Process] shall be managed and supervised through a management committee or similar body in which the highest or principal decision-makers participate. The primary roles of the management committee include approving the Supply Chain Sustainability Management Policy, overseeing the implementation of the Policy, reviewing key risks within the supply chain, deliberating on risk response measures, and addressing other material matters that are determined to require a decision by the management committee.
- ② The Board of Directors of Hyundai Motor Company or its subcommittees (such as the Sustainability Management Committee) review and deliberate on responses to supply chain-related laws and regulations, the monitoring of supply chain risks and the establishment of prevention plans, and related investment decisions.
- ③ Top management sets the strategic direction for the effective implementation of this Policy, oversees and reviews the status of implementation, and provides the necessary support and resources.
- ④ The responsible department (the Supply Chain Sustainability Management Team) is responsible for the day-to-day operation and management of this Policy, the execution of the due diligence process, and communication and cooperation with the supply chain.

### **b. Training and Support**

Hyundai Motor Company actively supports the enhancement of suppliers' ESG management capabilities to strengthen the competitiveness of a sustainable supply chain. To this end, a variety of support activities are carried out, including ESG training, tailored consulting, and the establishment of supply chain management systems. Additionally, major policies and best practices in areas like

industrial safety, information security, and sustainability management are transparently shared with suppliers, and a regular newsletter is used to facilitate mutual learning.

Hyundai Motor Company Win-Win Growth Portal

## **6. Integration with Purchasing Decisions**

Hyundai Motor Company integrates ESG criteria into its overall purchasing policy to achieve sustainability across the supply chain. These criteria are reflected in all supplier selection processes and business relationships. When selecting new suppliers, Hyundai Motor Company holistically evaluates sustainability, safety, and security in addition to quality, financial soundness, and management capability. The evaluation results are used to determine whether to enter a contract and to set future transaction conditions. If a supplier fails to meet the required score, a grace period for improvement is granted. A re-evaluation is conducted after this period, and transactions may be restricted if the results are still unsatisfactory. Existing suppliers may also face measures, such as bid restrictions, based on their ESG evaluation results.

Furthermore, Hyundai Motor Company regularly monitors the sustainability performance of its suppliers through ESG risk assessments, due diligence, and inspections of safety and environmental incidents. High-risk suppliers may be subject to adverse measures under the purchasing policy, such as bid restrictions or suspension of transactions.

Hyundai Motor Company also verifies compliance with the “Supplier Code of Conduct” when signing purchasing contracts and regularly reviews related policies to prevent any conflict between ESG requirements and the purchasing policy. This ensures consistency between the “Supplier Code of Conduct” and the purchasing policy, systematically embedding ESG standards across the entire supply chain.

## **7. Records Management and Disclosures**

### **a. Documentation and Internal Reporting**

In fulfilling its due diligence obligations, Hyundai Motor Company systematically records and manages all documents related to the actions taken and their outcomes in accordance with relevant standards. These documents are retained for a minimum of five years from the date of creation or collection, or

for a longer period if required by global regulations or initiatives. Key information, including the results of risk analysis across overall operations, subsidiaries, and the supply chain, is regularly reported to top management and used to inform future policy improvements and decision-making processes.

## **b. Public Disclosure**

In accordance with applicable legal requirements, Hyundai Motor Company annually discloses its supply chain due diligence process and its overall results. The disclosure shall include, but is not limited to, the following:

- i. The results of the identification and assessment of adverse impacts
- ii. The preventive and mitigating measures taken in respect of the adverse impacts identified
- iii. The results of monitoring the measures implemented

## **8. Grievance Mechanisms**

### **a. Grievance Submission and Handling**

Hyundai Motor Company provides grievance handling channels through which it can communicate with key stakeholders—including its executives and employees, Suppliers, consumers, and members of local communities—regarding supply chain-related grievances, such as violations of social responsibility or environmental risks arising in the course of its business operations.

Where a grievance is received through a grievance handling channel, Hyundai Motor Company operates its grievance handling process in accordance with the following principles:

- ① Grievances received shall be investigated and handled fairly and promptly in accordance with relevant laws and regulations, internal procedures, and international guidelines.
- ② Upon receipt of a grievance, a dedicated internal organization of Hyundai Motor Company verifies the facts and then informs the person who submitted the grievance whether a detailed investigation will be initiated.
- ③ Detailed investigations are conducted on the basis of objective evidence.
- ④ Serious matters—such as those with the potential for a significant violation of laws or regulations, the potential to cause a substantial adverse impact on key stakeholders, or the potential to

adversely affect the Company's reputation—shall be discussed by the highest decision-making body, such as the management committee, to determine the appropriate response.

- ⑤ The rights of the person who submitted the grievance shall be guaranteed throughout the process of receiving, investigating, and handling (remediating) the grievance. The rights of the person who submitted the grievance include, but are not limited to, the following:
- i. The right to request appropriate follow-up measures
  - ii. The right to be consulted on corrective and remedial measures
  - iii. The right to be provided with information on the handling process and the measures planned in respect of the grievance received
- ⑥ The results of grievance handling shall be retained for a minimum of five years, or for a longer period where required by global regulations or initiatives.
- ⑦ Hyundai Motor Company regularly reviews the effectiveness of its grievance handling process and, where necessary, reflects the findings from the operation of the process in this Policy through revision.

## **b. Representative Grievance Channels**

All stakeholders of Hyundai Motor Company—including its executives and employees, Suppliers, members of local communities, and civil society organizations—may report grievances through the representative reporting channels. Grievances may be submitted anonymously, and all reports are kept confidential. Retaliation against any person who submits a grievance is strictly prohibited.

### **Representative Reporting 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>)

## **c. Remediation for Victims**

Where, based on the results of the receipt and handling of a grievance, it is confirmed that Hyundai Motor Company or a Supplier within its supply chain has caused or contributed to an adverse impact

on human rights or the environment, Hyundai Motor Company shall implement remedial measures for the victims. Such remedial measures include substantive and fair measures, such as a formal apology, the restoration of and support for recovery from the harm, financial and non-financial compensation, cooperation with the investigation and sanction procedures of the relevant authorities, and the establishment of measures to prevent recurrence. Hyundai Motor Company communicates and consults sufficiently with stakeholders in order to implement effective remedial measures.