HYUNDAI MOBIS

Sustainability Report 2016

HYUNDAI MOBIS puts the safety of its customers before everything else.

AEB (Autonomous Emergency Braking)

The AEB is a smart driver assistance system that minimizes damages by automatically applying emergency braking when the system detects an imminent collision with a car or pedestrian, which reviews the radar signal and the forward-looking camera.

About This Report

Reporting Outline

Hyundai Mobis has published sustainability reports on its plans and progress in environmental, social and economic performance to its stakeholders since 2010. Relying on the materiality test process, in which stakeholders take a key part in, major sustainability issues were identified to collect stakeholder opinions on issues to cover our performance and endeavors regarding such issues.

Reporting Structure

This report comprises of four parts: corporate profile, special themes, key material issues and general issues, and our major management achievements and performances in priority order according to the stakeholder interest level as uncovered from our materiality test. Detailed data and information on each sectional performance and GRI index are provided in the Appendix on p.73~86.

Reporting Guidelines

This report was compiled in accordance with the Global Reporting Initiative (GRI) G4 Guidelines, and applied with the Core 'in accordance' option.

Reporting Period

The reporting period falls on the calendar year for 2015, from January 1 to December 31. Quantitative data from a three-year trend from 2013 to 2015 are provided, highlighting certain data regarding material issues extending to the first half of 2016.

Reporting Scope

The report covers the business performance of Hyundai Mobis, including the headquarters, manufacturing sites, R&D center and regional offices, with limited coverage on greenhouse gas (GHG) emissions, locally hired employees, and sales break-down by region for overseas operation. The reporting scope will be extended later in the report.

Significant Changes to Performance Measurement

Financial data was reported on a consolidated basis, and this report prepared financial data as per the Korean International Financial Reporting Standards (K-IFRS) and energy use and GHG emissions data based on verified results.

Report Assurance

The report content has been assured independently by a third-party entity, Korea Productivity Center, whose assurance statement is provided in the Appendix on p.81-82 of the report.

Additional Information

Hyundai Mobis website http://en.mobis.co.kr/
Business Report http://dart.fss.or.kr/dsaf001/main.do?rcpNo=20160330003998
(Korea Financial Supervisory Service)

INTERACTIVE USER GUIDE

MOBIS Sustainability Report 2015 was produced as an interactive, dynamic PDF file. The interactive PDF provides links to websites and dynamically expanding function that enhance your understanding about activities implemented by MOBIS.

Please select specific content and click on the embedded icon.

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INTERACTIVE USER GUIDE

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Cover Story

Hyundai Mobis puts the safety of its customers as the first priority to be considered in developing technologies, from driver assistance system and autonomous driving technology to eco-friendly auto parts and components, customer-oriented technologies, and future technologies.

CEO's Message

Hyundai Mobis secures global competitiveness by pursuing future growth engines and strengthening its internal competencies. Meanwhile, we will create new social and environmental values based on our economic performance in pursuit of sustainable growth, by sharing these values with our stakeholders.

Distinguished stakeholders,

I'd like to express my sincere appreciation for your continued support of Hyundai Mobis.

Despite the difficult business environment at home and abroad, Hyundai Mobis achieved significant business results. Hyundai Mobis improved its product quality level abroad through various management activities based on quality innovation, as well as strengthened internal competencies by practicing system-based business activities, thereby establishing a system that promptly responds to customer and market demands. We have also focused on perfecting our technological competitiveness in autonomous driving and eco-friendly materials and components to take the lead in the future car technologies. Through these efforts, earlier this year, Hyundai Mobis was the first Korean automotive parts company to attend the CES (Consumer Electronics Show), which is North America's biggest trade show. This represents a leap forward to become a leading global company by showcasing our core technologies for the future.

Everyone at Hyundai Mobis is making concerted efforts to create sustainable value and share the business results with all its stakeholders. By supplying top-quality products and services, Hyundai Mobis aims to become a lifetime partner in automobiles and beyond, realizing sustainable mobility together for a better future. As a result, Hyundai Mobis has qualified for the Dow Jones Sustainability World Index (DJSI) for five consecutive years, which evaluates the CSR of global companies. Also, we were included in the 'East Asia 30', a list of top ten CSR performers from Korea, China and Japan each, while also enhanced our CSR status by winning the 2015 Korean Sustainability Report Award.

Securing Future Growth Engines through Sustainable Growth

In order to achieve sustainable growth based on its sense of responsibility for the future society, Hyundai Mobis is striving to enhance corporate competitiveness by pursuing future growth engines. While concentrating our competencies on internalizing future core technologies, from advanced technologies for autonomous driving vehicle to next-generation technologies for eco-friendly vehicles, we are also making efforts to secure number one products globally. To achieve this, Hyundai Mobis does its utmost to increase R&D investments and recruit outstanding researchers, while also faithfully carrying out government tasks for next-generation car development and reinforcing university-industry collaboration.

Facilitating Socially Responsible Management through Cooperation

Hyundai Mobis is running business activities based on a cooperation system for local communities and its suppliers and a sense of environmental responsibility. We extended our social contribution activities conducted domestically to be covered at our overseas sites. Since the launch of the Transparent Umbrella Campaign at Jiangsu Hyundai Mobis Automotive Parts Co., Ltd. in 2013, we ensured children's safety on the roads by distributing 30,000 transparent umbrellas annually for Beijing, Jiangsu, Shanghai and Wuxi. Hyundai Mobis has been running Junior Engineering Class Program for elementary school students in the neighborhood of Beijing, Shanghai and Jiangsu, with plans to develop and expand social contribution programs that reflect regional characteristics to Europe and India. In addition, we made strenuous efforts to become an eco-friendly company by establishing a global energy management system. Since the launch of the energy management system at Gimcheon, Changwon and Jincheon sites in 2015, we will establish the global version at our 29 overseas sites to ensure efficient energy use and carbon reduction. We also focus on expanding practical win-win partnerships. Besides general exchanges with suppliers including financial and training supports, we promote system-based business activities to offer practical support to all of our suppliers. Hyundai Mobis has contributed in strengthening its suppliers' competitiveness together with quality improvement by establishing a system for our suppliers, including video conference and integrated portal.

Hyundai Mobis promises to secure global competitiveness by pursuing future growth engines and reinforcing internal competencies, while also continuously achieving sustainable growth by creating new social and environmental values based on our economic performance and share these values with our stakeholders.

June 2016

President & CEO Hyundai Mobis

Young-deuk Lim

Corporate Profile

Founded in 1977, Hyundai Mobis has been an automotive parts manufacturer that achieves continuous development. By offering top-quality products, technologies and services, Hyundai Mobis strengthened its position in the automotive parts industry to become the sixth largest global automotive parts suppliers in 2015. We will continue to strengthen the foundation for sustainable growth through meeting challenges to become a global top tier, while also creating shared values with all of our stakeholders and share these created values.

Global OEM Parts Suppliers Ranking in 2015

6th

Selected for the 2015 Automotive News Top 100 Global OEM Parts Supplies

Sales

KRW 36.02 trillion

Total Workforce

25,216 employees

(8,672 in Korea, 16,544 overseas)

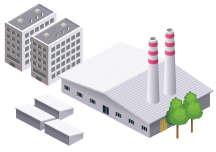
R&D Expenditures

KRW 623.2 billion

Number of Primary Suppliers

1,220 companies

(including overseas suppliers)



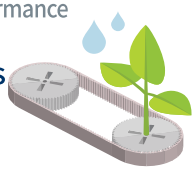
Purchase Amount

KRW 16.34 trillion

Eco-friendly Vehicle Parts Supply Performance

1,657,663 parts

(cumulative total for 2009-2015)



AS Parts Supply Amount

213 automotive models /

2,271,617 auto parts

(Unit: KRW million)

Name	Hyundai Mobis Co., Ltd.	Sales	36,019,749
President & CEO	Young-deuk Lim	Operating income	2,934,571
Establishment	June 25, 1977	Earnings before taxes	4,212,662
Headquarters	203 Teheran Road (Yeoksam-dong), Gangnam-gu, Seoul, Korea	Net income	3,040,049

Module Parts Manufacturing

KRW 18.8 trillion

Hyundai Mobis wields its cutting-edge vehicle modularization technology to manufacture and supply chassis modules, cockpit modules and front-end modules, the three core modules for carmakers. Through collaboration with carmakers, the advanced module parts at Hyundai Mobis are perfected from the very initial stage of R&D, from design to testing.

Rear chassis module Cross member, strut, axle, etc.

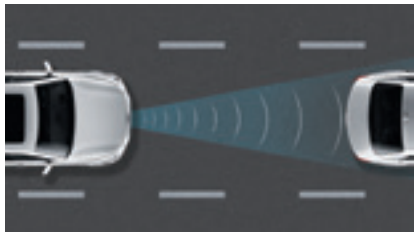
Cockpit module Airbag, audio/video, air conditioner/heater, cluster, glove box, etc.

Front-end module Front-end's cooling module, head lamp, bumper, carrier, etc.

Core Parts Manufacturing

KRW 10.9 trillion

Hyundai Mobis mobilizes all resources available to develop core parts that enhance the driving experience and more convenient vehicles, as well as road safety and environmental protection. Converged with electronics and cutting-edge IT, our motors and battery systems have boosted our eco-friendly technologies. Going forward, we will continue to invest in technology to further solidify our market power in green & intelligent automotive parts.



Smart Cruise Control (SCC)

Blind Spot Detection (BSD)

Aftermarket Service Parts

KRW 6.3 trillion

Hyundai Mobis supplies aftermarket service parts to approximately 57 million Hyundai and Kia Motors vehicles worldwide. To ensure the timely delivery of parts, Hyundai Mobis has built a cutting-edge logistics system and extensive distribution infrastructure that manages 2.27 million auto parts in stock for 213 automotive models, providing these service parts at a moment's notice and ensuring the highest level of customer satisfaction.

Inside India's Chennai Component Center

Asan Logistics Center

Detail View of MOBIS's Business Introduction

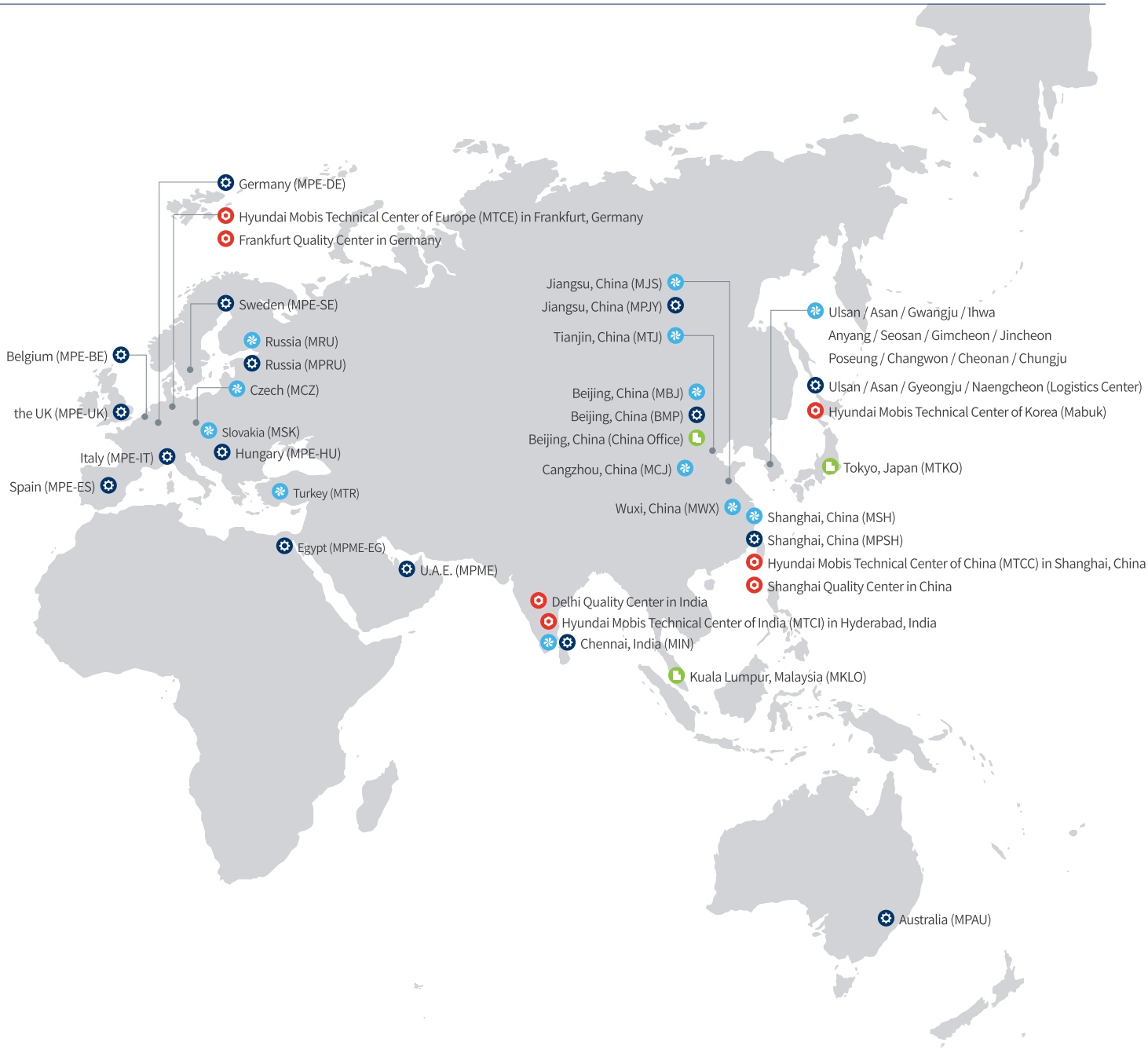
Global Network

Hyundai Mobis has global networks around the world including 28 manufacturing sites, 24 logistics centers and 5 technical R&D centers with approximately 25,000 employees in China, the Americas, Europe and Asia. For each site, we have differentiated our strategies to specific local needs and we support our clients' stable production based on global networks. By focusing on making R&D investments, we aim to achieve the goal of becoming global top tier that goes beyond being Korea's number one automotive parts manufacturer.

Detail View of MOBIS Sites

(As of December of 2015)

By region	Total workforce (persons)	Sales (million)
Korea(KRW)	8,672	19,079,257
China(CNY)	6,480	61,759
America(USD)	4,705	7,148
Europe(EUR)	4,068	3,534
Asia-Pacific/Others(USD)	1,291	1,605



(Unit: sites)

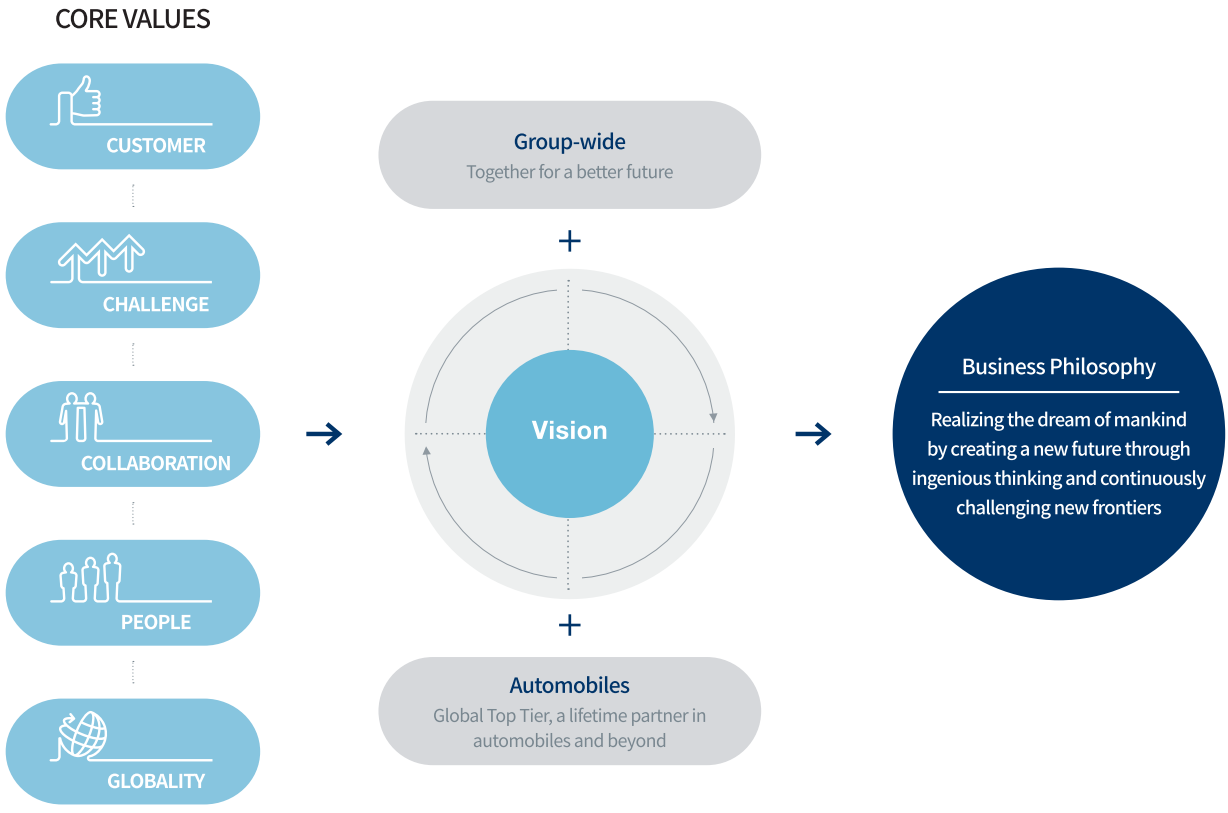
Classification	Manufacturing sites	Logistics centers	Technical R&D centers	Quality centers	Offices
Korea	12	4	1	-	-
China	6	3	1	1	1
America	5	5	1	1	1
Europe	4	8	1	1	-
Asia-Pacific/Others	1	4	1	1	1

Management System

Guided by our business philosophy which aims to realize the dream of mankind by creating a new future through ingenious thinking and constantly challenging new frontiers, Hyundai Mobis aims to become a lifetime partner in automobiles and beyond. In doing so, Hyundai Mobis shares its five core values with its employees and create shared value with stakeholders, thereby realizing sustainable mobility together for a better future.

Business Philosophy

Guided by our business philosophy which aims to realize the dream of mankind by creating a new future through ingenious thinking and constantly challenging new frontiers, Hyundai Mobis has been striving to become a leading global company. Not content to rest on its present accomplishments, the company works arduously to reach its full potential for the realization of future possibilities, while practicing an unlimited sense of responsibility for the greatest satisfaction of stakeholders as it implements social outreach activities to contribute to a better society for everyone.



Vision

By supplying top-quality products and services, Hyundai Mobis aims to become a lifetime partner in automobiles and beyond, realizing sustainable mobility together for a better future. To that effect, Hyundai Mobis developed three-year objectives and channeled its resources to realize a mid- to long-term corporate vision of becoming one of the world's top five automotive parts suppliers by 2020.

Core Values

The five core values-Customer, Challenge, Collaboration, People, and Globality-provide a guideline for Hyundai Mobis in realizing its business philosophy and achieving its vision, as well as acting as employee behavior and decision-making standards. Therefore, we strive to meet challenge and cooperate by actively participating in the group-wide core value engagement survey (CVES) to identify the practice level and areas that need improvement, while also creating a creative corporate culture that respects our customers and talented employees. Hyundai Mobis shares and internalizes its five core values with all employees to enhance the community spirit and solidarity, thereby achieving sustainable growth and development.

Management Performance

Last year, despite the changes in domestic and overseas market conditions for the automobile industry, Hyundai Mobis has continued to increase sales in global markets through close cooperation with complete carmakers and OEM part suppliers to ensure stable supply and shared growth. Overseas sales increased in emerging markets, including China, India and Brazil, to account for over 50% of total sales, showing a paradigm shift from developed markets to emerging markets. In order to improve fuel efficiency and respond to GHG emissions, the development of eco-friendly vehicles like hybrid vehicles and electric vehicles and the preparation for mass production has accelerated electrifying cars.

In 2015, Hyundai Mobis posted KRW 36.2 trillion in sales and KRW 3 trillion in operating profit through prudent responses to changes in the domestic and overseas business environment. Sales increased, including the increased sales of high-class SUVs domestically and internationally, the increase of units in operation (UIO) and the increased sales of aftermarket service parts due to the economic recovery of the Americas and Europe. By sector, module and component manufacturing recorded KRW 29.7 trillion, up by 3.0 percent over the previous year, while aftermarket service parts sales also by 0.7 percent over 2014 to reach KRW 6.3 trillion.

Going forward, we will strengthen our internal competencies through specializing in an area of our choice, and develop independent and proprietary technologies by making continuous R&D investments.

Sales

(Unit: KRW million)

Operating Income

(Unit: KRW million)

Net Income

(Unit: KRW million)

※ Hyundai Life has conducted capital increase through third-party allocation on December 7, 2015. As a result, Hyundai Mobis shares owned by Hyundai Life have fallen and excluded from the consolidated subsidiaries. Therefore, please take note that financial business was excluded from our business performance.

Sales Breakdown by Region

(Unit: million)

Classification	2013	2014	2015	Change (%)
Korea (KRW)	17,512,013	18,451,687	19,079,257	3.4
China (CNY)	63,515	66,874	61,759	-7.6
Americas (USD)	6,445	6,911	7,148	3.4
Europe (EUR)	3,259	3,012	3,534	17.3
Others (USD)	1,352	1,438	1,605	11.6

※ Sales performance is the sum of the sales of each subsidiary from the same region lumped together. Others refer to India, the Middle East and Australia regions.

Major Facility Investments

(Unit: KRW million)

※ The above investment amounts only include facility investments and exclude R&D investments (including research facility investments).

Detail View of MOBIS Management Performance

Creation and Distribution of Economic Value

Hyundai Mobis fairly distributes the economic value created through cooperative activities with all of our internal and external stakeholders. The creation of economic value pursued by Hyundai Mobis goes beyond simply generating sustainable profit to expand values for all of its stakeholders.

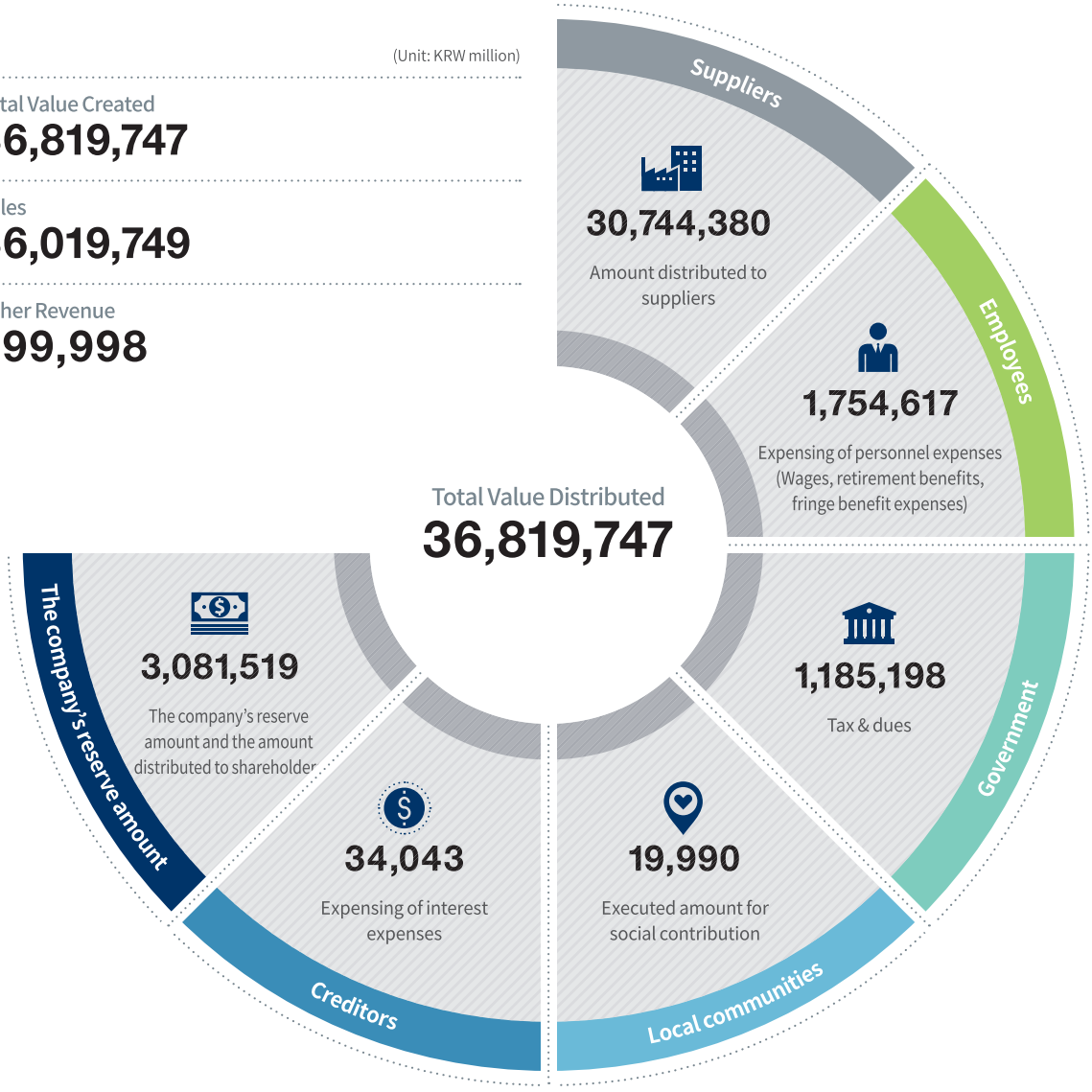
In 2015, Hyundai Mobis generated an economic value of KRW 36.82 trillion through sales and the creation of other values, which were shared with all of its stakeholders.

(Unit: KRW million)

Total Value Created
36,819,747

Sales
36,019,749

Other Revenue
799,998

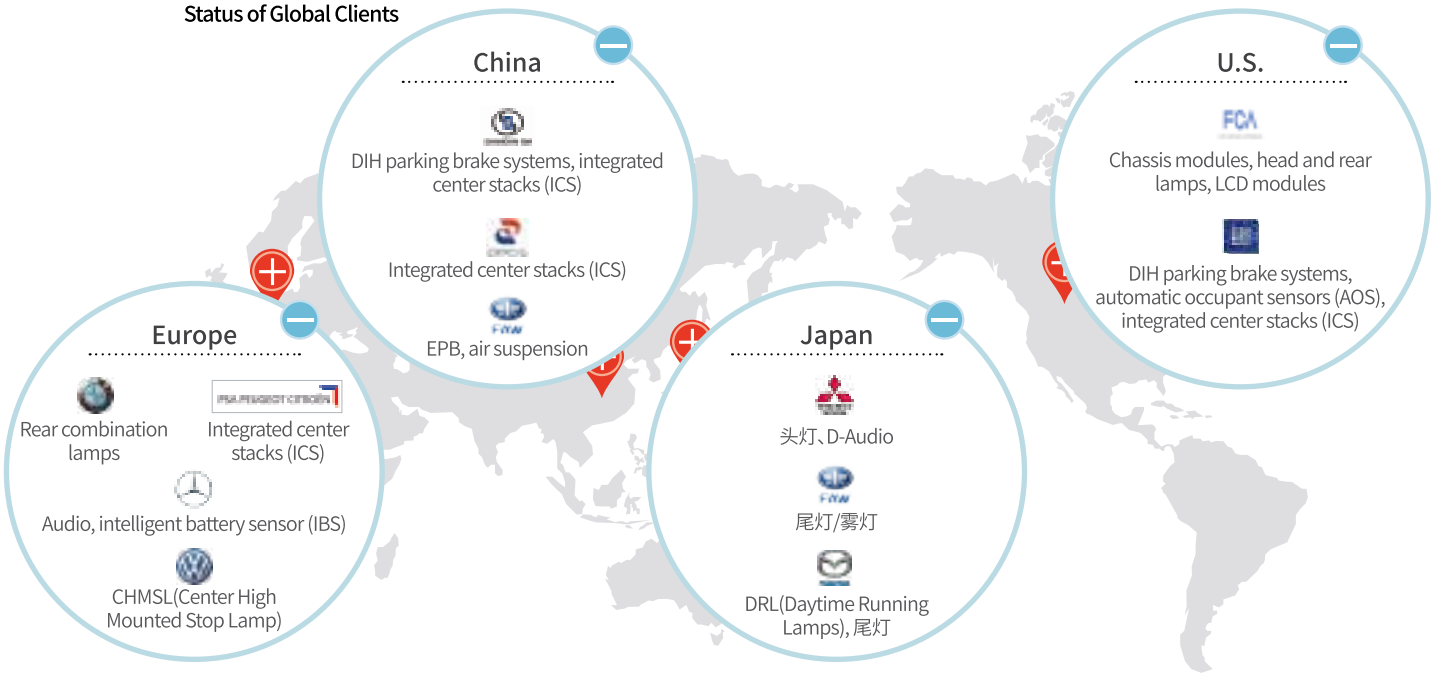


Expanding Clients through Reinforcing Global Competencies

Besides the major clients of Hyundai Mobis, Hyundai and Kia Motors, we focus on achieving sustainable growth through diversifying our clients globally. In doing this, we support the stable production of our clients in local regions and concentrate on making R&D investments under our differentiated strategies to specific local needs. Through these efforts, we supply chassis modules and value-added products like lamps, brake controls and electronic components to global clients, including FCA, GM, BMW, Daimler, Volkswagen, Mitsubishi and Subaru. In 2015, Hyundai Mobis expanded its supply of parts and components to complete carmakers in China, Europe and Japan by actively working to win orders.

Also, we exhibited about 50 types of DAS (Driver Assistance System), eco-friendly parts and components, multimedia and mechatronics for Mazda and FCA to provide technology seminars on new technologies, including autonomous driving and LED lamps. Through these efforts, we enhanced our clients' understanding about our products and technologies, as well as carried out various activities for exchanges such as consulting about new projects. Going forward, Hyundai Mobis will strive to strengthen its relationships with clients as strategic partners and ensure the supply of top-quality products on time.

Status of Global Clients



Technology Conference for Global Clients


FCA


Mazda

Stakeholder Engagement

Hyundai Mobis defines its CSR management as the process of communicating with stakeholders to achieve shared value. Therefore, our endeavors are purported at contributing to the sustainable growth of society and the nation as well as achieving high customer satisfaction while protecting the environment. Going forward, Hyundai Mobis will bring results that satisfy all of its stakeholders through actively communicating and cooperating with diverse stakeholders.

Definition of Stakeholder

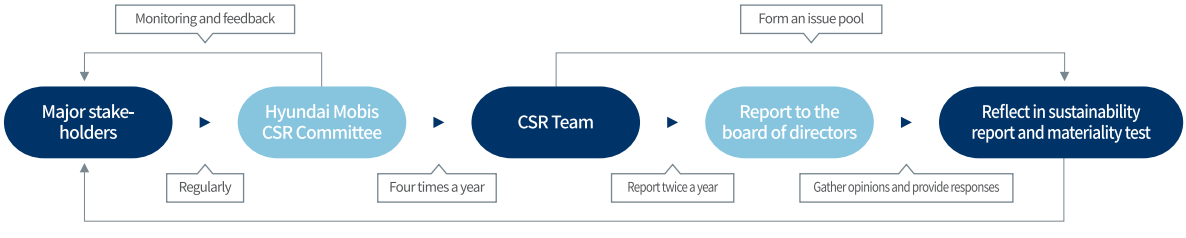
Hyundai Mobis classifies its stakeholders into eight groups and maintains different channels for communication with all of them.

Communication channels and activities by stakeholder group

Complete carmakers/ competitors	Complete carmakers and OEM part suppliers	Production and sales policies, shared direction on product development, joint projects, quality & technology capabilities tests, and market trend monitoring
Employees	Korea: 8,672 Overseas: 16,544	Employee satisfaction surveys, company-wide corporate culture assessments, CSR awareness surveys, assessments on employee awareness of business ethics, and Cyber Auditor
Business partners	Korea: 881 companies (primary suppliers) CTO Forum: 119 companies	Regular meetings, executive-level conferences, seminars for CEOs of suppliers and for suppliers of overseas subsidiaries, and CTO (chief technology officers)
Customers (dealers/consumers)	Korea: 1,940 dealerships, Overseas: 460 agencies, 12,929 dealers, car shops, and end users	Agency policy seminars, council meetings for executives, and customer satisfaction surveys
Investors	Institutional investors, individual investors, domestic and international credit rating agencies, and CSR rating agencies in relation to investors	Non-deal roadshows (NDR), disclosures, general annual shareholders' meetings, and CSR evaluations
Government/ Associations	Administrative organs, constitutional institutions, local governments and associations	Responses to public policies and institutions, and joint projects
Media/Academia/ CSR agencies	Korean and international media, CSR associations, CSR regulators, and technology forums	Brand recognition surveys, CSR communication activities, and industrial-academia R&D alliances
Local communities	Local governments, social and environmental NGOs	Social outreach partnerships (Meer Forest/Junior Engineering Class/Transparent Umbrella Campaigns)

Stakeholder Communication

All departments related to sustainability management at Hyundai Mobis are making continuous communication with key stakeholders. The key details of opinions collected are shared at the CSR Committee four times a year (January, May, September and December). The CSR Team in charge of CSR activities reclassifies the key information collected according to each field of area and establishes response strategies based on feedbacks given to stakeholders' demand. Likewise, the key details are exclusively managed and reported to the board of directors, as well as disclosed publicly through our sustainability report.



Materiality Test

STEP 1

STEP 1

Form an Issue Pool and Redefining Issues

Hyundai Mobis has run materiality test every year in accordance with the GRI Guidelines, so that an issue pool is organized to identify key internal and external management-related issues by conducting media analysis, evaluating global standards and government policies, benchmarking competitor companies within the same industry and interviewing persons in charge of sustainability management from relevant divisions. Based on the issue pool identified, we redefine the issues by adjusting the level of issues and combining or separating them.

Identify External Issues

Media Analysis	Investigation and analysis of media reports made on Hyundai Mobis between January 2015 and December 2015 ✓256 media including newspaper, public TV networks, cable TV networks, internet, etc. ✓1,370 news articles regarding sustainability out of a total of 2,734 cases
Benchmarking competitor companies within the same industry	Analysis of competitor and leading companies and key material issues ✓Target: 5 competitor and leading companies ✓Sustainability report and annual report
Evaluation of global standards	Analysis of representative CSR-related global standard reports and evaluation items ✓DJSI ✓GRI G4 ✓ISO 26000 etc.

STEP 2

STEP 2

Stakeholder Impact Analysis

Hyundai Mobis has run surveys on stakeholders for ten days from November 16, 2015 to November 25, 2015 in order to analyze the materiality and impact of sustainability issues. We surveyed 2,226 stakeholders (1,723 employees, 503 external stakeholders) in eight groups on their awareness of the company's CSR management in order to identify key material issues.

Survey Participation

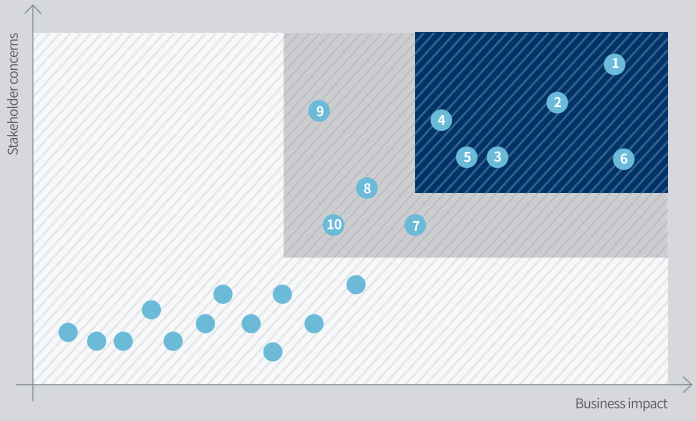
Employees	1,723	Suppliers	218
agencies	237	Clients, media/academia, government/association	27
Local communities, shareholders/investors	21		
Total	2,226		

STEP 3

STEP 3

Material Issues Identified and Report Contents Selected

Based on the impact analysis conducted in Step 2 and the opinions of internal executives gathered, Hyundai Mobis prioritized the key issues for sustainable growth. Also, the materiality, response strategies and performance of six key material issues identified are disclosed through this report.



Hyundai Mobis clearly identifies key issues through genuine communication with stakeholders and continuously implement strategic tasks to become a reliable company that fulfills its social responsibilities, by selecting the issues included in the sustainability report through the following process. First, we identify and redefine an issue pool in Step 1, and then we survey a wide range of stakeholders to derive key material issues. In Step 3, we prioritize the key material issues required for sustainable growth based on the impact analysis and opinions of internal executives collected in Step 2.

Identify Internal Issues

Identifying Internal Policy Documents
- ✓ Analyze the company's vision and the 2016 management strategy keywords
- ✓ Analyze the CEO's keywords for management practices, including the New Year message, the anniversary speech, etc.
- ✓ Analysis of the company magazine and press releases

Interview

Interview with 12 persons in charge from 8 divisions related to sustainability management
- ✓ Identify major problems and issues of sustainability management by division
- ✓ Major divisional activities and performances in 2015

Listening to Opinions of the Management

Listening to opinions of the management regarding sustainability management
- ✓ Interview held with six executives
- ✓ Participate in stakeholder survey

Identifying an Issue Pool and Redefining Materiality

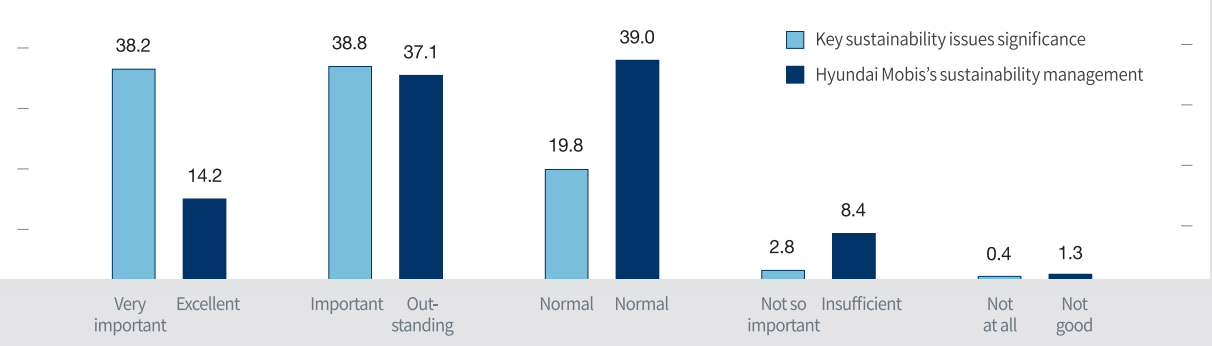
Based on the issue pool identified, we identify 22 key material issues by redefining the issues by adjusting the level of issues and combining or separating them.
- ✓ Economy: 8 key issues
- ✓ Environment: 5 key issues
- ✓ Society: 9 key issues

Prioritizing

The final six key issues are identified by prioritizing the issues by taking into consideration of the stakeholder interest and the business impact.
- ✓ Economy: 2 key issues
- ✓ Environment: 1 key issues
- ✓ Society: 3 key issues

Result of CSR Awareness Surveys

(Unit: %)



Key Material Issues

Issue	GRI Aspects	Page
1 Securing global top technology competencies	Training and Education	P. 34~41
2 Customer-oriented management	Product and Service Labeling	P. 28~33
3 Talent development	Training and Education	P. 47~51
4 Mutual growth	Indirect Economic Impacts, Local Communities	P. 42~46
5 Eco-friendly product policy	Materials, Products and Services	P. 52~56
6 Improving work efficiency through system-based management	Non GRI	P. 18~26

※ Report boundary: Hyundai Mobis

Issues Management

Economy	Society	Environment
● Expand global standards	● Recruitment of talented employees	● Response to climate change
● Risk management	● Improve diversity and corporate culture	● Environmental policies and environmental certifications
● Strengthen the supply base for parts and components production	● Establish fair trade order	● Expand eco-efficiency
● Soundness of corporate governance	● Improve health and welfare	● Manage pollutants and hazardous substances
● Transparent corporate culture	● Social contribution activities	
● Enhance the reputation of shareholders and stakeholders	● Pursue the safety of worksites	

SECTION 02

SPECIAL THEME

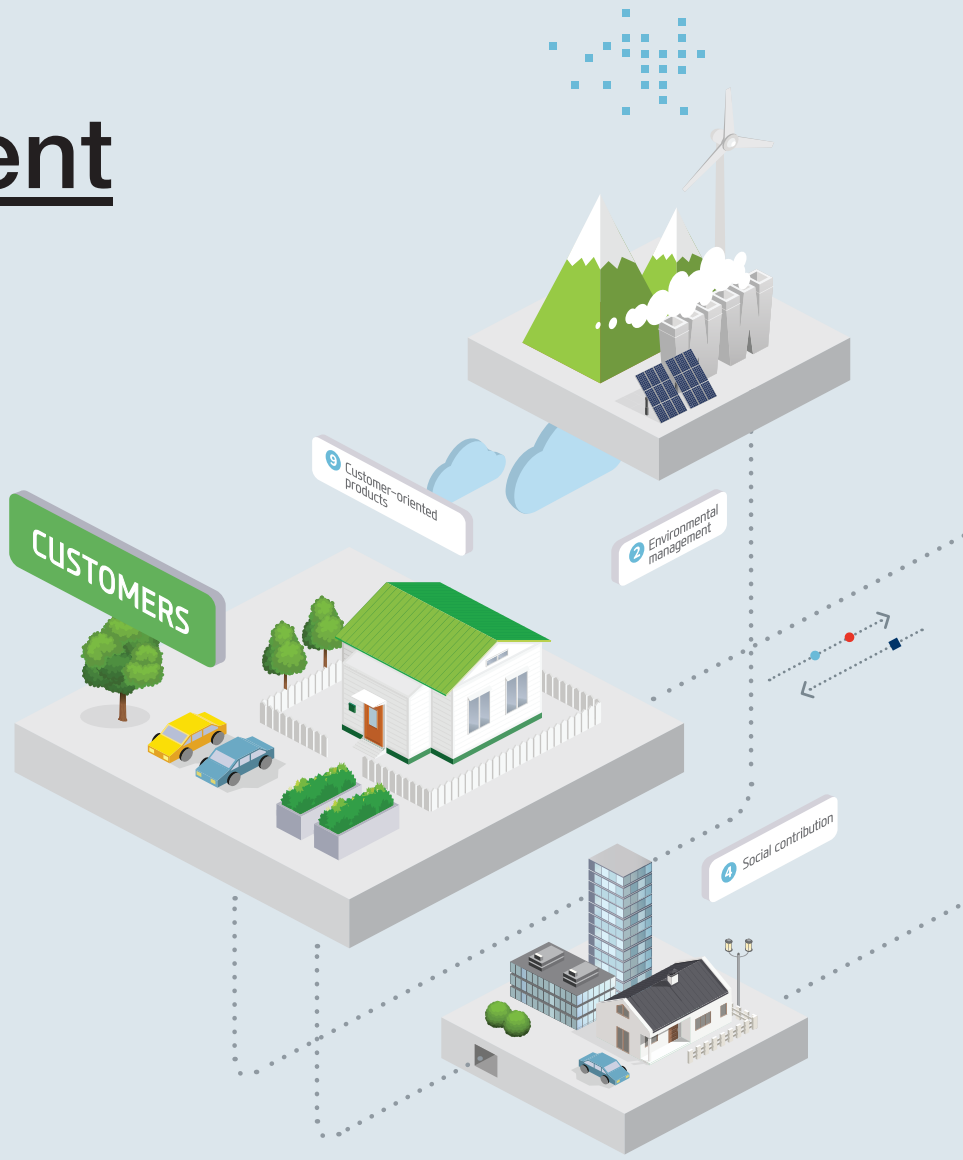
System Management

INTERACTIVE USER GUIDE

If you click on an icon or the table of contents, you can jump to that area. If you click on an icon at the top of all pages, you can jump to that page.

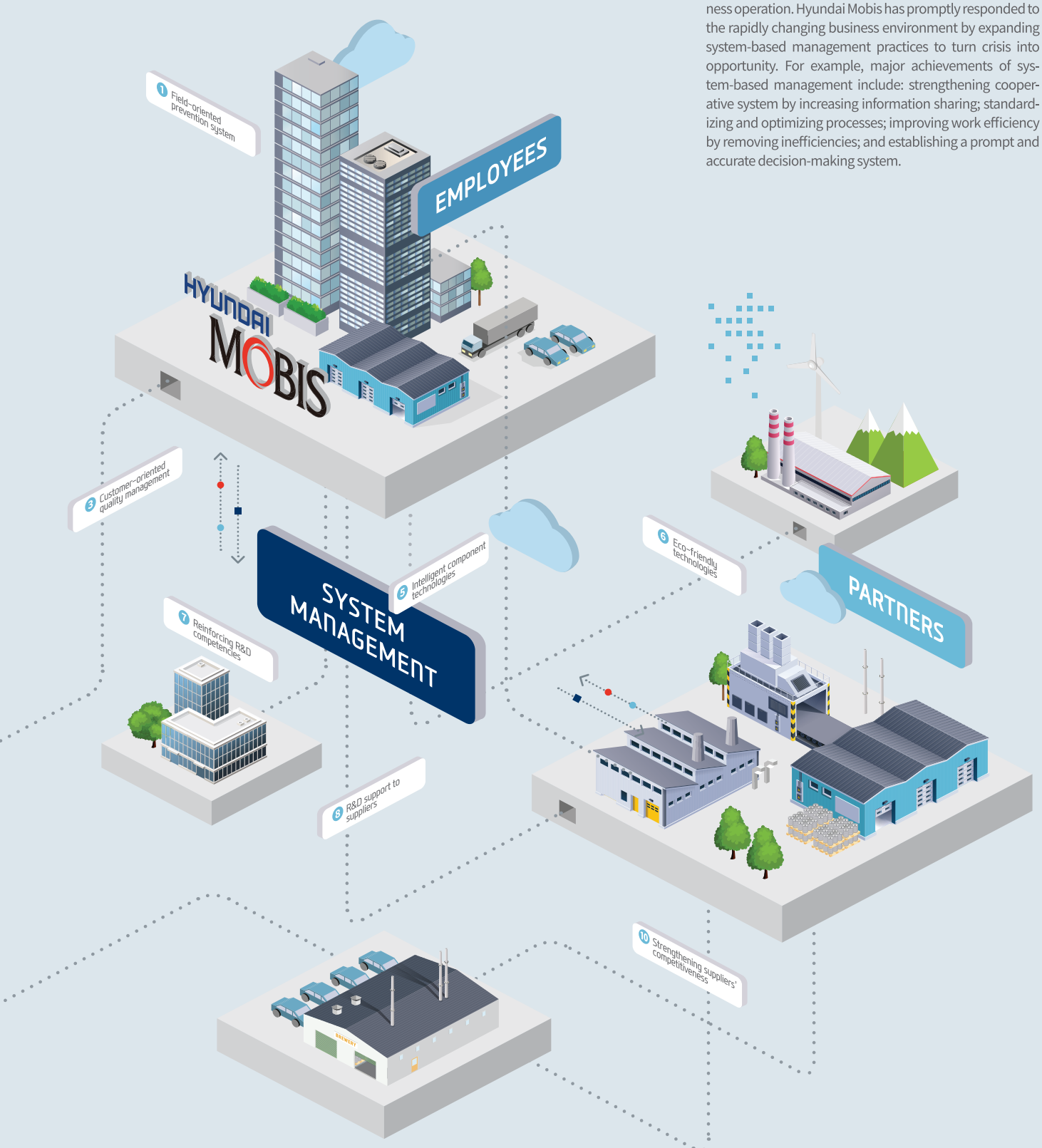
Hyundai Mobis ranked 6th place again after 2014 for 'the top 100 Global OEM Suppliers' chosen by the Automotive News, a U.S. automotive media. Our sales also increased significantly by 63 percent in five years from KRW 22.1 trillion in 2010 to KRW 36.2 trillion in 2015. Since it was essential to have a system that effectively implemented the external enlargement from rapid growth and the globalization of businesses, we reduced inefficient and overlapping factors and increased efficiency through our system-based management. We also strengthened our cooperative system with our suppliers to spread the know-how gained from system-based management to them.

System Management Overview



✓ What is System-Based Management?

It refers to a system that maximizes the organizational efficiency through systems instead of human resources, which is done based on IT-based system for overall business operation. Hyundai Mobis has promptly responded to the rapidly changing business environment by expanding system-based management practices to turn crisis into opportunity. For example, major achievements of system-based management include: strengthening cooperative system by increasing information sharing; standardizing and optimizing processes; improving work efficiency by removing inefficiencies; and establishing a prompt and accurate decision-making system.



System Management Progress & Plans

Reinforcing Competitiveness through System-Based Management Practices

The final goal of Hyundai Mobis's system-based management practices is to reinforce its competitiveness through enhancing efficiency. By analyzing and reviewing domestic and foreign business environments, we establish mid-to-long-term management directions for IT-based systems and come up with innovative tasks. Through these efforts, we established three innovative directions for IT systems, including integrating global operations, response to front-end/back-end supply chains, proactive predictions and prompt responses. Based on them, we are focusing on expanding our system-based management practices.

By innovating internal systems, Hyundai Mobis has established the foundation for integrating global operations and improving work efficiency, as well as minimizing supply chain risks and strengthening cooperative systems by reinforcing the cooperative system with our suppliers. In addition, we established diverse systems to increase communication channels, including clients and agencies, so that advanced prevention and prediction ability increased to provide prompt responses to clients. To achieve this, Hyundai Mobis systematically managed overflowing information by business area and shared them, while also inspected the existing systems to ensure interoperability between systems during the acceleration task.

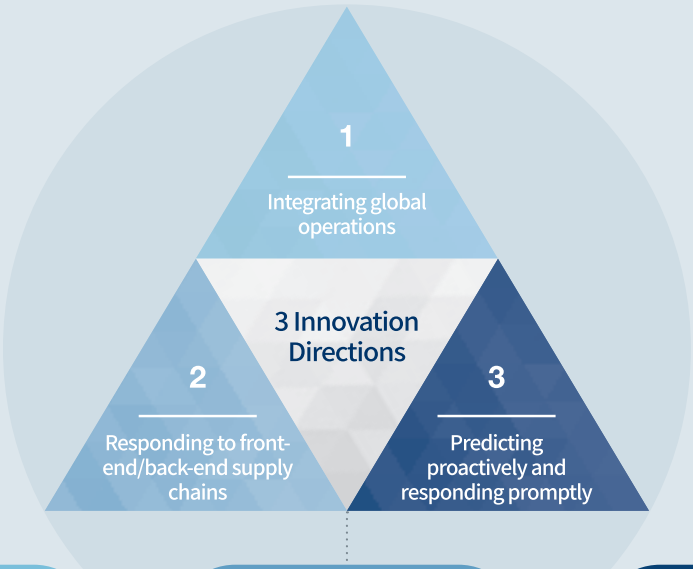
In fact, Hyundai Mobis has made noticeable results by expanding system-based management as follows: strengthening the cooperative system based on increasing information sharing; improving the data quality through a system set up on global standard information; enhancing the quality level through quality improvement activities and implementing them to suppliers; upgrading the management and support systems for suppliers; improving the operation ratio by eliminating waste factors; increasing work efficiency by analyzing factors of inefficiency; and strengthening future growth engines by upgrading R&D project management.

Interview

IT systems have a huge effect on our business environment. Therefore, we develop a new IT system through accurate analysis, while also ensuring interoperability with the existing IT system. In fact, information sharing and integrated management is possible under the IT system, which enables increased work efficiency as well as changes made to the way we work individually. We improve our employees' IT satisfaction level and system utilization by evaluating domestic and overseas information systems when developing a new system and continuously implementing system improvement activities. In addition, we establish standards for the global infrastructure operating environment, with plans to integrate the IT environment at all of our worksites. Through these efforts, we look forward to stronger management efficiency and security as a result of standardized infrastructure management and faster work process.

Information Technology Planning Group / Director, Sang-hwa Lee

Strengthening Global Competitiveness through IT-Based System Management



1 Integrating Global Operations
Enhancing work efficiency through system innovations

- Standardizing and Integrating systems
  - Establishing a global integrated management system for standard information
  - Establishing a global standard production operation
  - Integrating the global HR system
- Reinforcing internal competencies
  - Upgrading the component management system
  - Implementing work smart practices (changing the way of working)

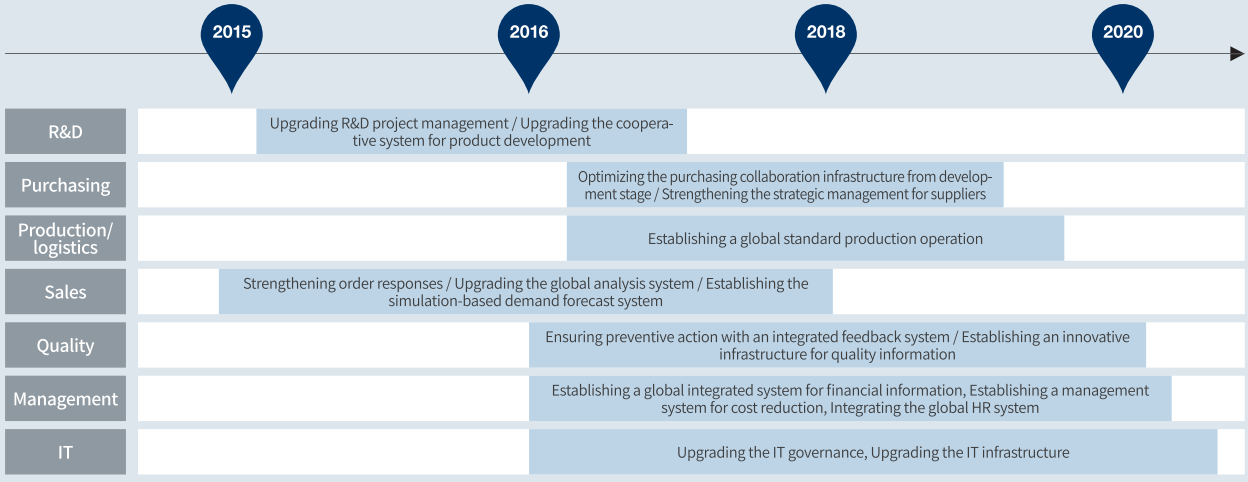
2 Responding to Front-End/Back-End Supply Chains
Managing risks of supply chains through strengthening the cooperative system for suppliers

- Maximizing collaborations
  - Optimizing the purchasing infrastructure from development stage
  - Upgrading the internal and external cooperative system for product development
- Upgrading the management system
  - Strengthening the strategic management for suppliers
  - Ensuring preventive action with an integrated feedback system

3 Predicting Proactively and Responding Promptly
Maximizing customer satisfaction levels through stronger responses

- Making predictions and taking preventive measures
  - Establishing the simulation-based demand forecast system
- Strengthening responses
  - Establishing a management system for order opportunities
  - Strengthening the sales analysis management system

Roadmap for IT Systems



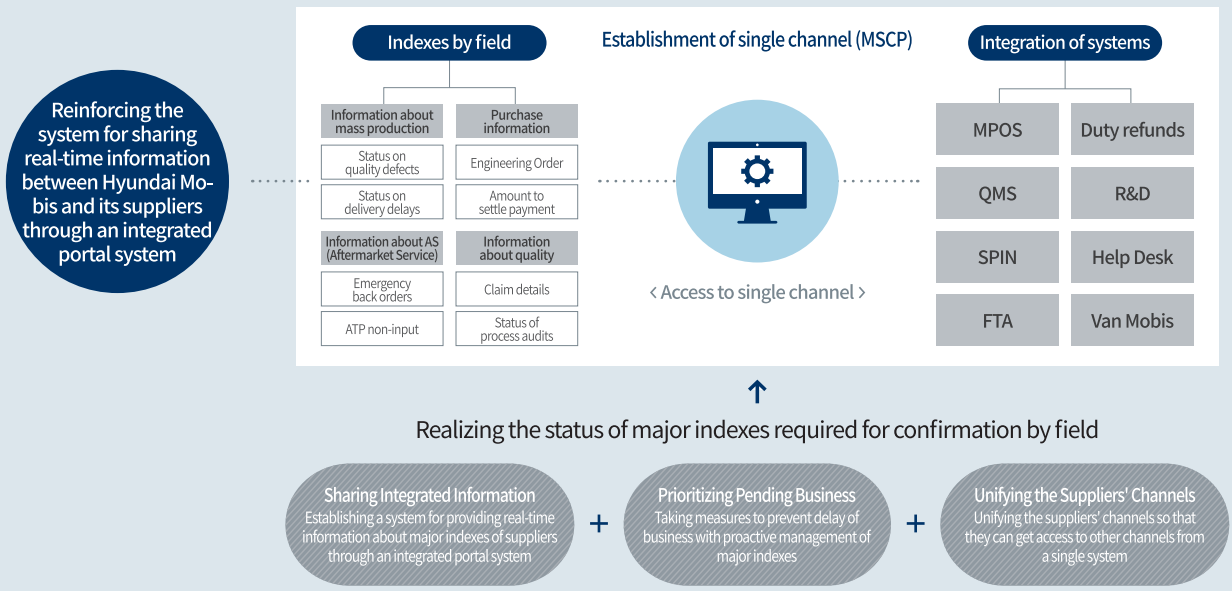
Main System Introduced

Establishing a Global Integrated Management System for Standard Information

Standard information is key information used equally across the enterprise and a common language used within the company. If there isn't a system established for standard information, it can cause confusion to business. In July 2015, Hyundai Mobis set up the G-MDM (Global Master Data Management), which is a global integrated management system for standard information that provides integrated management and standardization of enterprise-wide standard information. Standard information that used to be separately operated and managed by business area had been integrated into single enterprise-wide information. Also, we enhanced the quality of data by maintaining consistent standard information through regular monitoring. Hyundai Mobis explored additional factors for standard information by identifying samples for enterprise-wide standard information, which was continuously integrated and standardized. In addition, we extensively applied the G-MDM to cover overseas worksites and new corporations.

Establishing an Efficient System to Manage and Support Suppliers

Hyundai Mobis is operating management and support systems for its suppliers. Since there are a great number of them, the information is scattered and it was necessary to improve the flexibility of the system that failed to meet the user's demands, which is why we upgraded the management systems for our suppliers that had been established in 2007. In September 2015, Hyundai Mobis established a portal system called MSCP (Hyundai Mobis Supply Chain Portal) to provide integrated management and strengthen interoperability with the existing system for suppliers. As a result, we extended the scope of information sharing by registering not only essential information for production and delivery processes, including the present status of quality defect ratio, changes in the production plan and the delay in delivery, but also payment information, parts identification mark and emergency contact information. Through these efforts, we improved the overall management of our suppliers, including the management process, server environment, function and UI, which had the effect of increasing user convenience and improving the utilization.



Enhancing Work Efficiency through Innovating Office Management

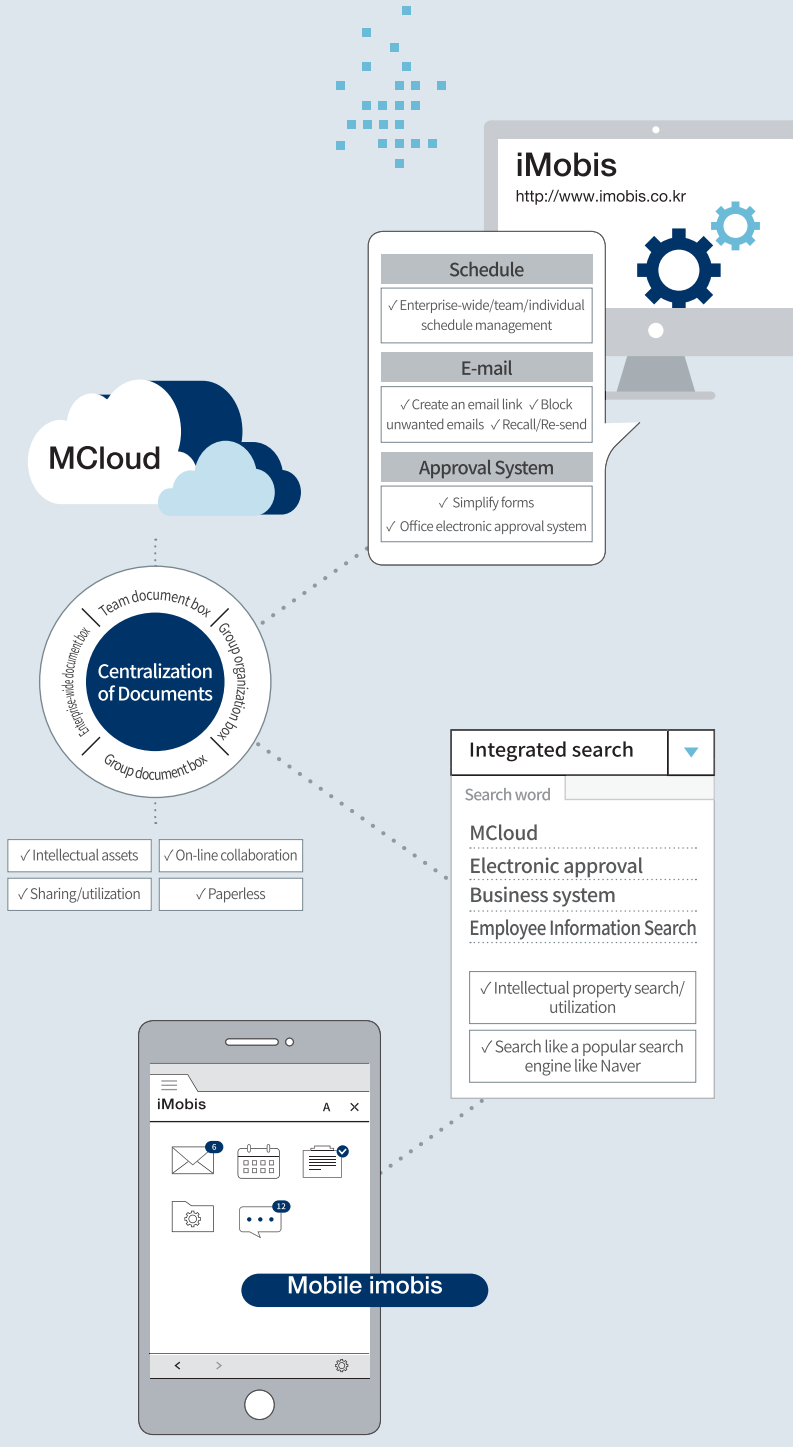
Hyundai Mobis is making changes in the way they work by innovating office management.

The three implementation directions of innovating office management include: capitalization of information by establishing MCloud; upgrading the sharing and collaboration functions for establishing an integrated information retrieval system; and creating a smart work culture through reorganizing the work system (imobis).

Since July 1, 2015, Hyundai Mobis successfully centralized its intellectual property by establishing MCloud. It is a system that stores documents not only in the employee's personal computer, but also in the central server, allowing information sharing as well as spreading a collaborative culture. Besides MCloud in R&D area, we systematically manage the R&D performance by registering technical drafts and software sources in ubCENTRA. Through these efforts, we had the effect of strengthening security.

Under the MCloud, we also established an integrated information retrieval system that enables quick and easy retrieval of documents stored in various systems within the company, which is currently being operated for a limited number of people. Hyundai Mobis will further strengthen its cooperative system to increase information sharing through such tools.

The reorganization of the work system (imobis) brought a huge change to business environments. It streamlined the reporting line because office documents were used without separate authority, so that it is submitted to a superior for electronic approval. Since approvals were made within the system instead of through document report, it also led to paperless reporting. In addition, we extended the mobile imobis users from above team leader levels to include all of the employees in Korea, making a smart work environment where checking e-mails and giving approvals can be done regardless of time and place.



Result of Work Smart Analysis

Hyundai Mobis has surveyed its domestic employees on the level of awareness about changes made to the way they work. The result of comparing the work smart composite index for before and after establishing MCloud, which signaled the start of innovating office management, showed an increase of 21 percent. According to each area, the simplification of the reporting line showed the biggest increase, while reducing the printing of unnecessary documents recorded the highest score.

- **Composition of survey** : Three areas (Work, People, Infra) / Five detailed tasks (meeting, drawing up documents, instructions on the job, getting approval on reports, collaboration)
- **Number of participants** : Domestic employees 4,318 persons

Document sharing ratio
93.2%

Reduction ratio of printed papers
90%

Reduction ratio of printers at offices
40%

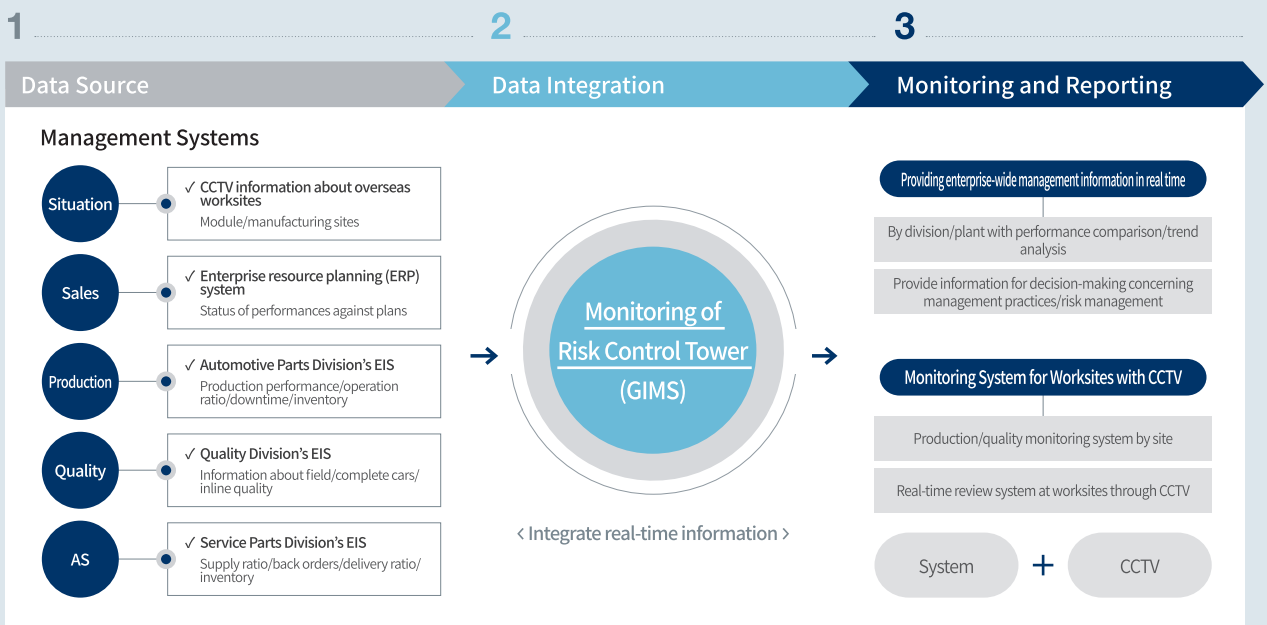
Optimizing Decision-Making through EIS Upgrade

Hyundai Mobis established a prompt decision-making system by upgrading management information for each business area. We analyze and share the information that require improvement and sharing on time by establishing the EIS (Executive Information System), which is an optimized management information system for different business areas, including R&D, purchasing, quality and sales. Furthermore, we hold an enterprise-wide meeting based on the EIS information, while also providing prompt decision-making process and making improvements. In fact, the daily quality meeting held by the top management is based on the EIS.

Running a Risk Control Tower for System-Based Management Practices

Hyundai Mobis is implementing the highest innovation of system-based management practices by running a risk control tower. In early 2013, Hyundai Mobis established a rescue control tower based on the GIMS (Global Integrated Monitoring System), which manages about 30 manufacturing sites in ten countries around the world in real time. On the screen of the risk control tower that is connected with production, quality and energy management systems, it is possible to count various figures in real time including the production line of about 30 manufacturing sites, the production and inventory status by product, the actual output, the operation ratio, days of inventory and field quality. Besides this, we prepare for line stoppage, quality problem and fire occurrence due to facility problems by installing CCTVs at all of our manufacturing sites around the world in 2015. The information collected at the risk control tower act as the basis for the management's accurate decision-making process, as well as a prompt response system in case of an emergency.

Hyundai Mobis is spreading the know-how on system-based management to its suppliers. We invited about 200 CEOs of the primary suppliers to Hyundai Mobis's head office and 6 major plants to share our know-how about utilizing IT-based systems. The suppliers' CEOs attended video conferences that can accommodate up to 300 persons and share information on Hyundai Mobis's quality policy. Also, they shared about the effective way of utilizing each system better by demonstrating integrated portal, quality management system and integrated process check system for suppliers. We clearly introduced about the current management status by inviting the CEOs to the risk control tower at the head office. Meanwhile, Hyundai Mobis has set up various systems, including video conference system and suppliers' integrated portal, allowing our suppliers to use them for free of charge.



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INTERACTIVE USER GUIDE

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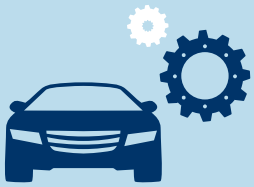
SECTION 03

Material Issues

Customers Satisfaction

01

By providing top-quality products and services, Hyundai Mobis has focused all of its competencies on achieving customer satisfaction that goes beyond their expectations. We aim to achieve zero-defect production quality through proactive quality management and a production system that supports it, as well as making efforts to reduce the weight of components and develop high-quality materials to supply the optimized products to our customers. In addition, we are paying close attention to client voices through the customer satisfaction system.



Number of AS Component Items Provided for 213 Car Models in 2015
(Unit : 10,000 items)

227

CS 1 Million Index Improvement Rate (domestic)
(Unit : %)

61

Number of Employees Who Participated in CS Training in 2015
(Unit: persons)

4,277

2015

Progress in 2015
• Improving quality indexes in accordance with quality-first policy
• Strengthening responses to customers by facilitating global quality centers
• Establishing a field-oriented quality management system

2016+

Forecast and objectives
• Establishing Hyundai Mobis quality standard (Q-Standard)
• Strengthening competencies for preliminary verification of quality
• Upgrading the smart quality management system

Quality Management Based on Customer-First Policy

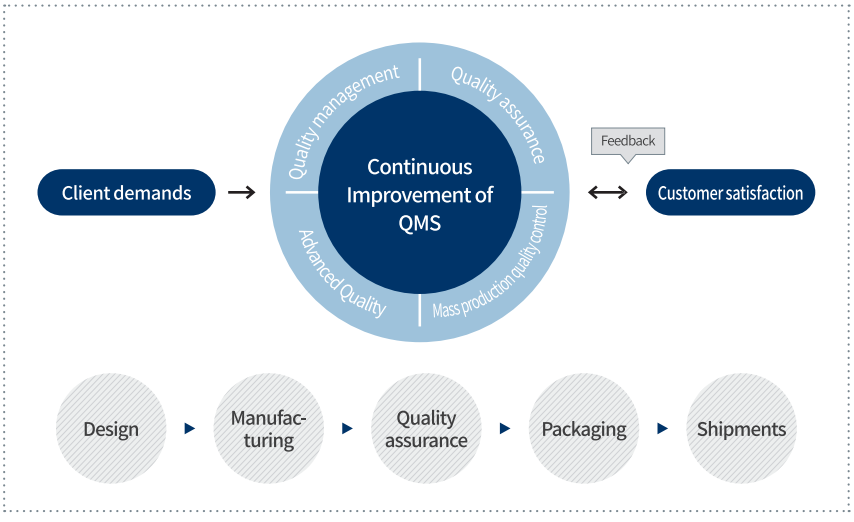
In order to provide top-quality products and services, Hyundai Mobis has focused all of its competencies on achieving our top priority tasks: realizing defect-free quality, ensuring the highest possible customer satisfaction system, establishing processes in line with global standards, and reinforcing our suppliers' quality competitiveness. In 2002, Hyundai Mobis was the first Korean company to earn the ISO/TS 16949 certificate-the quality management system (QMS) for international carmakers-on all of its global operations, as well as poised to achieve zero-defects. As of the end of 2015, the company completed the ISO/TS 16949 QMS certification at 37 of its manufacturing plants around the world. We have also innovated the prevention control system to prevent quality issues at source. In order to provide better products, we continuously improved production lines so that they all met global standards. Hyundai Mobis also controls all quality issues on its overseas operations through its overseas quality control centers in major strategic auto markets in the U.S. (LA), China (Shanghai), Germany (Frankfurt) and India (Delhi). The overseas quality control centers carry out quality innovation activities tailored to local client needs and market demands, and are reinforcing their capabilities for on-site troubleshooting and new vehicle tests. We plan to expand more centers overseas in strategic markets in South America and the Middle East in order to offer localized quality services and the prompt dealing of quality issues. In addition, we will focus on strengthening our quality competitiveness through Hyundai MOBIS High Tech Green Technology Center in Seosan, Chungnam to be completed in the second half of 2016. By establishing various types of test roads within Hyundai MOBIS High Tech Green Technology Center in Seosan, we will enhance the perception of technology, while also focused on improving the quality of our products with a testing system run by an excellent team of test experts.

Manufacturing site of Turkey's module plant

As of the end of 2015, Hyundai Mobis completed the ISO/TS 16949 QMS at 37 of its manufacturing plants around the world.

37 plants

Quality Management System (QMS)

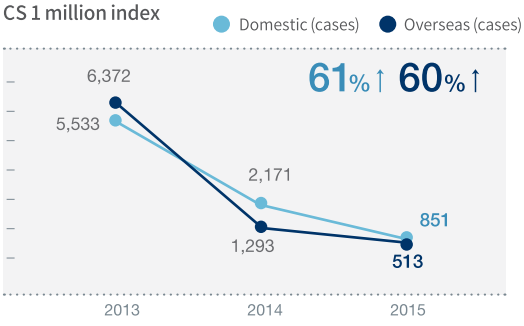


Quality Improvement Performance

Hyundai Mobis improved its CS 1 million Index, which stood at 2,171 in Korea and 1,293 overseas in 2014, by 61 percent, 60 percent, each to 851 in Korea and 513 overseas in 2015. Its IQS rating in the North American market also improved 17 percent to score 21.5 points for the same year. These improvements, in turn, stabilized our product quality level, with our plant operation ratio improving from 92.9 percent in 2014 to reach 95.2 percent in 2015 that reduced costs by KRW 9 billion.

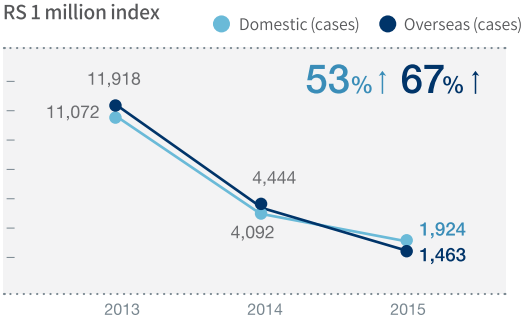
Quality Indexes

CS 1 million index



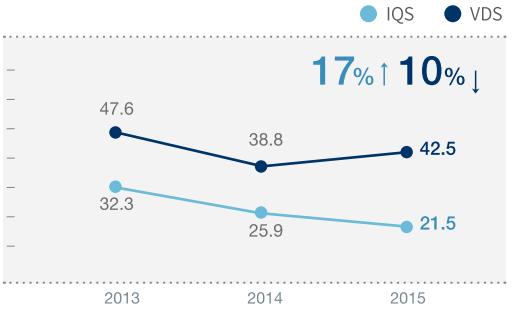
※ The CS 1 million index is a market quality indicator that stands for the number of claims made for every 1 million vehicle in the first 90 days of ownership. Note that 2014 figures were revised following the modification of the internal quality management standard.

RS 1 million index



※ The RS 1 million index is a market quality indicator that represents the number of claims made for every 1 million vehicles in the first 10-12 months of ownership. Note that 2014 figures were revised following the modification of the internal quality management standard.

JD Power's quality inspection of North American region



※ IQS (Initial Quality Study) shows the number of problems per 100 vehicles experienced in the first 90 days of ownership, and the VDS (Vehicle Dependability Study) indicates the rate of problems per 100 vehicles experienced in the first three years aftermarket.

Field-Oriented Quality Management

Hyundai Mobis aim to achieve zero-defect production quality by preemptively managing factors that might cause problems through statistically managing such problems. Since enhancing durability has been a major challenge for automotive parts, we analyze and improve components with weak durability and reflect the results in technology standards, while also conducting intensive production line checking to improve field practices. In addition, Hyundai Mobis's Quality Council, presided over by top management, ensures the systematic management of quality innovation. Besides daily quality control meetings held to review quality improvements made, we also have monthly meetings to share quality innovation tips and consult future directions for innovation. The agenda items discussed and deliberated on in the meetings are reflected in company-wide quality innovation drives.

Quality-First Production System

In order to reinforce its manufacturing competitiveness, Hyundai Mobis has established the Production R&D Center, which is at the center of these endeavors for quality-first production system. To that end, we have set forth four key initiatives as follows.

First, we will strengthen prior-verification to stabilize the quality of new cars in early stages.

We are striving to achieve the target operation ratio of new plants and new cards by continuously strengthening systematic verification activities during the early stages of the design and production preparation process. In order to ensure the quality of products for pilot lines at the lamp pilot plant, the pilot module plant and the plant for securing the quality of injector, we implemented activities to strengthen prior-verification, as well as carried out activities to inspect facilities to stabilize mass production of new overseas plants in early stages, including initial stage operation control and specifications check.

Second, we will innovate our plants' productivity through continuous improvement efforts.

In order to maximize the efficiency of our production facilities, we conduct activities to improve productivity, such as reducing automation and cycle times, as well as spreading the system innovation at all of our plants. In addition, we facilitate productivity enhancement through technique guidance for domestic and overseas molding and electronic device suppliers.

Third, we will innovate the process quality through establishing and achieving zero-defect production quality.

We are implementing various improvement and verification activities, including improvements made in chronic quality problems of production lines. In particular, we aim to achieve zero-defect production quality through a quality assurance system and regular monitoring, as well as prior-verification from the early stages to ensure zero defects for safety and security parts.

Fourth, we will secure competitiveness in costs and improve the quality of parts with key manufacturing technology.

We internalize and develop new techniques for electronic devices, including lasers and sensors, as well as apply aspherical lens technology for mass production. Also, we verify whether core technologies of new eco-friendly products, including steering technology and semiconductor packaging, can be mass produced.

Logistics for Higher Customer Value

Hyundai Mobis is obliged to timely supply end-users with aftermarket service (AS) parts for vehicles sold by carmaker clients. Under the relevant Korean laws governing the industry, the Consumer Protection Act and the Automobile Management Act, all AS parts are required to be available on the market for at least eight years after a vehicle model has been phased out. In compliance with this, Hyundai Mobis supplies AS parts to Hyundai and Kia Motors vehicles both in the domestic and overseas markets by drawing on its vast distribution network after rigorous tests and quality assurance programs are carried out to ensure the optimal functionality of various vehicle models until the end of each model's lifecycle.

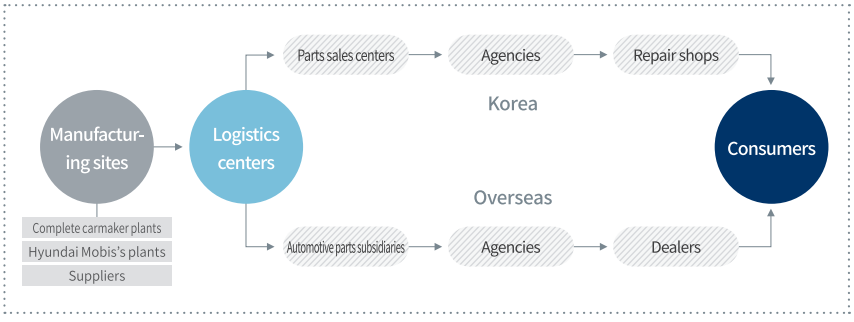
As of the end of 2015, approximately 57 million Hyundai and Kia Motors vehicles were on roads around the world, with Hyundai Mobis supplying 2.27 million AS parts for 213 different models. Although customer demand for AS parts is always unpredictable, it is characteristically immediate, making efficient logistics operations critical to their timely supply. As a result, Hyundai Mobis has optimized its logistics operations with a standardized system which uses an intelligent warehousing system to allow for real-time monitoring of all procedures, from storage to shipment of AS parts, and which completely depends on an efficient barcode system.

Aftermarket Service Parts Supply Network in Korea and Overseas

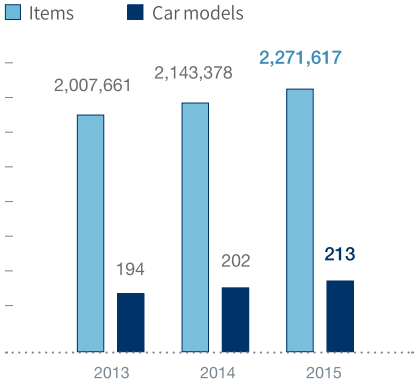
(Unit: centers, as of the end of December, 2015)

Korea	Parts sales centers	23
	Logistics centers	4
	Service parts sales teams	42
	Agencies	1,940
Overseas	Automotive parts subsidiaries	15
	Parts sales centers (PDC)	51
	Logistics centers (RDC)	2
	Branches and offices	1
	Agencies	460
	Dealers	12,929

Aftermarket Service Parts Supply Process



Aftermarket Service Parts Supply Performance



In 2015, 2.27 million items of AS parts were provided for 213 car models.

2.27 million items

※ Regions without overseas agencies: automotive parts subsidiaries → Dealers for direct supply (China, India, etc.)

※ Regions without overseas automotive pars subsidiaries: logistics center → Agencies (Africa, Central and South America, Asia-Pacific Area)

Customer Satisfaction System

Hyundai Mobis runs its own customer service center, where the voice of the customer (VOC) is promptly addressed in connection with our SMART system. Any request for AS parts is forwarded to the nearest logistics network base so that the item in demand can be delivered within two days. We also conduct annual surveys on our retail and wholesale customers to understand our customer satisfaction level better, and reflect these results in enhancing our overall customer service experience. We also gave specialize training to all our employees. In 2015, a total of 4,277 employees received a total of 12,788 hours of CS related training not only for CS staff, but also for employees in other positions.

※ SMART : Smart Hyundai Mobis Agent for Reaching Global Top 10

※ VOC : Voice of Customer

※ CS : Customer Satisfaction

Improving Customer Convenience through Technological Perfection

The accelerated advancement of technologies has greatly changed the human life, especially so with automotive technologies. As a result, the auto industry is going through a paradigm change in mobility that goes well beyond transportation to become a second living space. Thus, Hyundai Mobis aims to achieve technological perfection to increase customer satisfaction and enhance customer convenience by developing diverse products.

Hyundai Mobis has contributed in enhancing customer convenience through developing smart key system that supports wireless charging/NFC (near field communication).

Best Practice _ Wireless Charging/ NFC-Enabled Smart Key System

The technological progress of car keys started off as a mechanical key, followed by an electronic lock that opened and closed doors by remote control and the currently used smart key that automatically detects the driver through radio waves. Going forward, it is forecasted that car keys will be included in smart phones, which made MP3 players, digital cameras and game devices to disappear.

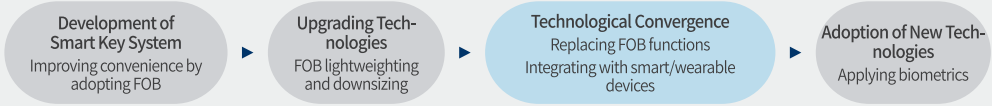
The wireless charging/NFC-enabled smart key system is an enhanced version of the smart key system that allows access to start the vehicle with digital car key stored in a smart phone and the NFC-equipped smartphone. In addition, it also offers wireless charging for smart phones.

How will our lives change in the future if the wireless charging/NFC-enabled smart key system becomes widely used? Car doors will open when your smart phone is near the door handle and once inside the driver seat, you can start the car by placing your smart phone on the wireless charging/NFC controller. You can listen to your list of favorite songs from your smart phone with Bluetooth automatically connecting to audio, visual and navigation system (AVN). After parking, car doors are locked with your smart phone. You can see the car status, driving records and parking location sent by NFC on your smart phone. Also, a third party can be authorized to open and close your car if you give that person a temporary digital car key.

Like this, the NFC-enabled smart key system will bring diverse functions of customer convenience by converging with ICT technology. Hyundai Mobis is developing all areas of the smart key system, from the existing FOB to the advanced card key. Hyundai Mobis's smart key system will continuously apply new technologies, such as biometrics with various IT devices like smart phones and wearable devices.

※ NFC: Near Field Communication
※ ICT: Information and Communication Technology

Development Direction of Smart Key System



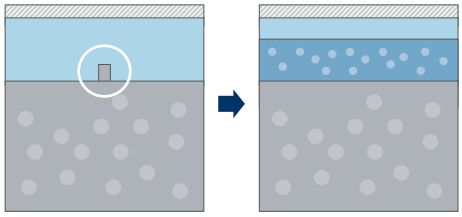
Efforts to Supply Optimized Products

Developing High-Functional Materials to Achieve Emotional Engineering

In line with high-functional technology, Hyundai Mobis made strenuous efforts to secure emotional engineering to satisfy customers' five senses. To achieve this, we are developing high-functional materials or upgrading painting technology. An example of developing high-functional interior parts is soft feel seamless TPO crash pad. It realizes its original functions as well as increase the soft feel of cushion (longitude 70C→55C) compared to the existing one. Also, Hyundai Mobis successfully developed interior parts applied with high-precision curved surface printing, enabling the same patterns to be printed while preventing the sagging of patterns on curved surfaces through high-definition curved surface printing of 1~2㎛. The biggest strength is that complicated and sophisticated patterns can be printed without distortion unlike the existing film printing or painting methods. By securing such core technology, Hyundai Mobis contributed in improving the products of small and medium-size cars, as well as enhancing the competitiveness of luxury cars. Ultimately, we are developing technologies to improve the satisfaction levels of the end-users.

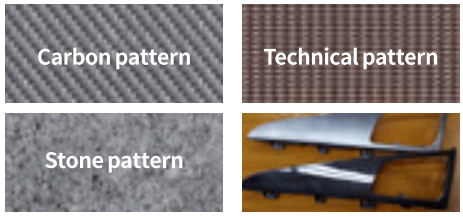
Seamless TPO Crash Pad

✓ Change surface treatment → Improve softness



High-precision Curved Surface Printing

✓ Upgrading external quality through precision printing



Reinforcing Product Competitiveness through Cost Reduction

Hyundai Mobis made strenuous efforts to secure competitiveness through cost reduction in all areas, including R&D, purchasing and sales. We eliminated waste factors and inefficiencies at worksites for production, while improving designs and increasing localization efforts for R&D. In addition, we are domestically producing and commonly applying components and receiving specification proposals from our suppliers.

Best Practice _ Localization of TPO Materials Used in Pillar Lamps for Curtain Airbags

Hyundai Mobis secured price competitiveness for its airbag modules through the localization of TPO materials used in pillar lamps, which is a component of curtain airbags. In the case of airbags, it has to work in low and high temperature environments without causing any obstacles. Hyundai Mobis successfully developed rubber materials with durability that also fulfills its function as airbags, so that a total of KRW 317 million was saved in costs by applying it to mass producing cars in 2015. We plan to achieve cost reduction in the future by integrating high-functional materials and components, or converging materials and techniques.

Hyundai Mobis has replaced the existing bumper beams from steel materials to new materials and improved the injection structure, to lighten the overall weight by 20 percent.

20%

Lightweight Components for Better Fuel Economy

By reducing the weight of its components to increase the fuel economy of the complete cars it is associated with, Hyundai Mobis has helped in contributing to client competitiveness. Hyundai Mobis takes a strategic approach to lighten its components by module type.

Progress on Component Weight Reduction

Classification		Contents	Lightweighting
Bumper	Rear bumper beam	Materials changed (steel → composite material of aramid and GMT) and injector structure improved	20%
Suspension	Control arms, knuckles and carriers	Materials changed (steel → aluminum)	30%
	Knuckles	Materials changed (Development of high-strength and high-toughness steel materials)	5.2%

Best Practice _ Developing high-strength and high-toughness lightweight knuckles

Knuckles are components that act as a connection between the car body and the suspension system inside the chassis module, and strong durability and lightweight determines the perfection of the product. Hyundai Mobis optimized the knuckle's microstructure, including its ingredient and inoculants, and enhanced the composition of the structure to develop high-strength and high-toughness knuckles, which increased strength quality by 18 percent and reduced weight by 5.2 percent. Hyundai Mobis will expand application to mass produced cars, already applied to the new Avante in 2015.

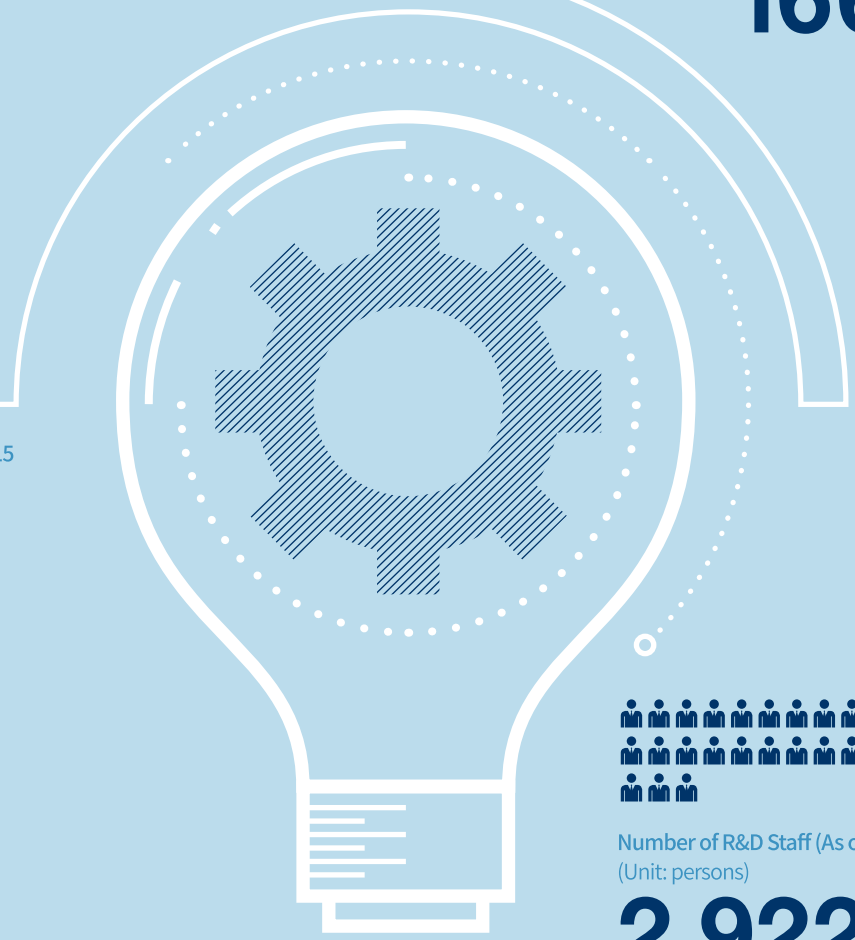
Research & Development

02

Hyundai Mobis focuses its competencies to become a leading auto parts company by strengthening global technological competitiveness. To achieve this, we expand our R&D base through continuous investments and recruit outstanding talent, as well as accelerate the advancement of technologies through technological exchanges with our suppliers.

Number of Eco-friendly Vehicle Parts Supplied (2009-2015)
(Unit: 10,000 items)

166



Number of R&D Projects in 2015
(Unit: cases)

887

Number of R&D Staff (As of the end of 2015)
(Unit: persons)

2,922

2015

Progress in 2015
• The first application of new technologies to car models that are mass produced (7 car models, 12 cases)
• Enhancing core technologies and advanced development
• Improving engineering quality

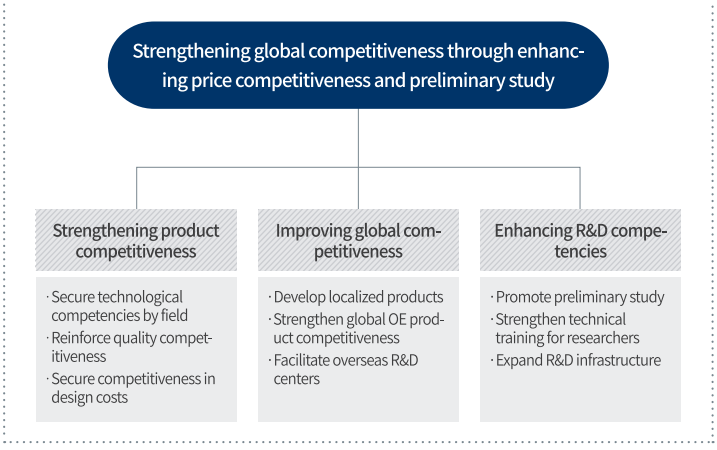
2016+

Forecast and objectives
• Securing competitive advantage and securing continuous growth through strengthening technological competitiveness
• Developing products tailored to local client needs
• Promoting preliminary study

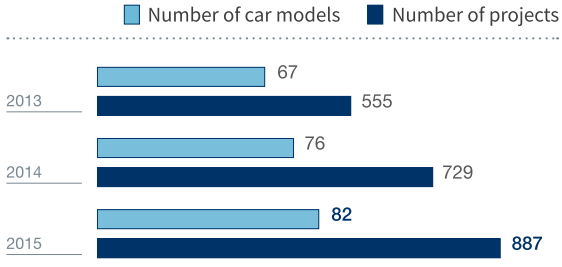
R&D Performance

Aiming to achieve the R&D vision of strengthening globally competitive technologies, Hyundai Mobis is conducting R&D by establishing three implementation directions, including strengthening product competitiveness through securing competitiveness in design costs and technological competencies; enhancing global competitiveness through facilitating overseas R&D centers and localized products; and improving R&D competencies through expanding R&D infrastructure and facilitating preliminary study. In line with this, Hyundai Mobis has continuously increased R&D investments and strives to expand domestic and overseas R&D staff.

R&D Vision



Car Model and Response by Type



R&D Expenditures

(Unit: KRW million)

R&D Staff

(Unit: persons)

※ Past data changed as there were changes in the internal data standard. The figures include researchers who work at the Production R&D Center and the Hyundai Mobis Quality Research Institute, but excluding the executives and contract-based employees.

Reinforcing Competitiveness through Facilitating Overseas R&D Centers

Hyundai Mobis is enhancing its competitiveness through strengthening the functions of overseas R&D centers in North America, Europe, India and China. In March and October of 2015, we moved our R&D centers in India and North America to a larger facility, with plans to do the same with the Europe R&D Center. In addition, we made websites for each location to recruit outstanding talent and raise the awareness about our R&D centers, while also increasing university-industry collaboration locally. The Europe R&D Center has strengthened cooperation on preliminary study regarding chassis with Munich University of Technology and Aachen University of Technology, and the North America R&D Center will continue to cooperate in eco-friendly area.

✓ North America R&D Center http://www.mobistc-na.com
✓ Europe R&D Center http://www.mobistc-europe.com
✓ China R&D Center http://www.mobistc-china.com
✓ India R&D Center http://www.mobistc-india.com

In 2015, Hyundai Mobis spent KRW 623,169 million in R&D investments.

KRW 623,169 million

Overseas R&D Centers

Region	Contents
U.S. (Detroit)	Developing core technology specialized to American conditions: green vehicles/IT/autonomous driving
Germany (Frankfurt)	Developing core technology specialized to European conditions: DAS/braking/trim part
China (Shanghai)	Developing products optimal to local conditions at low costs
India (Hyderabad)	Developing SW architecture to support SW design robustness

Developing Technologies through Cooperation with External Stakeholders

Hyundai Mobis is developing technologies through exchanges with the government, academia and suppliers. To be specific, we receive advices on pending issues by identifying the latest technology trends from academic experts, while also sharing directions for technology development with suppliers through the CTO forum to propose new techniques and exchange opinions. In 2015, we held our technology forums to discuss about 19 cases of the latest trends of automotive technologies and take theoretical approach on 12 cases with domestic and overseas professors. Also, 12 teams within the R&D Center hold the CTO forum to share key tasks and future directions for technology development with our suppliers, while also providing one-on-one consultations to listen to technology proposals through on-site visits. In addition, we actively carry out national projects. By receiving government aid (KRW 4.874 million), Hyundai Mobis is implementing 34 national projects related to EV advanced technology, lightening weights, new materials and DAS technology.

※ CTO: Chief Technology Officer
※ DAS: Driver Assistance System

Supporting Employee Patents and Creativity

Hyundai Mobis encourages all its employees, as well as its researchers, to get involved in creative activities through a number of programs. Employees who file for or register patents are fairly treated with monetary incentives based on internal laws governing compensation to employee invention. Additional monetary rewards are offered when the registered patents are used in our products or generate profits. The company awards teams with the most outstanding performance with monetary rewards based on an annual basis, as well as motivate employee engagement with inventions through our invention support programs, with a patent attorney providing consultation on the possibility of getting patent once a month.
Since 2012, we have been holding a company-wide contest for ideas related to future technologies in promotion of employee creativity. A total of 767 applications accumulated over the past four years and 88 outstanding entries have won awards. The 2015 grand prize winner was a head up display device that projects vehicle speed to anticipate the road. The company awarded the winner KRW 1 million and sponsored all the expenses for attending the Switzerland Invention Fair. Hyundai Mobis will continue with this awards program to motivate more creative ideas and technology development from employees for future technologies.

Hyundai Mobis electromagnetic darkroom

The Future Technology Contest received a total of 767 ideas over a four-year period since 2012, and 88 of them won awards.

767 cases

R&D Awards

IR52 Jang Yeong Sil Award (47th week)	Micro Pattern Surface Light Source Implementation Technology · Improve the freedom of design · Reduce costs and simplify structures
U.S. SPE Innovation Award (Grand Prize in Process/Assembly/Enabling Technology)	IMX Crash Pad_ Skin Body Double Injection · Reduce costs and lighten weights · Minimize components and processes
Man of merit for the secondary battery industry (Ministerial Citation from the Ministry of Trade, Industry and Energy)	Developing Battery Systems for EVs · Increase battery power · Increase available driving distance

Developing Electronic Components to Comply with International Standards

The accelerated advancement of technologies has extended the scope of quality consideration of vehicles to safety and convenience. To that effect, telematics equipment has become a critical factor for every automobile, accounting for 35 percent of all auto components, which is expected to exceed 50 percent within the next five years.

Hyundai Mobis faithfully abides by all international standards in the design and maintenance of its telematics equipment and software. We set up a SW Verification and Validation Team to prepare for the increased use of telematics components and prepared for obtaining the ISO 26262 certificate, the international standard for the safety of automotive functionality. As a result, we were the first company to acquire the certificate on our airbag control units (ACU) in 2013, while we also acquired the MDPS (Motor Driven Power Steering) in 2015. As of the end of 2015, we established the MEDP (Hyundai Mobis Electrical and Electronic Development Process) 2.0 version in accordance with the highest international standards, including the ISO 26262. In 2016, we will continue to enhance customer safety and convenience by applying the MEDP to cover not only domestically, but also overseas R&D centers.

Hyundai Mobis's International Standard Certificates and Plans for Electronic Components

Classification	2012	2013	2014	2015	2016
ISO 26262	SCC (ASIL B), LKAS (ASIL B)	ACU (ASIL D), SPAS (ASIL B)		MDPS (ASIL D)	Expanding the application of MEDP-based international standards
A- SPICE		ICS products and development processes (Level 2)		ICS products (Obtaining 14 items of Level 2 certification)	
CMMI			Reobtaining the Level 3 certification (3-year term)		

Developing Green Car Components

Climate change including oil resource depletion and global warming have raised concerns about sustainable growth, which brought many countries around the world to strengthen environmental regulations. In response to such efforts, Hyundai Mobis developed green car components comply with global environmental regulations for engine efficiency, battery systems, chargers and hydrogen supply devices, as well as made strenuous efforts to develop future technologies such as autonomous driving and IT-based vehicle control technology.

The Future Direction of Green Car Technologies

Acceleration of global warming due to increased CO_2 emissions and oil resource depletion have raised the need to develop green car technologies. Therefore, governments around the world have stricter permissible emission levels to curtail their CO_2 emissions and energy consumption, so that CO_2 emissions from vehicles are lowered to 95g/km by 2020 in the EU and 70g/km by 2025. Also, the U.S. has strengthened its target for average fuel economy from 35.5mpg (15.1km/l) by 2016 to 54.5mpg (23.2km/l) by 2025, as well as lowered CO_2 emissions to 107g/km by 2025. The permissible CO_2 levels for China and Korea were set at 117g/km and 97g/km, respectively. Stricter regulations are calling for the development of green vehicles and improvement of the efficiency of internal combustion engines. In response, complete carmakers are opting to raise their fuel economy by enhancing the efficiency of internal combustion engines and increasing the use of electric motor systems for all car models.

Chungju Plant (production of eco-friendly components)

Developing Key Components for Green Vehicles

In line with the changes in complete carmakers, Hyundai Mobis came up with the following development strategies to take the lead in the green car components.

✓ First, we are striving to reduce the load on the engine by applying a 48V power system.
✓ Second, we are developing various green car technologies, including water-cooled battery systems and chargers for efficient thermal management of high-capacity battery installed in plug-in hybrid electric vehicles (PHEV), as well as hydrogen supply devices applied in fuel cell electric vehicles (FCEV).

Enhancing the Efficiency of Internal Combustion Engines

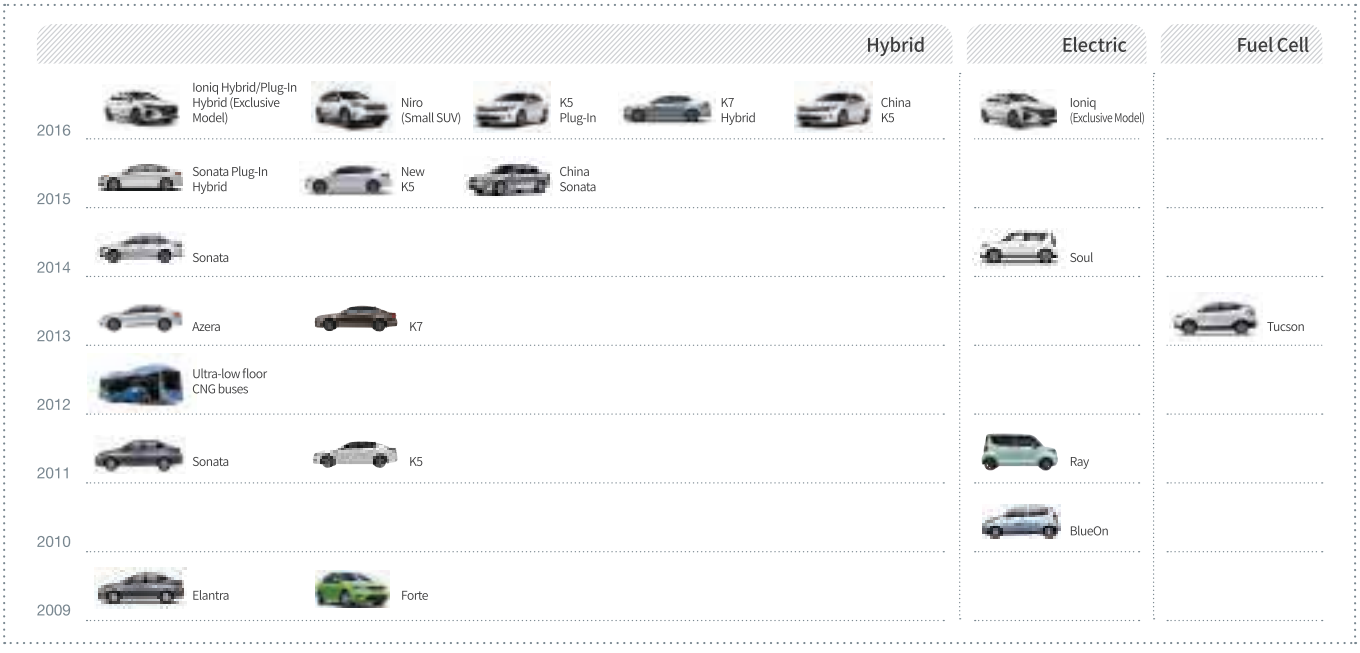
48V Systems

The 48V power supply system consists of starting generators for engine restarting and generation and auxiliary driving force, converters that supply power to 12V electronic components, and batteries that supply 48V electric energy. In 2015, Hyundai Mobis developed a 10kW-class integrated starting generator, a 2.5kW-class bi-directional converter (48V↔12V), and a 450Wh-class 48V lithium battery system. Air-cooled chillers are applied to starting generators with cooling fans installed in the motor rotation axis, with no need for a separate cooling loop. Converters have been developed to enable 12V lead-acid batteries for 48V supplies and step-up operation, so that power is supplied to start engine in emergency situations. The application of this system will provide better fuel efficiency than 12V Stop & Go System because it can stop and restart the engine regardless of whether the car has stopped or not, while also enable driving torque assistance and regenerative braking. Compared to the high-voltage hybrid technology, it is a low-cost hybrid technology that can minimize changes made to a vehicle's powertrain.

Total number of vehicles to which Hyundai Mobis supplied eco-friendly components from 2010 to 2015

332,492
vehicles

Green Vehicles Using Hyundai Mobis Technologies



Applying Diverse Eco-Friendly Technologies

Battery Systems

Battery systems consist of battery packs that supply high-voltage electric energy to the vehicle, while the battery controller protects and controls the battery pack and battery. This makes battery packs a core part with a significant influence on the mileage and fuel economy of vehicles. We enhanced our battery system to lighten the weight of battery packs and applied bottom case by two pieces welding to the lower cover of the battery system, so that it was installed in IONIQ EVs. Additionally, we are applying high-capacity batteries to increase driving range for electric vehicles and developing water-cooled thermal management technologies that uses fluids from air-cooling system for enhanced efficiency, which will be installed in future car models.

Battery Chargers

Battery chargers use supply voltage (AC 110/220V) to charge high-voltage batteries installed in EVs and PHEVs. They are divided into 3.3kW-class and 6.6kW-class to meet domestic and overseas power standards, with interface functions for electric vehicle supply equipment (EVSE) and international standard (SAE J1772). The power supply control circuits for chargers consist of a boost converter that controls unity power factor control and a high-efficiency buck-boost converter that controls voltages and currents of high-voltage batteries. Hyundai Mobis succeeded in the mass production of compact-sized, lightweight battery chargers with higher efficiency by enhancing the power circuits and downsizing/modularizing the electronic components. In 2016, we applied 6.6kW-class and 3.3kW-class chargers to Ioniq electric vehicles and plug-in hybrid vehicles.

Hydrogen Supply Devices

Hydrogen supply devices provide hydrogen, the fuel source of FCEVs and control the output of the fuel cell stacks by adjusting the hydrogen flow rate. It applies a technology that reuses the unreacted hydrogen in the fuel cell stacks, thereby raising the hydrogen consumption rate. Hyundai Mobis has now successfully developed 100 kW-class hydrogen supplier devices that realize high power density with a modularized design, while enhancing the efficiency of the fuel cell system through integrated control of the hydrogen supply. By applying a hydrogen recirculation compressor, it achieved a 95 percent hydrogen consumption rate. In 2015, high pressure water supplies became possible, which enhanced energy power density through modularizing hydrogen supply devices and stacks for joint distributors, with plans to be applied in future FCEVs.

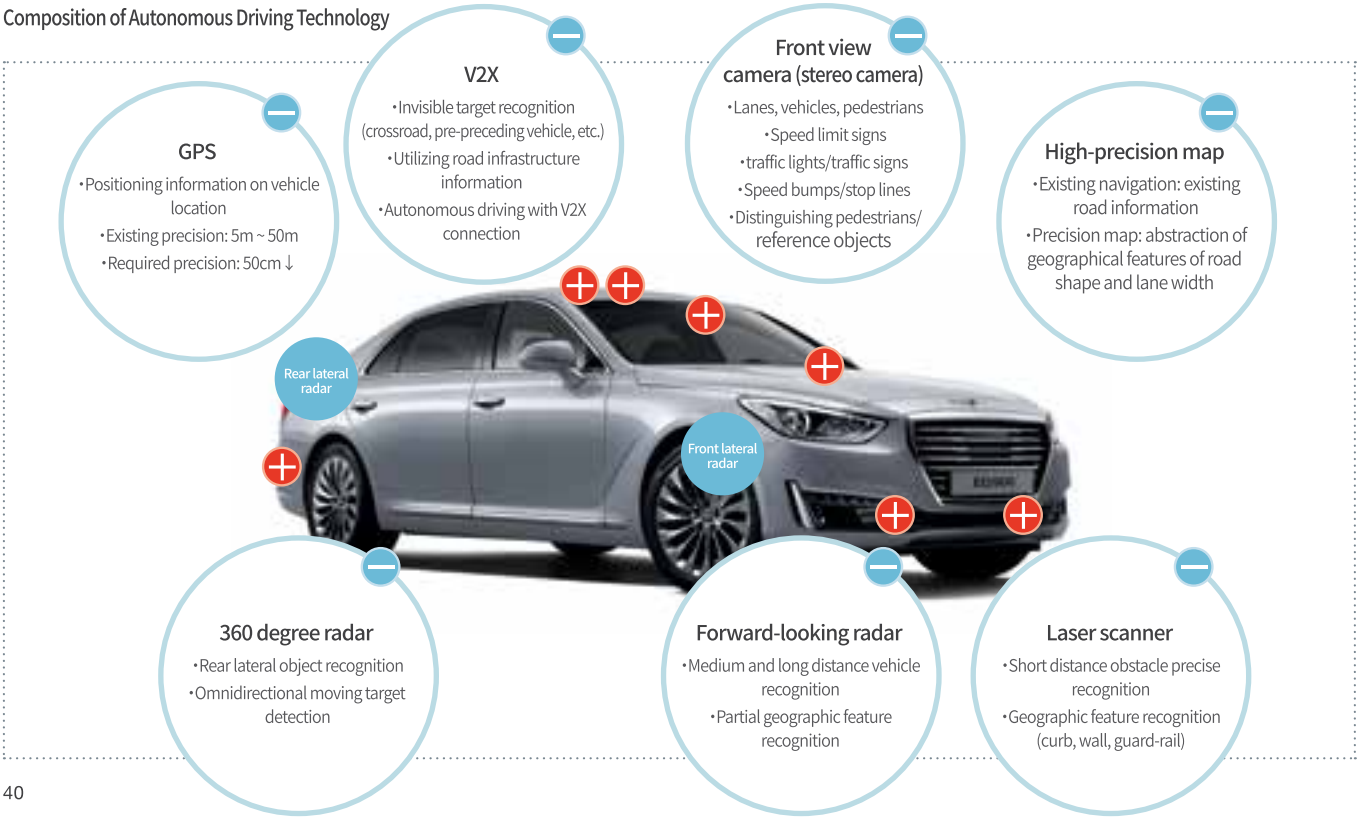
Autonomous Driving Technology

These days, a hot topic in domestic and overseas auto industry is autonomous driving technology. Since it allows advanced automotive technology and IT convergence to be installed, the world's leading carmakers and IT companies are accelerating their development of autonomous driving technology. Hyundai Mobis is also focusing on autonomous driving technology based on its driver convenience system technology. In this regard, Hyundai Mobis showcased its technologies at the Consumer Electronics Show held in Las Vegas in January 2016, including participatory exhibits for autonomous driving technology and intelligent driver support system and advanced driver assistance system (DAS).

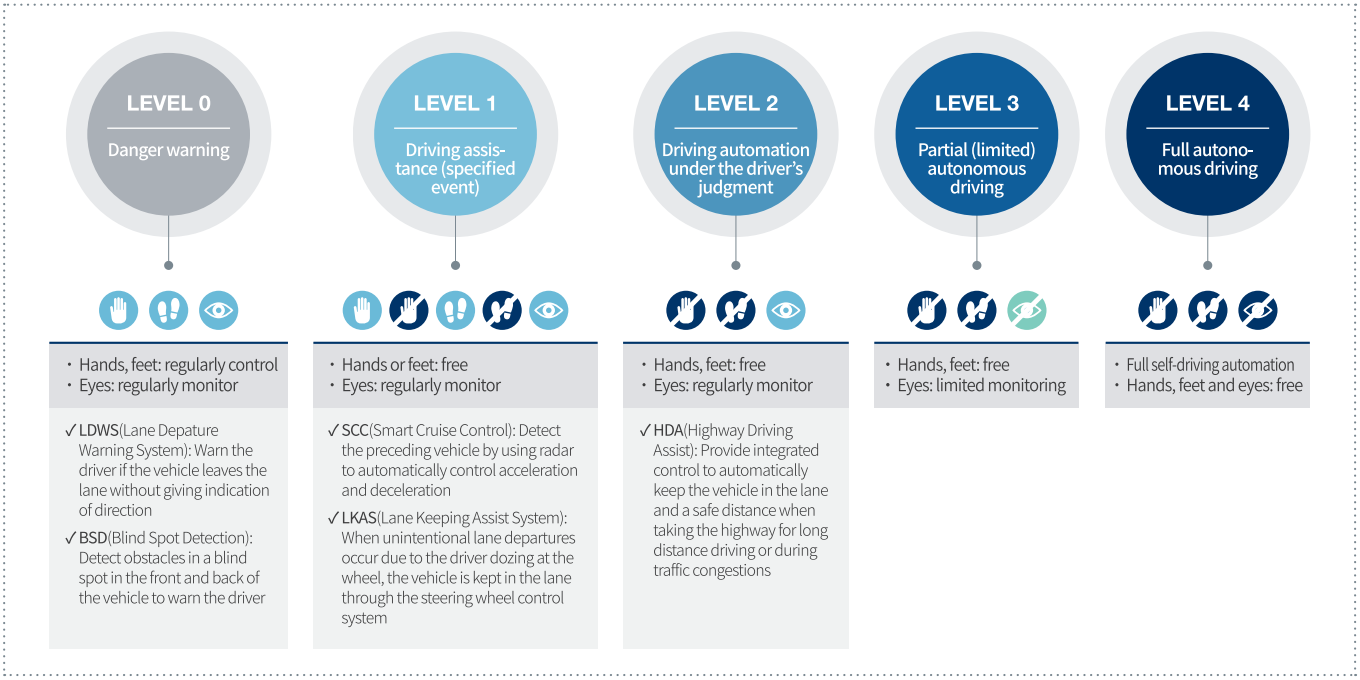
The Future Direction of Autonomous Driving Technology

The U.S. National Highway Traffic Safety Administration (NHTSA) defined autonomous driving system into five levels (level 0~level 4) as follows: Level 0 don't actually controls the car and only gives warning to the driver; level 1-2 controls the car in restrictive conditions and the driver always has to keep an eye on the surrounding environment; and level 3-4 requires the driver to occasionally keep an eye on the surrounding environment (level 3) and no need to entirely monitor it (level 4). In other words, the right to control the car lies with the driver in level 0-2 and the system in level 3-4. Likewise, level 0 offers functions that don't actually control the car, such as the BSD (Blind Spot Detection) that detects whether or not the car is in a blind spot while driving and warns the driver, and the LDWS (Lane Departure Warning System) that warns the driver if the vehicle leaves its lane while driving. Level 1 allows the driver to freely use their hands and feet with functions like the SCC (Smart Cruise Control) that maintains a certain speed and distance with cars in front, and the LKAS (Lane Keeping Assist System) that controls the vehicle if it leaves the lane to stay inside. Level 2 enables the driver to freely use both their hands and feet with the HDA (Highway Driving Assist) System that integrates the functions of SCC and LKAS. Hyundai Mobis has currently applied up to level 1 in the mass produced car models, and completed the technology for the HDA System in level 2. There are no cars being mass produced with functions mentioned in level 3 and above, but Hyundai Mobis and many car makers and automotive parts companies are developing them.

Composition of Autonomous Driving Technology



Automation Levels for Autonomous Driving by Stage



Hyundai Mobis realizes the autonomous driving technology by upgrading its control technology, sensor convergence technology, positioning technology and V2X technology.

Developing Autonomous Driving Technology for Hyundai Mobis

The surrounding environment recognition, driving strategy and driving control are required to realize the autonomous driving technology. A self-driving vehicle compared to a human is like the surrounding environment recognition acting as human eyes and ears for seeing or listening, driving strategy acting as human brain that decides how the vehicle should be driven, and driving control acting as hands and feet that move in order to actually drive the vehicle.

In order to recognize the surrounding environment, many sensors have to be installed in a vehicle, including a radar distance sensor that recognizes the surrounding vehicle and environment; a camera that receives information about the lane and recognizes the preceding vehicles; a laser scanner that accurately recognizes the surrounding vehicle and environment; the GPS and high-precision map that identify the accurate location of the vehicle being driven; and the V2X device that receives and sends information about the surrounding vehicle and infrastructure. Also, the sensor convergence technology is needed to use such sensor information and calculate the surrounding vehicle's location, as well as the GPS, sensor and high-precision map information that are used to calculate the accurate location of the vehicle being driven.

As for driving strategy, it is necessary to have the technology for determining in which direction to drive the vehicle by calculating information gained from the surrounding environment recognition, and the technology for deciding how to drive the vehicle in different driving conditions.

The information generated from driving strategy is used for driving control, which are required for the wheel direction control technology that actually controls the wheels and the longitudinal control technology that controls technology and speed. In addition, it is necessary to have the technology that ensures comfortable to drive in for the driver and passengers.

Hyundai Mobis has been mostly developing factor technology to realize the autonomous driving technology. The car control technology is already realized in SCC or LKAS of cars being mass produced, while we have almost completed individual sensor and sensor convergence technologies for recognizing the surrounding vehicle and environment. Also, we are developing the technology for calculating the information about the vehicle location by using the GPS and high-precision map, and the V2X technology that sends and receives information about the surrounding vehicle and infrastructure. However, driving strategy is currently in the R&D stage with diverse studies conducted on the strategy for driving environment.

Win-Win Partnership

03

Hyundai Mobis has developed the MCOMS to systematically achieve win-win partnership with its suppliers, while also improving problems by reviewing the progress made on it based on self-evaluation system. Through these efforts, we established actual and specific cooperation with our suppliers that go beyond general exchanges and collaborations.

Number of agency CEOs who participated in Business Academy
(Unit: persons)
148

Loans extended to suppliers
(KRW 100 million)
518

No. of primary suppliers
(No. of companies)
881

2015

Progress in 2015
• Establish the quality improvement system for suppliers
• Enhance the evaluation system through distributing guidebooks that assess suppliers
• Strengthen the support for secondary suppliers

2016+

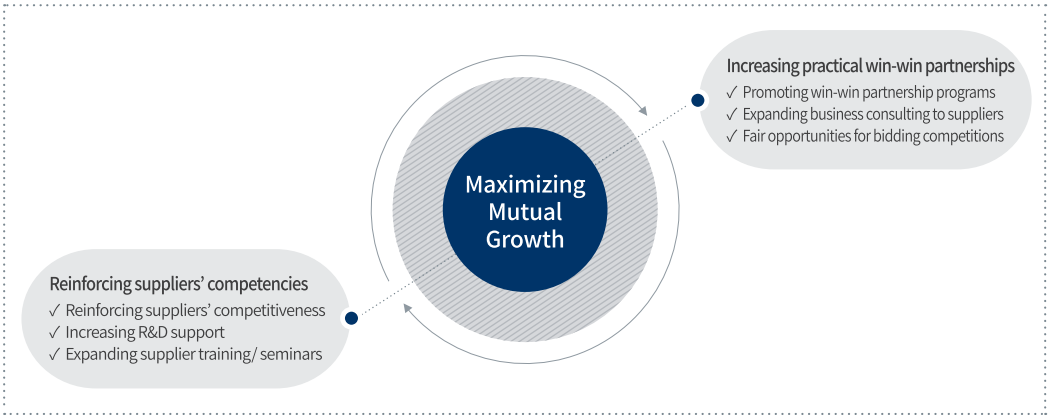
Forecast and objectives
• Strengthen the communication with suppliers and spread the culture of shared growth
• Upgrade the performance management system for win-win partnerships (Establish an integrated management system and a website)
• Expand training on quality and technology for suppliers

Supplier Relationship Management Policies

Hyundai Mobis refined its win-win partnership strategies into enhancing suppliers' competitiveness and expanding practical win-win partnerships to offer practical support to all of its partner companies. As part of our commitment towards mutual growth alongside our suppliers, we have integrated separate division-level initiatives into a company-wide shared campaign called Seven Beautiful Pledges, allowing Hyundai Mobis a more systematic approach to its mutual growth initiatives for secondary and tertiary suppliers. We are currently developing the MCOMS that allows our primary and secondary/tertiary suppliers to get easy access to our mutual growth initiatives and progress made. For instance, we carry out biannual in-house evaluations on suppliers' product quality control, environmental management system certifications (ISO 14001), human rights practices, safety control at work-sites, business ethics, and mutual growth initiatives between primary and secondary/ tertiary suppliers. Based on the evaluation results, we support them in addressing the issues which need to be addressed or other shortcomings.

In 2015, we published guidebook and manual on evaluation results by business type to share the evaluation criteria of all our domestic and overseas suppliers. In order to ensure the accuracy, clarity, objectivity and fairness of the guidebook's details, we referred to the ISO/TS 16949 (2009 requirement) certification, our client's demands, and the component development procedure, while also included our suppliers' best practices to be used for their internal training materials and during evaluations and inspections. As a result, Hyundai Mobis has improved quality through standardization and enhancement of its suppliers' process management and objectively enhanced guidance for them to strengthen their competitiveness. We will strive to improve competencies for guidance and evaluation of our suppliers, by utilizing the guidebook as teaching materials for our employees including overseas subsidiaries.

Supplier Support Directions & Action Plans



Providing Technical Support and Overseas Expansion

We always keep our doors open at our Shanghai R&D Center for partner companies who have followed us into overseas markets, supporting them with quality tests in which they lack in-house infrastructure or techniques at half the cost of other testing institutions. We also file for joint patent rights through the joint development of original technologies and royalty-free licenses of its domestic patent rights, contributing in improving our suppliers' technology competitiveness. In addition, we support our suppliers' attendance at international exhibitions to explore new markets and increase sales for them, including full payment of attending the exhibition like renting and installing exhibition booths and providing consultations for buyers, contributing to increasing orders and expanding global operations. In 2015, ten SMEs that signed fair transaction agreements with Hyundai Mobis were given a chance to attend the Korea Automotive Industry Exhibition (KOAA) Show and the Global TransporTech (GTT). Besides these, we set up our suppliers' booths and exhibited their products, as well as establishing the base for exploring new markets by holding consultations for overseas buyers.

R&D Partnership Programs

Index	
Sharing of patent rights	• To share Hyundai Mobis's domestic patent rights with suppliers, supporting their technical competitiveness through the free lending of such patented technologies - 2015 results: disclosure of 107 patents and utility model licenses, 6 suppliers, free sharing of 17 patents
CTO forum	• Sharing our R&D directions with suppliers for stronger win-win partnerships (40 CTO forums for 300 participants from 119 partner companies in 2015)
Sharing of the Shanghai R&D Center	• Opening the doors of our Shanghai R&D Center and its test equipment to Korean suppliers who followed Hyundai Mobis into overseas markets (a total of 127 testing devices, including airbag deployment apparatus testers, etc.) - 2015 test performance results: 39,623 cases, saved test expenses of KRW 3.4 billion
Filing for joint patent rights	• Filing for joint patent rights on jointly developed technologies and paying all the required expenses to ease suppliers' liquidity issues - 2015 results: a total of 15 suppliers, 22 cases filed for joint patents, with KRW 5 million in expenses
Subsidizing patent filing expenses	• Subsidizing suppliers' filing for patents on its own technologies to help them protect their technical rights - 2015 results: KRW 32 million subsidized for 65 cases at 18 partner companies

We held short-term overseas training program for four days by inviting about 90 persons from outstanding partner companies to Shanghai, China.

90persons

Passing on Know-how on Production and Quality Management

Hyundai Mobis passes on its know-how on production and quality management to suppliers to strengthen their competencies. Since 2012, the open event held at plants was only for primary suppliers, but starting from 2015, we also include the secondary suppliers. We invited employees from about 300 secondary suppliers to our plant to take a tour of production sites and share information about advanced management systems, including plant management, process enhancement and quality assurance. In addition, we held the benchmarking event of outstanding suppliers for our secondary suppliers, contributing in strengthening the quality and improving their management practices through a ladder of mutual growth among secondary suppliers.

Based on the MSQ (Hyundai Mobis Supplier Quality) as a quality certification system for suppliers, we selected outstanding suppliers and shared their know-how on quality improvement and process enhancement with other suppliers. We provided a tour of our production lines and held council meetings to share best practices for 185 secondary suppliers that visited two suppliers chosen for outstanding quality. Also, Hyundai Mobis invited a total of about 90 employees from 78 outstanding suppliers that contributed in improving customer service by suppling top-quality parts and components in a timely manner during the past year, and sent them on a four day short-term overseas training program to Shanghai, China. The employees attended the Auto Shanghai, as well as given a chance to benchmark by visiting Hyundai Mobis's Shanghai parts plant and multinational complete carmaker's plants in China.

Pass on the know-how on production management to secondary suppliers

Expanding Financial Aid to Suppliers

Hyundai Mobis contributed KRW 96.5 billion in funds exclusively for the financial stability of its primary and secondary suppliers, offering payment guarantees for underbanked suppliers to receive low-interest loans. As of the end of 2015, 42 suppliers received a total of KRW 51.8 billion in loans under the program. Additionally, we are running a KRW 16.9 billion program exclusively for secondary suppliers. In a bid to help its suppliers with liquidity problems, Hyundai Mobis pays all its bills in cash, with the scope of beneficiaries expanded to include larger-sized SMEs with sales of below KRW 300 billion as of April 2015. Starting from 2016, it will be extended to include larger-sized SMEs with sales of below KRW 500 billion. We also advise our suppliers to make cash settlements among fellow suppliers to promote this practice throughout our entire supply chain. In order to create a culture of stable payment among secondary/tertiary suppliers, we adopted the win-win settlement system, so that starting from July 2015 payments are made through all commercial banks as win-win settlement products.

In consideration of the impact that volatile commodity prices have on our suppliers, we sat down with them to adjust supply prices through the Fair Transaction Agreements recommended by the Fair Trade Commission. The au-

tomotive industry makes adjustment whenever there is a more than ten percent change in prices, and Hyundai Mobis makes adjustment whenever there is a more than five percent change in prices. In 2015, we raised the prices of our suppliers worth KRW 98 billion. Furthermore, all changes to supply prices are transparently disclosed to every supplier on a separate portal site and the MCOMS, so that they are available for all suppliers.

Rewarded with seasonal fruits

Supplier Communication Programs

Classification	Number of sessions (yearly)	Details
Regular general meetings of suppliers	One time	Explanation about Hyundai Mobis's purchasing/quality policies for partner companies and raising their management mindset
Executive meetings of the Win-Win Partnership Council	2 times	Approval on partner companies' budget and project against their executives
Seminars for CEOs of primary suppliers	2 times	Rewarding outstanding suppliers (AS parts/components) and sharing their business results
Seminars for CEOs of secondary suppliers	2 times	Explanation about Hyundai Mobis's purchasing/quality policies for secondary suppliers and sharing visions
Seminar on win-win partnerships with partner companies for beautiful companionship	One time	Promoting the culture of win-win partnerships through actively implementing related policies and explaining about support systems for suppliers
Opening of manufacturing plant for secondary suppliers	9 times	Improving quality through visiting Hyundai Mobis's module/parts plants and establishing a cooperative system for win-win partnerships
A resolution rally to achieve zero incoming defects for suppliers	2 times	Strengthening partnerships through briefing sessions held on Hyundai Mobis's major quality policies and spreading the culture of win-win partnerships
Hanmaum Meeting with major suppliers	One time	A resolution rally for achieving quality targets (listening to areas of difficulty)
Fruit basket rewards to suppliers with outstanding performance results	One time	Rewarding outstanding suppliers in the first half of the year with seasonal fruits
Seminars for suppliers to our local subsidiaries in India and China	Once each	Introducing Hyundai Mobis's policies and rewarding outstanding suppliers that made joint entries
Distribute H-Festival tickets	One time	Hold cultural performances for suppliers' employees

Win-Win Program with Our Agencies

The Hyundai Mobis automotive parts sales network consists of agencies and dealers, and is closely linked to all areas of AS parts business including sales, marketing and inventory management. Therefore, the enhancement of their competencies will greatly improve Hyundai Mobis's value, which is why we support their competency-building with varied training programs as well as other practical programs to assist with their business activities. For instance, we dispatch our business consultants to agencies where our representatives can help with business restructuring. Additionally, our Best Practice Awards motivates higher performance results at these same agencies. We share the burden of product defects that occur in the process of warehousing or transporting parts and components. At the same time, we support their inventory cost-saving measures and distribution control enhancement. This, in turn, adds to our competitive edge.

Hyundai Mobis conducts job training to strengthen the competencies of agency employees.

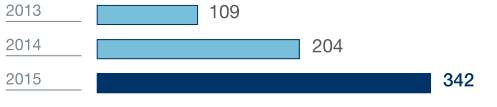
342persons

Number of Trainees that Completed the Support of Training Programs for Our Agencies

Classification	Program purpose and details	Year of adoption
Business Academy for agency CEOs	Strengthening personnel competencies and training change management for agency CEOs → Special lecture on leadership, inventory/logistics management and outstanding agencies	2009
Job training programs for agency employees	Job training for strengthening personnel competencies of agency employees → Component technology information, inventory/logistics management, computer program utilization, CS, etc.	2011
Fostering next-generation managers	Training on management succession of agencies with next-generation managers and strengthening their job competencies	2015

Business Academy for Agency CEOs (Unit: persons)

Job Training Programs for Agency Employees (Unit: persons)



Status of Competence-Building Programs for Agencies

Classification	Program purpose and details	Major performance in 2015 (target agencies, Hyundai Mobis support, etc.)
Management consulting for agencies	Dispatch Hyundai Mobis's employees with management consulting qualification to each agency for four weeks Analyze overall management problems at agencies, including organizational management, sales, marketing, inventory and logistics, and derive improvement tasks	Completed at 48 agencies (a total of 247 agencies)
Best practice contests for agencies across the nation	Share best practices of four outstanding agencies from previous year during invitational seminars held for outstanding agencies to motivate them to voluntarily improve their management practices	Provide management consulting for four agencies and share/reward best practices of management improvement
Enhancing the inventory of agencies	Support agencies' inventory cost-saving measures and distribution control enhancement by sharing the burden of product defects that occur in the process of distributing parts and components	Support KRW 3 billion
Personnel assistance to improve the environment of agencies	Strengthen the competitiveness of distribution network by supporting part of the personnel expenses for agencies that applied for environmental improvement	Supported a total of KRW 40 million at 17 agencies

Compliance with Fair Transactions

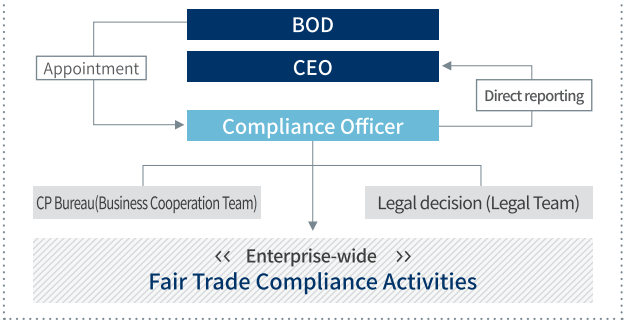
Fair Trade Compliance Program

In December 2002, Hyundai Mobis adopted a Compliance Program (CP) as part of its bylaws for legal compliance, and has been promoting voluntary compliance within its organization since then. The compliance officer serves as the chief facilitator of overseeing company-wide CP operations. Appointed by the BOD, the compliance officer is entrusted by the CEO with the authority and obligation to smoothly run all independent CP operations. Established to support the compliance officer, the CP Bureau takes charge of practical CP operations throughout the company. Also, under the control of the compliance officer is the legal affairs team, which contributes its legal expertise on a regular basis.

Fair Transaction Agreements

Hyundai Mobis has signed countless agreements with its partner companies for fair transactions and mutual growth. To carry out this commitment, we have four guidelines in place: transparent contracting practices, supplier registration, an internal review committee, and documentation-based operations. The number of signatories to these agreements has expanded over the years so that in 2015 we achieved our seventh round of agreements with 452 suppliers for transactions worth KRW 6.2 trillion. Also, we actively encouraged fair transaction agreements between primary and secondary suppliers, so that the fair transaction agreements signed increased by more than 77 percent compared to 2014, including 187 primary suppliers and 733 secondary suppliers.

Fair Trade Compliance Program



1,102 employees completed the CP training.

1,102 persons

Self-checks on Compliance Practices

Hyundai Mobis has a compliance practice self-checking framework in place to ensure that day-to-day job fulfillments are free of any legal violation risks. All employees can consult the CP website regarding any CP issues arising in the due course of performing their duties. In particular, we established a global legal affairs system to systematically manage legal problems that arise across the enterprise. The CP website provides a compliance self-check list for employees to review any risk of legal violations. If and when they find a risk(s), or are not sure about the compliance issue itself, employees are advised to receive a preliminary review by the Legal Affairs Team in order to prevent any legal risks.

The CP Bureau evaluates the risk exposure of legal violations by each business division to identify key risk factors, for which it runs regular monitoring as part of company-wide prevention activities. In the event of any changes to government policies or amendments to relevant regulations, we take separate measures to steer clear of potential risk factors.

Additionally, Hyundai Mobis offers regular CP training to raise employee awareness of the CP, with training performance results reported to the BOD biannually. We provide CP training for employees with duties related to fair trade laws and regulations, while also staff members at divisions most vulnerable to fair transaction issues are obliged to attend external specialized training course to enhance their expertise. Furthermore, the new employee orientation program includes information on the basics of the CP to help them realize the importance of complying with the Fair Trade Act. In 2015, a total of 1,102 employees completed the CP training.

2015 CP Training Performance Results

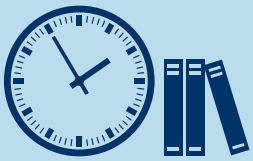
(Unit: persons)

Classification	Persons
Staff members performing related duties	672
Experienced/new employees	408
CP staff and executives	22

Human Resources Development

04

Aiming to achieve the vision of the 2020 Global Top Tier, Hyundai Mobis has newly established the Global Hyundai Mobis Business Academy (GHMBA) 2020, which is a mid- and long-run HRD system, to develop human resources suitable to the global business environment. Based on performance-oriented, field-oriented and self-directed learning programs, Hyundai Mobis offers job expert training, shares knowledge through community of practice (COP), strengthen team leaders' leadership and develop global leaders.



Per-employee Training Hours
(Unit: hour)
142

Developing Global Leaders
(Unit: persons)
748

Job Training Instructor
(Unit: persons)
204

2015

Progress in 2015
• Set up the GHMBA 2020 Establishing HRD programs in connection with the company's vision
• Upgrade the HRD Establishing a system to motivate self-directed learning based on the Individualized Development Planning (ID) program
• Strengthen employees' leadership Establishing and reorganizing the ACE Program and overseas subsidiaries' global leader course

2016+

Forecast and objectives
• Create a value-oriented corporate culture Strengthening change management and core values to comply with basics and principles
• Reinforce global communication competencies Developing and spreading language programs for improving employees' language skills to perform their duties
• Develop the HRD quality indicators and strengthen its analysis Upgrading the diagnosis indexes for core values, work smart and team leadership

Establishing the HRD System for Achieving our Vision

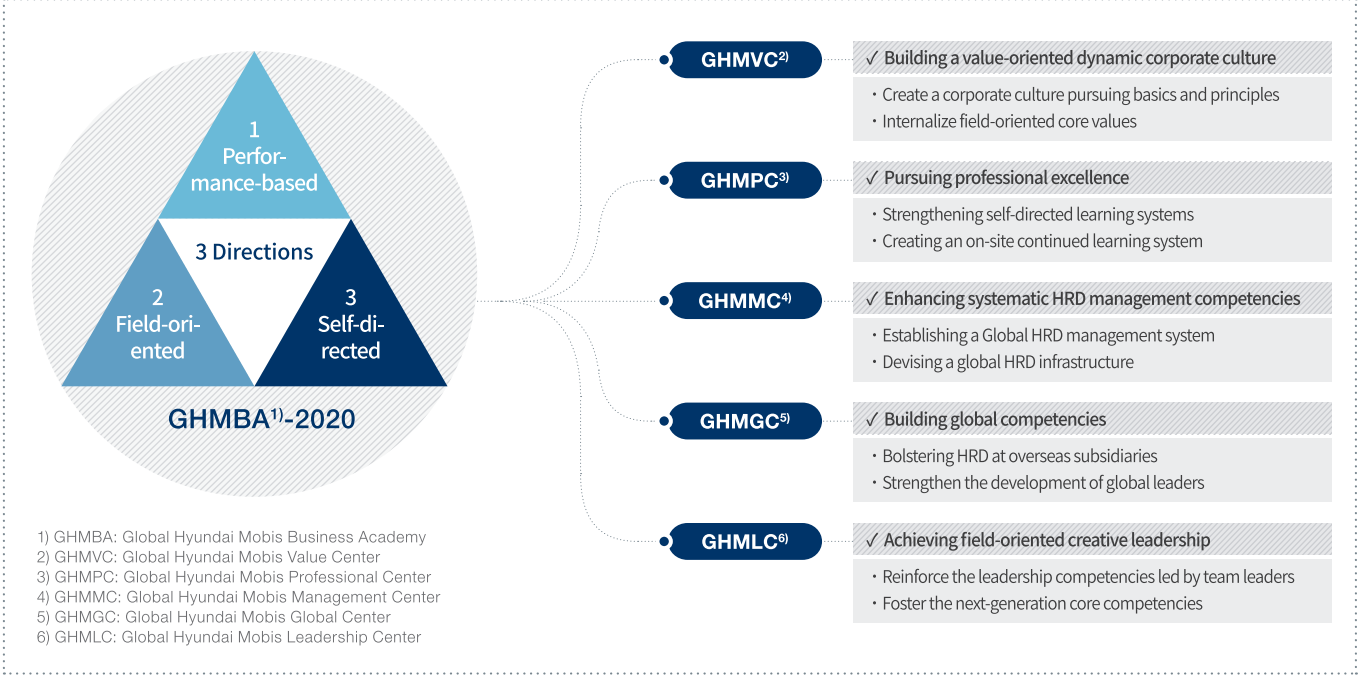
The key to the company's sustainable growth was 'talented people' and fostering such talent means going beyond developing human resources to focus on the person. Also, we strive to develop multiple leaders rather than a small number, so that talented people can achieve the company's vision while at the same time fulfill his/her own vision. In order to achieve the company's vision of achieving 2020 Global Top Tier, Hyundai Mobis newly established a medium-and long-term HRD system called the Global Hyundai Mobis Business Academy (GHMBA2020). Based on performance-oriented, field-oriented and self-directed learning programs, the GHMBA2020 aims to provide the optimized HRD system and key goals of strengthening competencies that are suitable to global business environment. Hyundai Mobis strives to realize a value-based corporate culture and dynamic leadership to further strengthen work profession, thereby enhancing the levels of the head office and overseas subsidiaries to meet world-class standards by 2020.

Establishing Job Expert Training Program

The organizational competitiveness is determined by the knowledge, technology and behavior of the employees and their individual competencies can help resolve the organization's problems. Therefore, Hyundai Mobis upgraded its existing HRD programs (HMBA 1.0) to the GHMBA 2.0 in 2015, to efficiently spread employees' work experience and know-how across the enterprise and develop individual competencies by taking into consideration of each person's characteristics, growth needs and aspirations. As a result, we implement HRD strategies by stage.

Hyundai Mobis's HRD Direction

Hyundai Mobis's HRD System : GHMBA - 2020

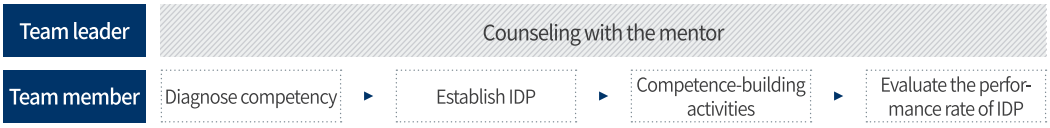


1) GHMBA: Global Hyundai Mobis Business Academy
2) GHMVC: Global Hyundai Mobis Value Center
3) GHMPC: Global Hyundai Mobis Professional Center
4) GHMMC: Global Hyundai Mobis Management Center
5) GHMGC: Global Hyundai Mobis Global Center
6) GHMLC: Global Hyundai Mobis Leadership Center

Self-directed Learning System

In order to strengthen self-directed learning for all employees and enhance their competencies as job experts, Hyundai Mobis has reorganized its HRD programs in 2015. The new HRD system was made to support learning in accordance with the IDP (Individual Development Plan), which transformed from the existing quantitative management system to a qualitative management system that focused on learning achievements. Also, we facilitated informal learning so that employees can improve their competencies on their own as an expert. From individual perspective, we support developing self-directed competencies and experiences through diagnosing their job competencies, while from the company's perspective, also contributing in securing required competencies, strengthening learning results and establishing communication/coaching-based learning culture.

IDP(Individual Development Plan) _ In 2015, Hyundai Mobis newly introduced the IDP (Individual Development Plan) to create a self-directed learning culture where employees make their own training plan and carry out the plan to develop their competencies. The IDP diagnoses individual competencies at the current stage to come up with a development plan for improved competencies. After meeting with the mentor (team leader), the company supports the individual until his/her career goal is achieved. It is designed so that the company's goal and the employee's personal goal are in harmony, and we also set up the IDP infrastructure to ensure effective implementation. Over a one year period in 2015, we aimed to meet the needs of employees' self-directed IDP through the HRD activities that included: diagnose at the beginning of the year/establish IDP, hold meeting with the mentor → Support/monitor competence-building activities for the year → Evaluate the performance rate of IDP at the year-end, evaluate the development made.



S-OJT(Structured On-the-job Training) _ The Structured On-the-job Training (S-OJT) is a self-directed learning course that was provided because the existing OJT done out of a mere formality and was not of help on the site, which is why it is based on a teaching plan provided by an experienced employee (tutor). The S-OJT consists of four areas: ① Job OJT: employees who need job learning / ② Benchmarking: sharing details after researchers analyze other company's products / ③ Spreading culture: spread what some employees have learned from the training to other employees / ④ Webinar (web seminar & video conference training): share knowledge bilaterally through video conferences. In 2015, a total of 375 employees participated in 116 S-OJT programs. Among the S-OJT programs, we selected and rewarded two outstanding S-OJT programs based on goal achievement, expertise, satisfaction level and passion. Hyundai Mobis strives to support diverse training programs to meet its employees' learning needs.

In 2015, a total of 375 employees participated in 116 S-OJT programs.

116

Community of Practice (COP) _ Hyundai Mobis is running Community of Practice (COP) that motivates employees to take interest in diverse fields and derive ideas for the company's management practices. COP can be made if there are at least three employees. It is aimed at creating a self-directed learning culture that encourage self-directed learning on daily basis and facilitate communication through R&D activities. In 2015, a total of 129 COPs were set up where 1,141 employees took part in sharing different ideas. The members of COP thought that the advantages included: creating a self-directed learning culture, facilitating human networking through COP and strengthening the member's competencies, and generating new growth opportunities. At the year-end, we held COP best practice contest to strictly evaluate various activities carried out throughout the year in 2015 to reward one gold prize team, three silver prize teams and five bronze prize teams. Also, we held the knowledge conference so that the knowledge learned from COP can be spread across the enterprise. Like this, Hyundai Mobis had three tracks for COP, including sharing learning results and knowledge from COP, selecting best practices from COP and spreading the business trend across the enterprise, allowing knowledge gained from COP to be shared across the enterprise.

Competence-building Activities by Job Duty

Competence-building types	Classification	Number of courses	Number of employees
Formal Learning	Internal job training	518	25,099
	External job training	554	554
Informal Learning	Community of Practice (COP)	129	1,141
	S-OJT	116	375
	Mentoring	448	896
	Knowledge (regularly learned contents)	440	72,161

In 2015, a total of 129 COPs were set up and a total of 1,141 employees participated in them to share diverse ideas.

1,141

Strengthening the Leadership Competency of Team Leaders (ACE Program)

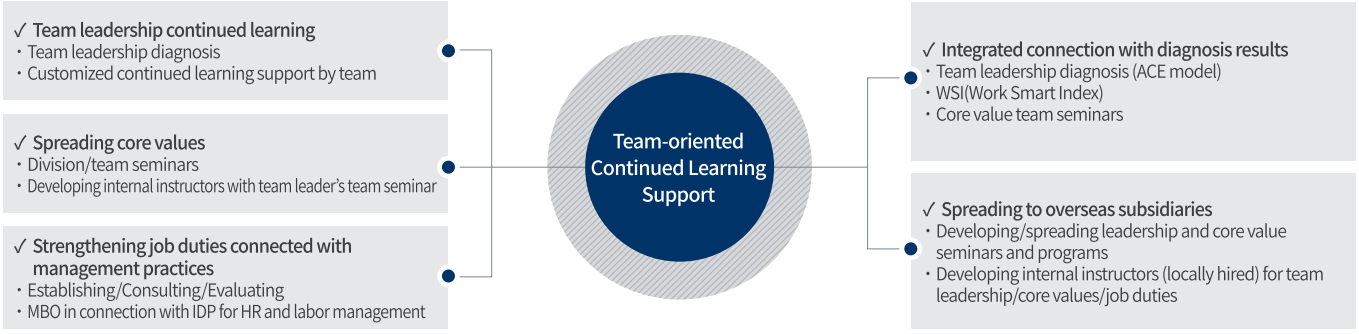
In recognition of the need to change the existing leadership paradigm, Hyundai Mobis reorganized its regular leadership programs mainly for teams to realize practical leadership by developing field-oriented leadership. We changed to support the new learning unit and learning method and diagnose and manage the effectiveness of training. As a result, we developed field-oriented leadership in a team unit (team leader+team members), while also encouraged self-directed learning in real time under the team leader's supervision. Time-series analysis and trend management are conducted for the team leadership diagnosis model. In 2014, Hyundai Mobis developed the Team Leadership ACE Model. In January and October of 2015, we diagnosed the team leadership against managerial officer workers at the company, and later on in December of the same year, we provided practical management for each team through a briefing session to give feedbacks on the result of team leadership diagnosis. In 2016, we will provide courses to strengthen team leaders' competencies by improving their leadership competencies taking into consideration of their responsibilities and roles at the company, including HR assessment, team member development and ethical management. Hyundai Mobis will run customized leadership training programs for each team led by different team leaders on the site.

ACE Team Leadership Definition and Model

✓ Definition of team leadership

A leadership that promotes growth and development among team members by achieving team goals through collaborations among Hyundai Mobis's ACE Team Leadership team members, which harmoniously improve the three factors of awakening, communication and execution.

Classification	ACE Team Leadership Model		Composition
Inputs	Goal	Contribute to the company Specific goals	Team's specific goals that contribute in generating results for the company
Mediators	Awakening	Goal perception Motivation	Awakening the team's goals and roles to team members and motivating them
	Communication	Respect Communication	Communicating with team members by exchanging opinions in diverse ways and respecting them
	Execution	Expertise Execution	Executing team tasks by taking the lead equipped with expertise required for the task
Outcomes	Performance	Team satisfaction Team results	Satisfaction that team members have about the team and the team results that contributed in achieving the company's goals

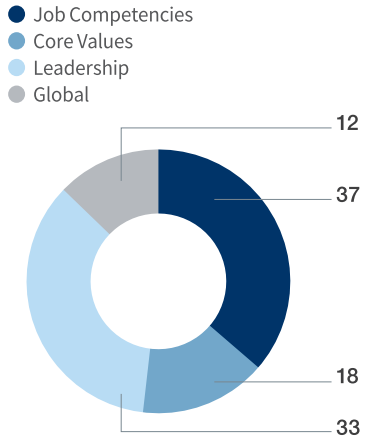


Strengthening the Development of Global Leaders

In order to dispatch outstanding people to overseas subsidiaries around the world, Hyundai Mobis is doing its best to develop experts for each region. We upgraded our training courses provided at overseas subsidiaries so that staff members dispatched overseas can quickly adapt to the new business environment and easily get used to local language, culture and business method. We have a pool of local experts including the English region (the U.S., Europe), the Chinese region (China) and other regions (Mexico, Brazil), enabling employees sent abroad to learn local language and culture. In the case of local experts for China and Brazil, we improved the training system so that employees can learn the language in Korea before going on to take training courses at local universities or language institutions. Through the business skill language programs, employees can learn communication skills required for working at overseas subsidiaries while also learn the language. In order to ensure staff members sent overseas fulfill their basic roles, we provide training on the overseas subsidiaries' roles and responsibilities, the region's safety environment, overseas subsidiaries' accidents, and the Foreign Corrupt Practices Act (FCPA). Also, we run global leadership competence-building programs to enhance the mindset as a global leader. Besides the employees dispatched overseas, we also provide family workshops to help family members adapt to local environment by training about different cultures, global manners and meeting with the family members returning home.

2015 Training Expenses Breakdown

(Unit: %)



Major HRD Indexes in 2015

Developing global leaders	748 Persons
Job training courses	117 Courses
Internal instructors	204 Persons
Rate of in-house training courses	59%

Global Leadership Competence-building Programs

Major schedule	Local experts' domestic learning (weekend class / training camp)	▸	Local experts dispatched overseas for training (local universities/language institutions, 3 months)	▸	Courses for staff members dispatched overseas (business language skills, global leadership, family workshops)	▸	Training for new posts	▸	Training for staff members returning home

Status of Employees' Training Results

Classification	2013	2014	2015	Calculation standard (details)
Total training hours	755,000	918,728	854,024	Individual training hours x number of actual trainees
Per-employee training hours	144	176	142	Total training hours/total number of employees
Total training costs (KRW 100 million)	82	95	119	Total costs included in the company's training cost account
Per-employee training expenses (KRW 10,000)	157	182	198	Total training costs/ Number of total employees

Environmental Management

05

Hyundai Mobis established a global energy management system to ensure efficient energy consumption and reduce CO_2 emissions, thereby proactively responding to climate change. Additionally, we will achieve sustainable growth by striving to reduce the use of hazardous substances and waste generation and focus on developing eco-friendly materials.

Domestic Water Resource Use in 2015 Compared to 2014

29.7% ↓

Domestic Energy Consumption in 2015 Compared to 2014

13.0% ↓

Domestic Waste Discharge Volume in 2015 Compared to 2014

7.0% ↓

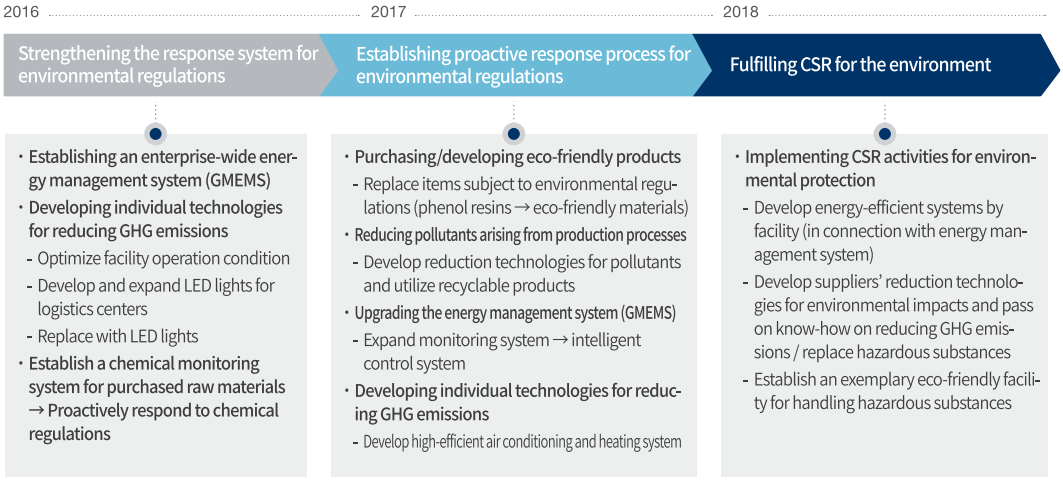
2015

Progress in 2015
• Establish GHG emissions and climate change response system
• Establish a global energy management system
• Promote the hazardous substance management system

2016+

Forecast and objectives
• Proactive response to chemical management regulations
• Strengthen activities for reducing pollutants
• Develop suppliers' reduction technologies for environmental impacts

Mid-to long-term Implementation Directions for Environmental Management



Environmental Management System

Hyundai Mobis sets detailed implementation tasks and goals for environmental management on a yearly basis, and shares major issues and status with internal and external stakeholders. As of the end of 2015, all our operations, including 29 plants and 29 parts operations at home and abroad, had obtained the ISO 14001 certificate, the international standard for environmental management systems, and which is renewed every year through certification review through comprehensive inspection and improvement of environmental management at each site.

Input & Output Flowchart (domestic)

Input	
Water use	798,000 tons
Electricity	2,073 TJ
Fuel	195 TJ
Solvents	4,484 tons
Plastics/rubbers	13,058 tons
Metals	225,072 tons

→

Output	
GHG emissions	112,350 tCO_2eq
Air pollutants	52 tons
Water pollutants	12.8 tons
Recyclables	9,692 tons
Wastes	18,176 tons

In 2014, Hyundai Mobis decreased the use of metal raw materials (about 225,000 tons) by 30 percent compared to 2014.

30%

Input and Utilization of Resources

Metals

In 2015, Hyundai Mobis used 225,072 tons of metal raw materials, which is down by 30 percent compared to the previous year.

Petrochemical Products

To increase fuel efficiency and recycling rate of end-of-life vehicle, Hyundai Mobis strives to raise the recovery rate of its products and gradually phase in composite plastics to lighten the weight of its products, and ultimately the automobiles. Since 2010, we have adopted a process that collects and recycles fugitive paint powders that scatter during the coating lamp lens process, thereby lowering the loss of solvents and raising efficiency. In 2015, our petrochemical product use increased by 12.4 percent in plastics/rubbers (13,058 tons) and decreased by 22.4 percent in solvents (4,484 tons).

Energy

In 2015, Hyundai Mobis consumed 5,906TJ (excluding contract manufacturing companies) of energy, with electricity accounting for 89.7 percent of the main energy source. The total use of energy consumption decreased by 3.3 percent compared to the previous year, which resulted in a 5.7 percent year-on-year decrease to record 0.016 TJ/KRW 100 million. In 2015, we completed testing and developing LED lights for logistics centers in order to gradually reduce energy consumption. In 2016, we plan to install about 9,000 LED lights at 24 logistics centers. As a result, it is expected to bring the effect of reducing KRW 500 million worth in energy costs and cut down 1,500tCO_2eq of GHG emissions. From 2018, we aim to establish green renewable energy self-generators to reduce our energy costs and CO_2 emissions.

Water Resources

Characteristic to the assembly process, our total use of water resources is not very large, and we make use of industrial water and water services, neither of which have an influence on biodiversity. Every year, improvement efforts are made to raise the reuse/recycling rate by addressing the cooling tower's overflow and increasing the recovery of steam condensing water. In 2015, Hyundai Mobis consumed 798,000 tons of water resources, 27.4 percent less than the previous year.

Pollutant Emissions & Control (Output)

GHG Emissions Control

In a bid to mitigate climate change that has become a social issue, Hyundai Mobis has made many efforts to control GHG emissions as part of fulfilling its CSR. Since the establishment of its in-house developed MGMS (Hyundai Mobis Greenhouse-gas Management System) in 2011, we calculate enterprise-wide GHG emissions and analyze statistics and set up a DB through regular updates. Every year, we are assured by a third party in accordance with principles stipulated by the ISO 14064 standard (voluntary GHG emissions verification standard), thereby ensuring the objectivity of calculating emissions and systematically managing them for submission to the government or corporate reports.

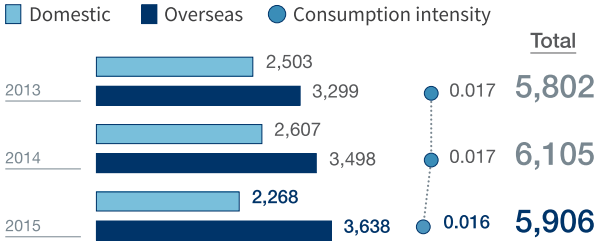
In 2012, we set our medium-and long-term goal (7.8% reduction compared to BAU levels by 2020) through the evaluation of potential GHG emissions reduced at domestic worksites. To achieve this, we allocated emission goals by site annually and check on the progress made. We also participate in the Carbon Disclosure Project (CDP) to disclose our GHG emissions control activities. In preparation for the implementation of the GHG & Energy Target Management System (2016), we submitted implementation plans for mitigation targets, emissions reports and implementation reports to the Korean government in 2015, with the goal of 1.8% reduction compared to BAU levels by 2016.

Reducing GHG Emissions

In order to reduce energy consumption and efficiently manage energies, Hyundai Mobis has established the Global Hyundai Mobis Energy Management System (GMEMS). Based on the IT-based GMEMS, we measure and

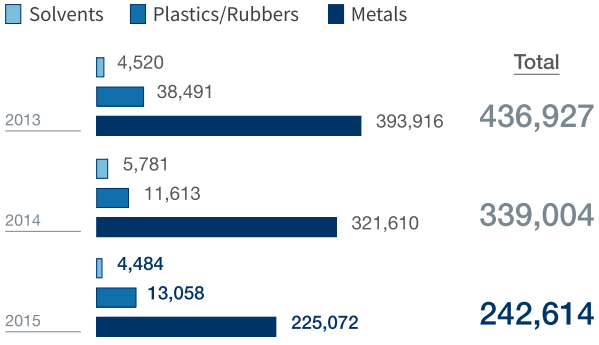
Domestic/International Energy Consumption

(Unit: TJ, TJ/KRW 100 million)



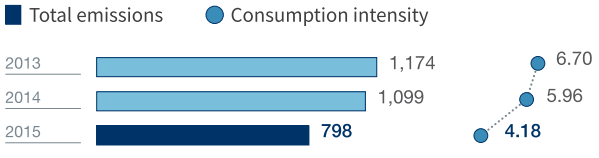
Domestic Raw Material USE

(Unit: tons)



Domestic Water Resource Use

(Unit: 1,000 tons, tons/KRW 100 million)



※ Figures from past raw material and water resource data were corrected, as there were changes in the internal data standard.

Energy Reduction Activities

2013~2014	**Manufacturing plants, R&D centers, logistics centers** Improving LED general diffused lighting/task lighting, applying coolant water pump inverters/ air-conditioning fan inverters, improving the insulation performance of heaters at the drying oven, installing automatic power factor controller (R&D centers)
2015~2016	**Manufacturing plants, R&D centers, logistics centers** Installing LED lights and establishing the automatic nighttime charging system and the global integrated energy management system
2017	**Manufacturing plants, R&D centers, logistics centers** Upgrading the global energy management system (monitoring → intelligent control system)

conduct comparison analysis of energy consumption, status, costs and quality of energies being used at various facilities and equipment. In 2015, we completed its establishment at Gimcheon, Changwon and Jincheon plants, while in 2016, we plan to reduce costs and enhance work efficiency through energy optimization by extending it to 29 domestic and overseas plants. Through the GMEMS, we expect to reduce the yearly energy consumption by more than 5 percent by 2017 and about KRW 4.5 billion in energy costs, with about 18,000tCO_2 of CO_2 emissions reduced.

Meanwhile, Hyundai Mobis reduced about KRW 36.2 billion in logistics costs domestically and internationally in 2015, by improving logistic imports and experts, enhancing CKD aviation logistics, optimizing global shipping and applying logistics system. During the delivery process of logistics, we also contributed in reducing GHG emissions.

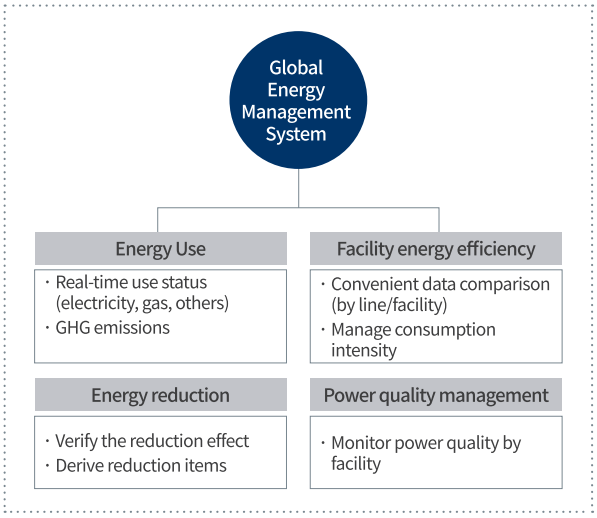
Waste, Recycling and Reproduction

Hyundai Mobis manages the entire process of emissions, transport and treatment of waste by applying an online waste legal treatment system, and strives to raise the recycling rate of waste all the time. Under the voluntary agreement on plastic waste recovery signed with the Ministry of Environment, we have improved our recycling of automotive AS parts, including plastic-containing bumpers and moldings. In 2015, a total of 18,176 tons of waste were generated from Hyundai Mobis's domestic operations, and 53.3 percent (9,692 tons) were recycled. The remaining amount was incinerated or landfilled.

Hyundai Mobis has established the Multimedia Remanufacturing Center (MRC) in the U.S., Europe, China and India so that usable products are not thrown away and recycling and reproduction activities can be carried out. The MRC collects audios and AVNs with problems found by customers while using them, and they are reproduced into new products after going through thorough inspection and repair process. After completing the quality test, reproduced products are provided for customers through local agencies and dealers.

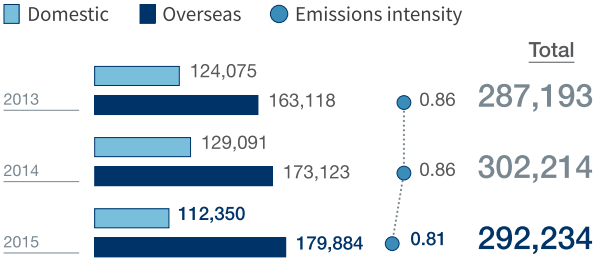
Pollutant Emissions Control

Hyundai Mobis manages and controls its pollutant emissions by means of both pollution prevention facilities and regular monitoring, while preparing for accidental leakage of pollutants through continued facility checks and improvements. Generated from the coating/painting process, volatile organic compounds (VOCs) are one of air pollutants discharged from our plants. They are also the precursors of global warming and photochemical smog. Hyundai Mobis has run a regenerative thermal oxidizer (RTO) to minimize its emissions of VOCs and applies an advanced RTO to reuse pollutants as heat energy during oxidization process, reducing emissions and fuel energy consumption at the same time. We also increase the use of water-based paints in our painting process to reduce air pollutant emissions, while optimizing environmental facilities and replacing old air pollution prevention facilities to minimize our impact on air quality. With respect to water pollutant control, the company treats all wastewater from washing automotive parts at wastewater treatment facilities at each plant before discharging it to the public sewer, or retreat it at public sewage treatment plants, applying more rigid standards of wastewater treatment to remain 50 percent stricter than legal requirements.



Domestic and overseas GHG emissions

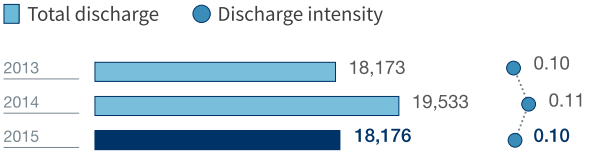
(Unit: tCO_2eq, tCO_2eq/KRW 100 million)



※ Excluding GHG emissions from contract manufacturing companies (separate corporations)

Domestic waste discharge volume

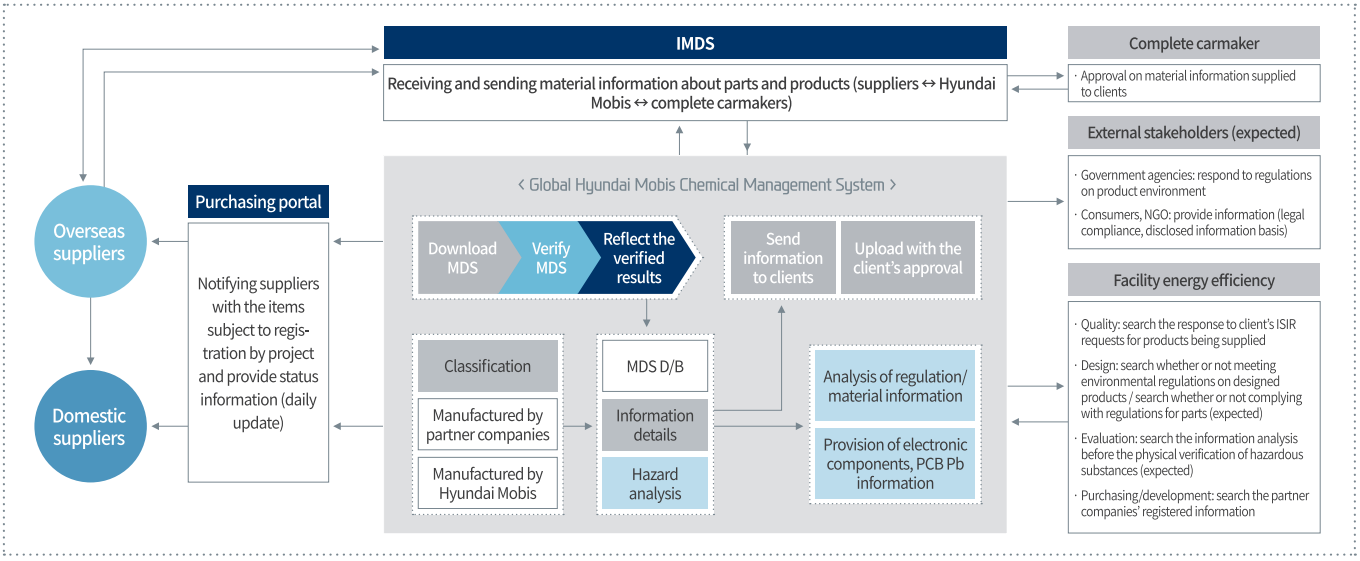
(Unit: tons, tons/KRW 100 million)



※ Figures from past waste data were corrected, as there were changes in the internal data standard.

Hazardous Substance Management

In 2014, Hyundai Mobis established the MCMS (Hyundai Mobis Chemical Management System) for the systematic management of chemical substances to prevent the use of hazardous substances in advance, which is applied to all domestically produced car models. From the R&D stage, we promptly meet the complete carmakers' requests by analyzing and reviewing the hazardousness of the product. Furthermore, Hyundai Mo-



IMDS (International Material Data System): an international material data system developed by complete carmakers as rules for the auto industry

bis collects information on listed hazardous substances of automotive parts so that it can promptly respond to any significant change to the database. We plan to apply the MCMS to our global clients' car models and other car models produced overseas.

Restrictions on the Use of Four Heavy Metals and Ozone Layer Destroyers

The Hyundai Motor Group has in place Global Standards for the Four Heavy Metals to meet the requirements necessary as outlined in global regulations on control of end-of-life vehicles (ELVs). Accordingly, Hyundai Mobis controls its use of the four regulated materials (lead, cadmium, hexavalent chromium, and mercury) in all its components and raw materials, and is always striving to develop substitutes for these materials. Additionally, we have signed numerous green components/parts supply agreements with suppliers not to use these substances, while supporting their use of substitutes that have little or no environmental impact and prohibiting the use of substances that deplete the ozone layer at domestic plants and our partner companies' manufacturing processes.

R&D Efforts for Eco-friendly Materials

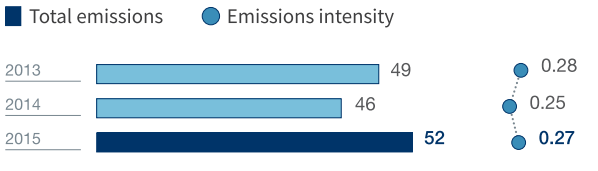
Hyundai Mobis monitors the hazardousness of raw materials and restricts the use of hazardous substances. Furthermore, the company continues to develop substitutes for these substances. For instance, Hyundai Mobis successfully developed a lead-free soldering process for its electronic devices. Since lead components are hazardous to the environment and human body, the European Union's End-of-Life-Vehicle Direction will take effect in 2016, which prohibits the use of lead in the printed circuit board of electronic components for officially approved vehicles. Hyundai Mobis has successfully developed lead-free solders that have been mass produced starting from the second half of 2015. Also, we set up the lead-free electronic component design guideline including the credibility data for different conditions, while also improved the quality and credibility of our suppliers' products.

Meanwhile, due to serious environmental pollution caused by global warming and waste generation arising from increased fossil fuel use, countries around the world are working together to reduce the CO_2 emissions and fossil fuel resources. We are developing or using plastic parts installed in cars by using fossil fuel, but in order to reduce its use, additional R&D efforts are underway for eco-friendly bio plastics made from a plant-based poly lactic acid, including garnish, center facia and air vent. Additionally, Hyundai Mobis and the Hyundai Motor Group are currently conducting joint research to develop technologies for eco-friendly composite materials that ensure environmental protection and lightweighting.

※ ELV: Regulations on the Control of End-of-Life Vehicles (ELV)

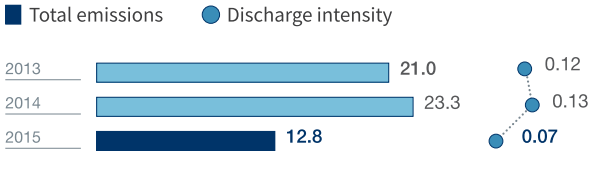
Domestic/Overseas GHG Emissions

(Unit: tons, kg/ KRW 100 million)



Domestic Waste Discharge Volume

(Unit: tons, kg/ KRW 100 million)



※ Figures from past data were corrected, as there were changes in the internal data standard.

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INTERACTIVE USER GUIDE

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SECTION 04

Corporate Achievements

Corporate Governance

Hyundai Mobis promotes a transparent and healthy corporate governance to coordinate the different interests of diverse stakeholder groups and to ensure that all management activities are carried out to the letter of the law. At Hyundai Mobis, outside directors account for the majority of the board to ensure that all stakeholder opinions are heeded independent from management, with subcommittees supporting BOD operations with their expertise in their respective areas.

Ownership

As of the end of 2015, Hyundai Mobis' outstanding shares totaled 97,347,837 shares (including 97,343,863 common and 3,974 preferred shares). The largest shareholders and persons of vested interest held 30.17 percent of total shares, while the aggregate number of shares held by minority shareholders below 1/100 ownership of the company's equity capital accounted for 54.78 percent of total shares for the same period.

Ownership Structure (As of Dec. 31, 2015)

Classification	Common(shares)	%	Preferred(shares)	%
International investors	46,824,529	48.1%	174	4.4%
Domestic institutional investors	14,403,268	14.8%	88	2.2%
Domestic individual investors	3,968,832	4.1%	3,712	93.4%
Largest shareholders	29,367,179	30.2%	0	0.0%
Treasury stocks	2,780,055	2.9%	0	0.0%
Total	97,343,863	100.0%	3,974	100.0%

Composition and Operation of the BOD

The board of directors (BOD) of Hyundai Mobis is at the top of the company's decision-making hierarchy regarding all management issues, speaking for its stakeholders and keeping in check all management activities in a farsighted perspective. As of the reporting period (end of 2015), the BOD consisted of nine directors, including four inside and five outside directors. As the automotive parts business requires prompt decision making on large-scale investments, the CEO concurrently takes the chair of the BOD to ensure timely decisions, but the company runs an Outside Director Recommendation Committee to guarantee the independence of BOD operations from the company's management board.

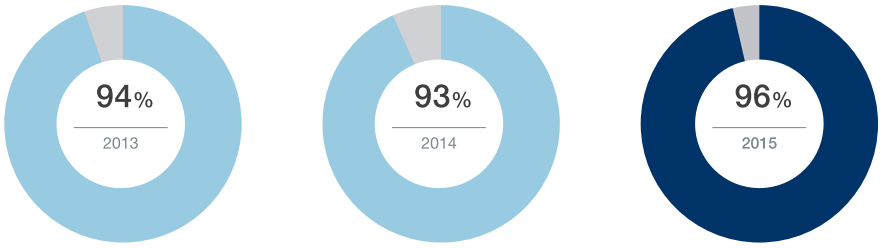
In conformity with the related regulations, outside directors take up the majority of the BOD and outside directors are appointed only after the Korea Exchange inspects the legal qualifications of each candidate based on a submitted Qualification Certificate as well as the vested interests in the company before approving their appointment. Of the three BOD subcommittees, the Ethics Committee and Audit Committee are comprised solely of outside directors for more neutrality in their activities to keep management in check.

In 2015, the BOD convened 9 meetings to deliberate and resolve 28 agenda items and reports. The attendance rate for outside directors stood at 96 percent that year. Remuneration is made to board members within the limits approved by the general shareholders' meeting (GSM) based on performance review results. In 2015, a total of KRW 6.75 billion was paid out from a budget of a KRW 10 billion ceiling.

Percentage of Outside Directors (As of Dec. 31, 2015)

Classification	2013	2014	2015
Percentage of Outside Directors	62.5% (5/8 Persons)	55.6% (5/9 Persons)	55.6% (5/9 Persons)

Attendance Rate of Outside Directors (As of Dec. 31, 2015)



Remunerations to Directors (As of Dec. 31, 2015)

(Unit: KRW million)

Subcommittees

Under the BOD are three subcommittees-an Audit Committee, Ethics Committee and Outside Director Recommendation Committee-all of which support BOD activities with their expertise in their respective areas under their own authorities and functions to monitor management activities in a transparent and responsible manner.

The Ethics Committee is responsible for company-wide ethics practices. It oversees Compliance Program practices, transactions with persons/entities that have a vested interest, the company's business ethics and CSR policies, and institution/amendments and enforcement of the code of ethics. In 2015, the committee gathered seven meetings to review the CSR and ethical management performance and plans. It also approved agenda items regarding financial transactions with the Group's financial affiliates according to the provisions of contracts and the limits on the transactions with the largest shareholders.

The Audit Committee audits general management activities and accounting practices. The committee has the authority to demand directors to report on operations and to examine the company's financial status and operational practices. It convened a total of five meetings in 2015 to deliberate the audit results on the company's financial statements, and review internal accounting control system operations.

The Outside Director Recommendation Committee consists of both inside and outside directors and has the right to recommend candidates for outside director positions. The recommended candidates are approved by the BOD before being appointed by the GSM. In 2015, the committee held one meeting to serve its function.

BOD Composition (As of March 31, 2016)

Classification	Name	Responsibility/Additional Job	Functions		Note
Inside director	Mong-koo Chung	Chairman & CEO			
	Eui-sun Chung	Vice Chairman			Member of Outside Director Recommendation Committee
	Myung-chul Jung	President & CEO			Chair of Outside Director Recommendation Committee
	Yong-bin Han	Chief Finance Officer			
Outside director	Tae-woon Lee	Senior Partner, The One Law Firm	Member of Audit Committee	Chair of Ethics Committee	
	Seung-ho Lee	Advisor at Yulchon Law	Chair of Audit Committee	Member of Ethics Committee	
	Byung-joo Lee	Advisor at Bae, Kim & Lee (BKL) Law Firm	Member of Audit Committee	Member of Ethics Committee	Member of Outside Director Recommendation Committee
	Woo-il Lee	Department of Mechanical and Aerospace Engineering, Seoul National University	Member of Audit Committee	Member of Ethics Committee	Member of Outside Director Recommendation Committee
	Ji-soo Yu	President, Kookmin University	Member of Audit Committee	Member of Ethics Committee	Member of Outside Director Recommendation Committee

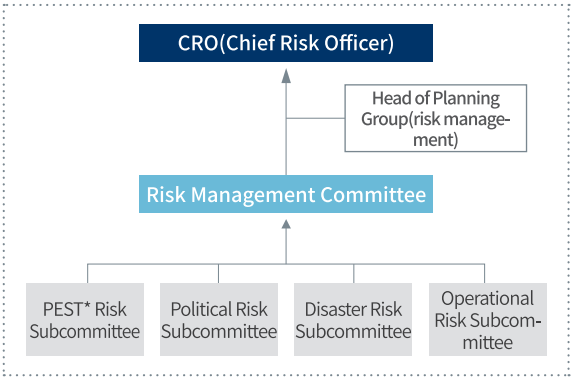
Risk Management

The Risk Management Committee chaired by the CEO provides efficient reporting to the top management to minimize damages incurred by all sorts of risks. Also, we identify various risk factors and preemptively respond to them by establishing a prompt decision-making system to share information and prevent any risks from occurring.

Risk Management System

The Risk Management Committee, supported by its subcommittees in charge of specified countermeasures to respective risk types, prepares responsive measures led by the CEO. The Risk Management Subcommittees monitor risk factors and carry out preliminary responses around the clock. In the event of a risk requiring a company-wide response, we also have in place a company-wide response process and hotline to report to top management for prompt action.
In addition, Hyundai Mobis set up a Risk Control Tower in 2013 in a bid to ensure an advanced risk control system. The Risk Control Tower controls company-wide risk factors on a real-time basis and takes immediate countermeasures to stop company-wide spreading in the event of a risk. Major development and issues are reported to the risk management board and related department to support timely decision-making. Additionally, we review and analyze the cause and countermeasures for each risk factor to ensure the same types of risks are prevented.

Risk Management Organization

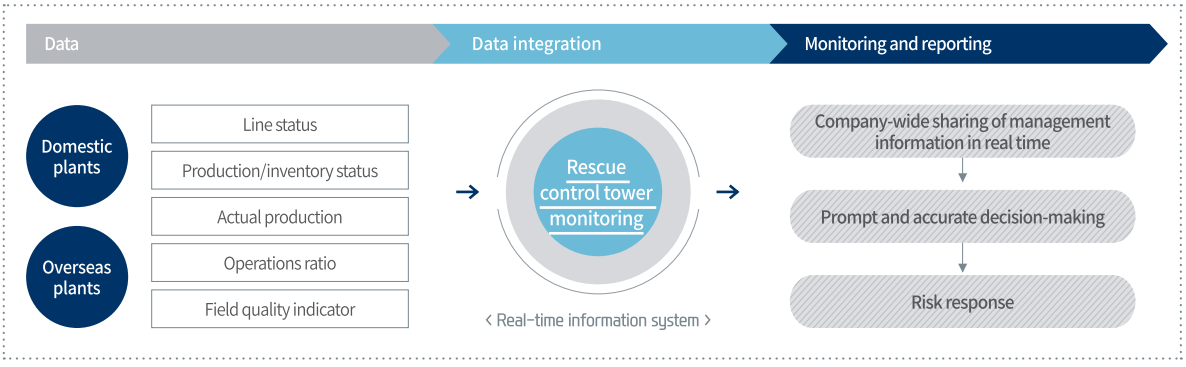


* PEST: Political, Economic, Social and Technology

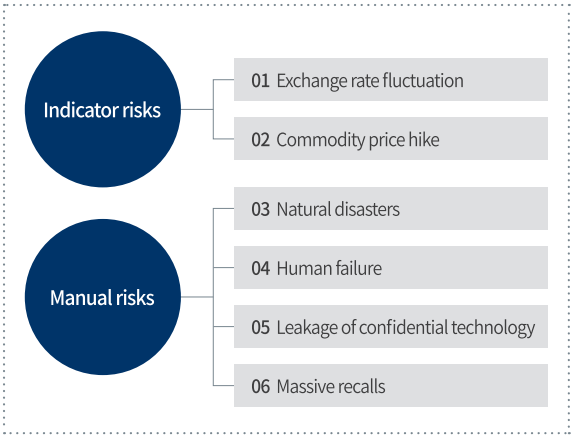
Key Risk Management

At Hyundai Mobis, key risk factors are divided into two groups, each of which requires different approaches. First is the indicator-based management approach. By analyzing trends and examining causes using the key risk indicator (KRI) monitoring system, risks are classified into four stages of caution, danger, warning, and severe based on analysis results to different countermeasures. The other is a manual-based management approach, which suggests countermeasures for different situations in order to ensure a prompt response to emergencies. Based on reviews to determine the seriousness, possibilities, impact, and risk factors of high importance, each is defined as a key risk factor for intensive monitoring and responsive measures. Well aware of the growing needs for managing foreign currency risks amid the latest volatility in the global financial markets, we have recently intensified our monitoring of emerging markets' currencies.

Rescue Control Tower System



2015 Key Risks



Major Risk Management and Response by Type

Hyundai Mobis analyzes potential risk factors that have an impact on its business, including major developments in politics, economics, industrial and market environments, as well as geopolitical issues and reports, all of which it presents to top management. Financial risks are also in control, reporting every major issue to top management. While controlling the exchange rate exposure risks arising from foreign currency-denominated bonds and debts, we also regularly monitor and assess financial stability indicators, such as net cash flows and debt ratio.

Social/environmental/regulatory risks are also under our control. We have in place a dedicated monitoring program to establish a compliance program within the organization and have completed a Material Compliance Management System (MCMS) and GHG inventory for effective responses to global environmental regulations and climate change. In order to hedge operational risks stemming from irregularities or errors in business activities due to human, process or system failure, we operate a web-based risk management system that allows us to timely detect risk factors and minimize their impact.

Different scenarios for a range of risk factors were also examined to minimize the damage from unpredictable risks such as natural disasters. An interdepartmental collaboration network is also in place to deal with situations companywide in the event of any emergencies.

Like this, in order to identify various risk factors and preemptively respond to them, it is essential to share information for prompt decision making. Hyundai Mobis established a company-wide centralized document system (M-Cloud) to effectively share information on economic and industry trends in related fields, thereby laying the foundation for preemptively preventing any problem from arising. Also, we share major issues arising from global operations with related departments through the company's Executive Information System (EIS) in real time and identify whether the same impact is found in other areas to prevent any risk. By strengthening cooperation among related departments, we minimized damages in the event of a risk occurring.

2015 Status of Major Risk Responses

Natural disaster

✓ **Responded to the collapse of the AS parts warehouse due to Australia's natural disaster (hail)**

In April 2015, when the ceiling and outer wall of the warehouse collapsed due to the hail in Australia, we minimized damages by setting up an integrated risk response organization and take immediate countermeasures. As a result, we were able to supply AS parts and components by sending items with disrupted deliveries to the head office first and providing an alternative warehouse.

Safety/ Environment

✓ **Responded to the fire that occurred at Turkey's warehouse on lease due to an explosion in a neighboring chemical plant**

In June 2015, a fire occurred at Turkey's warehouse on lease exclusively for CKD due to the fire spread from an explosion in a neighboring chemical plant. As a result, we immediately set up a team to take emergency responses for the head office and overseas corporations. Production management, materials and purchasing experts from the head office and the overseas corporation nearby were immediately sent to the site and establish response plans for each item, ensuring the OEM parts were supplied normally without disruption through urgent supply of parts from Korea and India.

Safety/ Environment

✓ **Responded to disruptions that occurred due to the explosion in Tianjin, China**

In August 2015, the failure of supply and demand was expected for Tianjin Hyundai Mobis due to port disruption caused by the warehouse explosion in Tianjin Port, China. We identified items falling short of supplies and promptly set up detailed response plans. We minimized risks through prompt decision-making process to change import/export logistics by taking company-wide countermeasures and reporting to the top management on time.

Business Ethics

Ethical corporate culture has become essential in these days in order to be sustainable companies. Hyundai Mobis has in place Ethics Charter, Code of Conduct and Ethical Behavioral Guidelines for Employees. We actively implement specific and diverse execution programs to spread ethical corporate culture across the enterprise. Hyundai Mobis aims to become a reliable company trusted by all stakeholders by enhancing the system to reinforce our ethical management instead of being satisfied with the current situation.

Ethical Management System

Our Ethics Charter, Code of Ethics and Ethical Behavioral Guidelines for Employees provide the behavioral guidelines to our employees. We have also distributed a code of ethics for suppliers in promotion of business ethics throughout our entire supply chain. Comprised solely of outside directors, the Ethics Committee monitors companywide ethics practices to ensure a more transparent and ethical corporate culture. This is supported by the corporate audit team, which conducts auditing on a regular basis, and by the Cyber Auditor, which is an online inspection instrument open to all stakeholders. In addition to the regular risk management system, we are vigilant to internal ethics risks with an early detection system and other internal warning systems in place. Procedures for the internal control system have been standardized in order to establish fair transactions and subcontracting procedures have been computerized, from contracting and bidding to procurement and pricing systems, in order to preemptively steer clear of any irregularities, forming the cornerstone for win-win partnerships with suppliers.

Case Studies on Ethical Dilemmas and Business Ethics Indicators

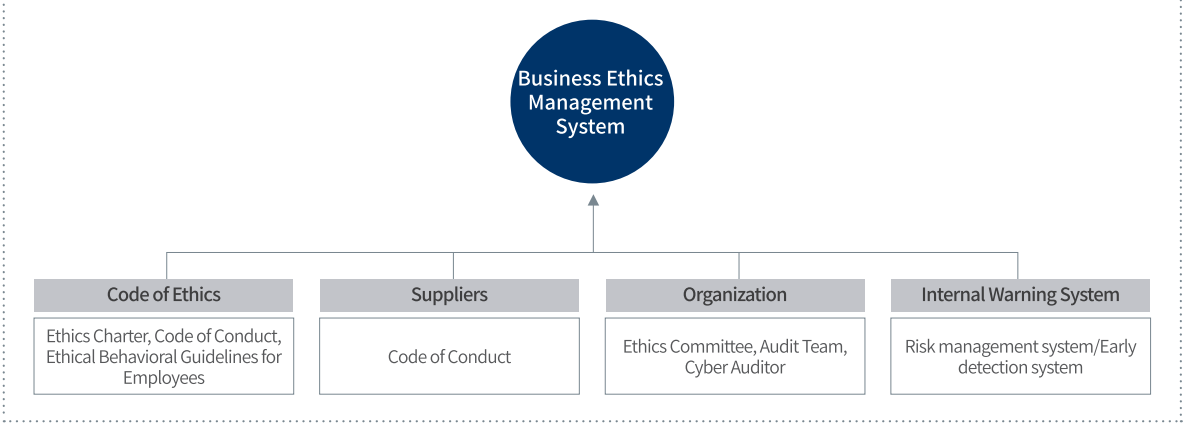
In 2015, Hyundai Mobis developed ethical management contents that are more advanced than the existing ones to internalize employees' ethical awareness.

Case Studies on Ethical Dilemma

Hyundai Mobis appointed 74 ethics leaders to discover ethics dilemmas for each division through a workshop for case studies on ethical dilemma.

Based on various ethical dilemma cases derived, we developed new training lesson plans, which largely consisted of two areas, including understanding of ethical management and ethical dilemma cases. The section for understanding of ethical management includes definition of ethical management, its necessity, violation cases and business ethics indicators. The section for ethical dilemma cases includes ① prohibition of asking and receiving monetary profit, ② sexual harassment at workplaces, ③ performing job duties faithfully and fairly, ④ protection of the company's assets and information, and ⑤ transparency in selecting suppliers and unbiased operation. In the former section, we enhanced our employees' awareness on ethical management, while in the latter section, we provided the behavioral guidelines for our employees in the event of a dilemma in reality. In order to improve the effect of training, we appointed executives from

Business Ethics Management System



each department as in-house lecturers to provide offline training on case studies of ethical dilemma for all employees. Through these efforts, we provided small-scale and interactive training (open panel) at each department level instead of the former large-scale cramming system of training.

Business Ethics Indicators

In order to raise the employees' awareness on ethical management and strengthen the business transparency, Hyundai Mobis conducted surveys on business ethics indicators against internal (all employees) and external stakeholders (suppliers, agencies). There are four survey items, including ethical culture, integrity, legal compliance and ethical management system, provided to objectively assess the current level of Hyundai Mobis's ethical management from stakeholders' perspective. By assessing the survey results, we shared the business ethics indicator results with the divisions related to stakeholders (purchasing division, sales division, etc.) and derived an improved work process that can prevent unethical acts and ensure smooth communication channels. The survey results are also reflected in the ethical training lesson plans, contributing in raising the employees' ethical awareness and create an ethical corporate culture.

Training Process for Case Studies of Ethical Dilemma

※ Number of disciplinary actions taken in 2015: a total of 61 cases (severe disciplinary actions: 23 cases / minor disciplinary actions: 38 cases)

Sexual Harassment Prevention Programs

Hyundai Mobis eradicates the sexual harassment at workplace as it causes a huge loss to everyone at the company, including the victim and the harasser. We strive to raise our employees' awareness by providing customized sexual harassment training and running a sexual harassment ombudsman center, with professional consultants giving advices and an online consultation center in operation. In order to create a healthy corporate culture without sexual harassment, we provide special training for team managers to receive basic quality education and share sexual harassment cases and handling of such cases. Also, we distribute a book with guidelines on advices on sexual harassment to make sure the training is not a one-time event. Additionally, we appointed in-house lecturers to give preventive training on sexual harassment so that the effect of preventive training can be increased by giving it in lectures.

Information Security

Hyundai Mobis runs an integrated information security control system that encrypts all documentation and information in accordance with related regulations. To protect its confidential information, the Technical R&D Center applies stricter standards using VDI and MDM to information and database management.

In 2008, the Technical R&D Center acquired the international certificate for information security ISO 27001 and the Jincheon plant runs systems that meet global standards through regular follow-up inspections. In 2015, the two sites were integrated for integrated management. Also, we select major suppliers that handle engineering drawings and give them on-site guidance on security practices, while also strengthen their security policies by providing security training programs for our suppliers' employees. Additionally, we improve our security level through various activities, including offering training workshops to the security staff of suppliers and online sessions to our own employees to raise their awareness concerning information security management. Going forward, we plan on standardizing security requirements at all our business sites as part of our revamped on-site security control practices.

※ VDI(Virtual Device Interface)
※ MDM(Mobile Device Management)

Ethical Management Training

Classification		No. of trainees	Hours of training
Offline training	Ethics training	5,904	11,593
	Fair trade training	1,102	1,840
	Information security training	614	614
	Sexual harassment training	8,331	16,662
Online training	Compliance training	613	4,904
Total		16,564	35,613

→ Employees

The total number of overseas employees at Hyundai Mobis increased an average of about 10 percent during the recent three years from 20,534 employees in 2013 to 25,216 employees in 2015, which calls for the need for communication and cooperation between domestic and overseas employees. Therefore, Hyundai Mobis implemented advanced HRD policies that ensure fair evaluation and compensation, conduct standardized HR management and enhance diversity through prohibition of discrimination, while also recommending a work-life balance by complying with related regulations and respecting human rights, thereby creating a healthy and safe working environment for our employees.

Employee status

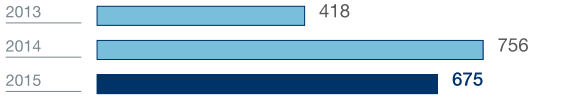
Domestic & Overseas Workforce

(Unit: persons)

Classification		2013	2014	2015
Domestic		7,711	8,170	8,672
Overseas	China	4,863	5,885	6,480
	The Americas	3,439	3,828	4,705
	Europe	3,615	3,858	4,068
	Asia-Pacific/Others	906	1,101	1,291
	Total	12,823	14,672	16,544
Total		20,534	22,842	25,216
Growth rate		+7.3%	11.2%	10.4%

Domestic New Employees

(Unit: persons)



Average service years of Hyundai Mobis employees

(Unit: years)

Early severance percentage rate within the third year of service

(Unit: %)

Fair Evaluations and Compensation

Hyundai Mobis develops talented employees through a reasonable HR system, which evaluates employee performances in two aspects: individual competencies and performance results. Individual evaluations are made based on individual competencies in consideration of team performance as measured by KPIs (key performance indexes). The KPIs reflect management's annual goals, with the evaluation scheme sharing the same approach to all teams. Each performance indicator is classified into quantitative and qualitative indicators to ensure objectiveness in the evaluation results. There is a quick feedback whenever a target is not reached. Team members are evaluated on their competencies, while team leaders are evaluated for their leadership based on a multi-layered evaluation criteria list.

Performance-based compensations may differ for each job position and evaluation results, but there is no gender discrimination in compensation. Also, compensation is made differentially to managers and above levels to motivate them. Promotions are only made after reviewing employee performance in consideration of HR evaluations, language skills, certificates, and completed training. Those with outstanding accomplishments qualify for promotion regardless of their seniority.

Integrated HR Management for Global Operations

In line with the overseas expansion, Hyundai Mobis has strengthened its HR management for global operations. We applied the same standardized HR policies and systems from the head office to all overseas corporations in consideration of local characteristics. Since 2012, we hold the Global HR Forum annually, which ensures unified HR policies are implemented. The head office's HR employees and the employees sent overseas, as well as employees in charge locally at overseas corporations, are in attendance at the Global HR Forum, to share HR policies and get a better understanding about other countries' culture. Additionally, the head office's HR employees and the overseas corporations' HR managers consult with each other constantly to maintain a close cooperative system.

Promoting Diversity at Work

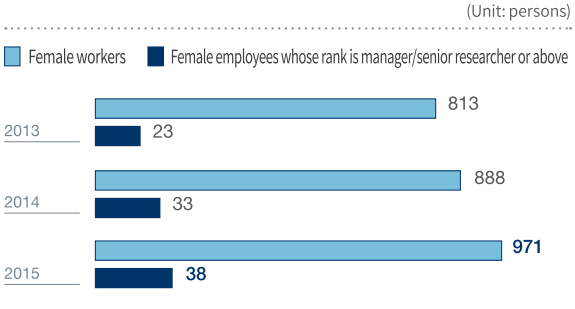
Hyundai Mobis has diverse systems to ensure its employees can fulfill their individual competencies without any discrimination based on gender, nationality and academic background. As of 2015, Hyundai Mobis's female employees stood at 971, accounting for 11.2 percent of the domestic workforce, and that number is steadily increasing.

We have rest rooms for female employees including a nursing room at all worksites. At the Mabuk R&D Center, there are separate parking spaces for pregnant employees and colleagues can recognize them from their pink-colored employee card holder, so that female employees can enjoy a pleasant working environment. Additionally, Hyundai Mobis strictly prohibits female workers from dangerous or harmful tasks in accordance with Article 37 of the Enforcement Decree of the Labor Standards Act, and do not tolerate any form of sexual harassment in the workplace, with violations punished under Article 12 of the Act on Equal Employment and Support for Work-Family Reconciliation. In support of employees in their attempt to maintain a healthy work-life balance, and to prevent female workers from unwillingly have to interrupt their careers, the company has in place advanced parental leave programs and encourages employees to take such leaves when necessary, while also providing flexible work schedule for career interrupted female workers who left work for child birth or child care.

Additionally, we provide diverse opportunities to hire foreigners. Foreign students studying abroad with outstanding competencies are recruited to act as a link between the head office and overseas corporations.

Overseas corporations are striving to strengthen the locally hired employees' competencies by increasing their responsibilities and authorities. We also provide opportunities to get a better understanding about each other's culture through special culture training including language skills program to ensure smooth communication between employees sent abroad and locally hired employees. Furthermore, Hyundai Mobis invited locally hired employees to Korea to visit the head office, R&D center and regional worksites, to enhance their understanding on the company and Korean culture.

Female Workforce Status



※ Refers to domestic workforce.

Return to Work After Using Parental Leaves

Classification		2013	2014	2015
Maternity Leaves	No. of employees on maternity leave	62	77	62
	Rate of returning to work after a leave (%)	100	100	95
	Rate of working for at least 12 months or longer after returning to work (%)	100	97.40	-
Childcare Leaves	No. of employees on childcare leave	63	76	83
	Rate of returning to work after a leave (%)	100	57	99
	Rate of working for at least 12 months or longer after returning to work (%)	83	96.05	-

※ Refer to domestic workforce. Employees who took the leaves are the sum of male and female workers. The 2015 rate of working for at least 12 months or longer after returning to work will be available at the end of 2016.

Human Rights and Labor Laws

Hyundai Mobis has established an internal ombudsman system. The Cyber Auditor Office is open to reports on unethical conduct and wrongful decisions, including infringement on human rights and order corrections or punishments. The company-wide evaluation against business ethics indicators, corporate culture diagnosis, core value surveys, and employee engagement surveys are instrumental for the company to measure employee sentiment, communication, work-life balance, work-related stress, and ethics awareness.

The key issues derived from these research results are then reported to the management board for reflection in innovation initiatives at each divisional level. Furthermore, Hyundai Mobis faithfully abides by local labor laws and related regulations in all countries it operates in, and respects local cultures and social norms in its personnel management practices.

Hyundai Mobis is also a union ship that guarantees the right to form unions, representative bodies, and collective bargaining under all related laws and regulations in Korea and overseas, as well as the right for them to carry out union activities. In 2015, 5,157 people, or 58.3 percent of our total workforce, were entitled to collective bargaining. Hyundai Mobis arranges quarterly collective bargaining and labor management council meetings, and hosts annual labor-management joint business presentations to strengthen mutual partnerships. Moreover, the company strictly abides by all laws and regulations regarding human rights and labor, and extends generous working conditions and fringe benefits under its collective bargaining agreements that more than meet legal requirements.

Creating a Flexible and Open Corporate Culture

Hyundai Mobis has been holding team-based seminars and business-/division-based seminars to promote a communicative and cooperative corporate culture. In the case of division-based seminars on core values, we identify corporate culture issues at divisional levels and resolve them to come up with innovative initiatives that encourage actual changes while performing job duties. A total of 10 division-based seminars have been held to derive three company-wide campaigns (strengthening communication between employees in different job positions, creating an effective meeting culture, and improving job competencies and giving motivations), while also implementing a corporate culture enhancement program in connection with five implementation tasks for changing the way of working. For team-based seminars, we developed all team mangers as in-house instructors so that they set examples of virtues as leaders, as well as systematically managed the seminars through a comprehensive management process that internalized core values through the Core Value Talk website, including preliminary diagnosis, schedule setting and result reporting.

Additionally, we implemented diverse programs to create a communicative and trust-based corporate culture where the top management and employees can communicate openly. Hyundai Mobis holds regular CEO Town Hall Meetings on a company-wide level to make sure that the entire workforce is well-versed with the company's business plans and future directions. Also, we distribute the CEO letters on a quarterly basis to establish closeness between the top management and the employees. In the case of Leaders TED, it reflected employees' opinions to change into a story telling format without a lecture plan in 2015. As a result, the management can share with the employees: know-how and knowledge gained from fulfilling their duties, life philosophy learned from experience, and leaders' attitude. Additionally, debates are held between top down job positions to freely exchange opinions for better understanding. In 2015, we newly opened a corporate culture website to gather opinions about Hyundai Mobis's corporate culture, so that employees were given wider opportunities to take part in the management's decision-making process. Additionally, we held the Junior Board and division-based meetings to increase communication among employees.

2015 Core Value Seminars

	Beneficiaries	No. of trainees	No. of sessions
Division-led seminars	Entire division	226	10
Team seminars	302 teams	4,386	241

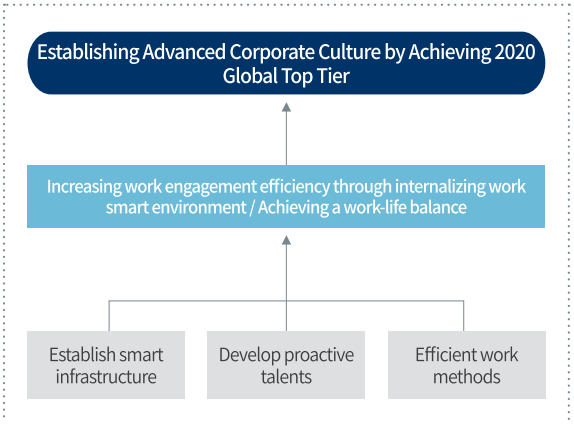
Internalizing Work Smart Environment to Achieve a Work-Life Balance

Under the belief that efficiently and effectively fulfilling job duties while eliminating unnecessary factors is the groundwork for flexibly responding to the changing business environment and achieving continuous growth engine, Hyundai Mobis has been internalizing work smart environment as its corporate culture.

To achieve this, we share information through various systems to ensure smooth communication and cooperation, including the centralization of knowledge assets through MCloud and the reorganization of the imobis report and approval system for paperless environment. For a genuine work smart environment, we selected five innovative initiatives (meeting/document writing/work guidance/report, approval/cooperation) with guidelines to improve duty fulfillment through related manuals and handbooks in e-books to help employees enhance their understanding. Also, we set a consensus and raise the awareness through change management activities to encourage employees to change their mindset about how they work.

Additionally, we established five optimized work engagement methods through the team-based change management programs for smart meeting, which brought actual changes at the worksites. As a result of continuous communication and change management, we increased employees' work engagement efficiency, while creating new values through eliminating inefficient work processes and practices, as well as encourage changes by sharing best practices that reflect organizational characteristics.

Work Smart Campaign



Supporting the Health of Employees

In order to support the health of employees, Hyundai Mobis have in-house workout rooms at each worksite/regional center, and a "Quit Smoking" campaign in alliance with local public health centers. In July 2014, Healing Sam opened at our head office building, in which counseling services are provided through clinical psychologists to act as communication channels between the management and employees, provide training on mental health and changing corporate culture, and conduct team-based psychological diagnosis. It provides

Future direction of Healing Sam's EAP (Employee Assistance Program)

Team-based approach	Communication channels	Coaching and training
• Develop team diagnosis program (MTI: Mobis Team & I) (December 2015) • Utilize team healing programs and entry level programs for experienced workers (2016) • Improve understanding between team members and strengthen individual strengths	• Channels for grievances, retirement consultation, and advices about sexual harassment • Resolve grievances and create a healthy corporate culture	• Training plans for a corporate culture of proactive prevention: lectures on improving corporate culture and related issues • Utilize company-wide bulletin board – deliver tips about mental health • Increase online psychological inspection and coaching plan by VOD (video on demand)

Healing Sam

counseling services not only through phone calls and video conferences at the head office, but also at overseas worksites and regional centers, regarding human relations at workplace, marital relations and children problems. Since August 2015, an online psychological survey has been conducted to investigate about depression, anxiety, and work stress, and a monthly average of about 200 self-surveys were done with results provided. In 2015, 737 consultations were held, which will shift towards a program that can easily be used by all employees instead of only providing personal psychological counseling.

Creating a Safe Working Environment

Under the safety-first management policy that aims to place health and safety as the top priority in all business activities, Hyundai Mobis has been implementing diverse policies to enhance employees' satisfaction levels and create a safe working environment. We set up a Safety & Environment Team to be in charge of company-wide health/safety/environmental management activities at domestic and overseas worksites. In order to thoroughly manage the safety at all worksites, we selected safety & environment staff and established specific and realistic improvement plans to prevent industrial accidents. Also, we came up with countermeasures to meet the growing public need for its sustained social responsibility and increased control over safety/environmental risks. Additionally, we set up the Industrial Health & Safety Management Committee to deliberate and decide on major issues and policies regarding the company's health and safety management.

In 2013, Hyundai Mobis obtained the OHSAS18001 international certificate (Occupational Health & Safety Assessment Series) and the KOSHA18001 (Korea Occupational Safety & Health Agency) certificate on all its domestic production lines, and maintained the certificates by passing the follow-up review in 2015. Our overseas operations are also working to obtain the OHSAS18001 certificate, and we will provide systematic health & safety management by stipulating detailed action plans and guidelines for application in day-to-day duty fulfillment.

Under the shared goal of achieving an accident-free workplace, various health and safety initiatives are implemented to establish an autonomous and advanced safety management system, such as managing performances made for goals set for each field, evaluating company-wide health & safety KPIs, and reviewing the management including offering rewards for outstanding performance results. Also, we set up IT-based safety/health and environmental system to improve the efficiency of safety/health/environmental management and prevent safety accidents through increased synergies.

Health & Safety Program Status by Worksite

Worksite	Program	Details
Gyeongin Plant	STC Campaign An abbreviation of Stop, Think and Check, the STC campaign is an on-site health & safety management program to prevent occupational accidents within our premises.	Hyundai Mobis's Gyeongin Plant partners with its suppliers to implement the STC campaign. The on-site management supervisor and workers review the whole work process, including hand tool inspection, whether the facilities operate normally, and whether workers comply with safety rules. By uncovering potential risk factors at worksites and keeping a record of all findings, the campaign also includes raising questions to the company's safety management teams for improvement initiatives. At the end of every year, process lines, suppliers and team performance results are reviewed in terms of participation, risk rates, and improvement results, after which top management then provides incentives and rewards to those who score best.
Ulsan Plant	Health & Safety Program Hyundai Mobis has in place a health-checkup program to prevent cerebro/cardio vascular diseases for its workforce.	By reviewing the working conditions of suppliers, Hyundai Mobis assess the potential risks at their worksites and help with their improvement initiatives in the event that a risk factor is detected. The ultimate goal is to bring our suppliers' worksite conditions to the same level as our own worksites when it comes to health and safety management practices. Through quarterly progress checks, we assist their programs and receive audits by an evaluation board consisting of external experts from both the public and private sectors.
Changwon Plant	Health Promotion Program Hyundai Mobis's Changwon Plant runs a health check-up program to prevent cerebro/cardio vascular diseases for its workforce.	Based on the results, employees vulnerable to such diseases are advised to monitor their health conditions more stringently. The company also has in place a No Smoking campaign to realize a healthy, happy workplace that is in line with the government's own Stop Smoking campaign.

Social Contribution

Hyundai Mobis is committed to fulfilling its corporate social responsibilities and create sustainable future values with its stakeholders, so that the results are widely shared and achieve a balanced development in the economic, social and environmental fields. Additionally, we lay the foundation for sharing and communication by implementing four MOVE campaigns to achieve the Hyundai Motor Group's new mid-and long-term social contribution strategy of realizing sustainable mobility together for a better future.

Four MOVE Campaigns (results in 2015)

Transparent Umbrellas

Transparent umbrellas campaign for children's safety on the roads

113,300 transparent umbrellas distributed to students at 187 schools

Junior Engineering Class

Campaign to hold science lessons for children

Science lessons held for 6,350 students at 38 schools.

Mobility for Disabled Children

Campaign for mobility-challenged children

Supported assistive devices for 50 mobility-challenged children

Creation of Meer Forest

A forest that is happy for nature and people

Yearly music concert and natural ecology experience program held at the woods for philosophic thinking

Youth Dream Seongdong Camp

A guide for young job seekers to enter into society

141 job seekers received job consulting services and Hyundai Mobis's employees provided 37 people with advices on their career paths.

Support for Families of Car Crash Victims

Campaign to give hope to children of car crash victims

1,203 employees sponsored 30 children of car crash victims.

Employees' Volunteer Work

Campaign to make the world a better place by sharing

3,722 employees participated in 11,545 hours of volunteer work.

Activities of Direct Purchases from Farms

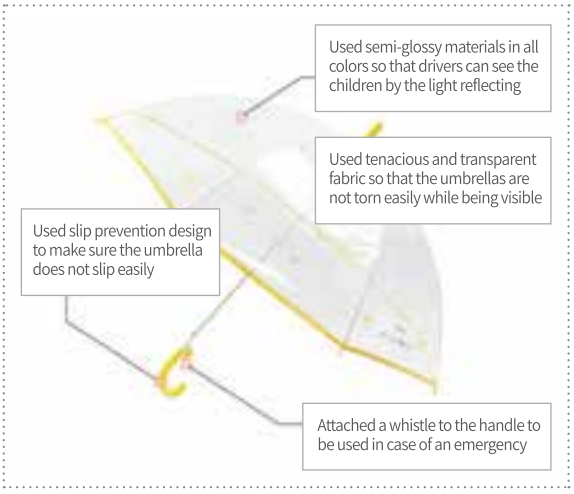
Campaign to make the world a better place by sharing

We helped out at 5 villages near major worksites to support the sales of local specialties.

Shortcut to MOBIS Social Contribution Website

Transparent Umbrella Campaign

In order to reduce the risks of car accidents involving children on rainy days, Hyundai Mobis has been implementing the Transparent Umbrella Campaign to distribute about 600,000 transparent umbrellas to a total of 1,011 schools from 2010 to 2015. We used strong and light fabrics for the transparent umbrellas so that children can carry them easily, especially semi-glossy materials were used so that drivers can see them from far away.



Meanwhile, Hyundai Mobis has been actively spreading the campaign to minimize traffic accidents involving children based on its accumulated experience of six years. Examples of such efforts are conducting the Transparent Umbrella Campaign together with suppliers and providing traffic safety training.

Transparent Umbrella Program for Suppliers

Hyundai Mobis has been implementing the transparent umbrella program for suppliers by distributing transparent umbrellas for three years by selecting ten suppliers every three years. After the end of supporting transparent umbrellas, we will continuously cooperate with our suppliers so that they can distribute transparent umbrellas to minimize traffic accidents involving children on their own.

Traffic Safety Training

A Transparent Umbrella Contest is held to provide traffic safety training for children through the process of selecting the elementary school, teaching about the purpose of Transparent Umbrella Program and utilizing traffic safety buses or traffic safety kits.

Junior Engineering Class

Since 2005, Hyundai Mobis has been running a Junior Engineering Class for children to contribute in developing scientific talent and local communities. We strive to instill dreams and hope in some of our future scientists.

Progress of Junior Engineering Class in 2015

(Unit: schools, persons)

Classification	No. of beneficiary schools	No. of participating students	No. of instructors
Regular junior engineering class	12	2,717	294
Junior engineering class with customers	-	1,434	37
Role-playing junior engineering class	22	1,951	-

Contributing in Promoting Science Education

In addition to the regular junior engineering class, Hyundai Mobis has been utilizing a dedicated science bus, while also giving classes where experiments are carried out. We strive to promote science education by holding classes in various environments, including the role-playing junior engineering class, the Seoul Motor Show, the Donation for Education Fair, as well as the junior engineering class held to provide experience classes for the general customers who applied for it.

Textbooks that Reflect the Know-how on Automotive Parts Technologies

Hyundai Mobis developed textbooks for junior engineering class in cooperation with Hanyang University Teenagers Into Science & Technology Center and the National Academy of Engineering of Korea. By reflecting the unique value as a specialized auto parts supplier, we produced textbooks that might be of interest for children in automotive and scientific principles, including lane keeping assistance system and collusion prevention assist.

Introduction of Representative Textbooks

Name of textbooks	Application technology
Safe Car	Application technology of AEB (Autonomous Emergency Braking)
Smart Car	Application technology of LKAS (Lane Keeping Assistance System)
Solar power vehicles	Solar batteries


Safe Car


Smart Car

Creation of Meer Forest

Hyundai Mobis has created Meer Forest, which is an eco-friendly forest of 300,000 pyeong in Chopyeong-myeon, Jincheon-gun. We plan to create six theme forests, and among them, we currently completed the woods for philosophic thinking to provide culture/arts and environment programs for local residents.

Meer Forest Program

Hyundai Mobis Meer Forest Concert

Hyundai Mobis holds concerts under the theme of healing at the Hyundai Mobis's outdoor concert hall within Meer Forest for local residents. As a representative mecenat program, Hyundai Mobis's bloombloom concert provides world-famous acoustic music that can be enjoyed with family members with beautiful mountains and lakes in the background.

Forest Explanation

Hyundai Mobis provides a program where you can experience Meer Forest's beautiful sceneries while walking the forest together with forest commentators. The Meer Forest Walking Program is held for free of charge, allowing people to learn and experience about how to walk in the forest, how to enjoy the scenery and how to feel the natural breathing.

Environmental Camp

In order to inform more stakeholders about the concept of creating Meer Forest, Hyundai Mobis runs diverse environmental camp programs. We offer ways for people to live together with nature, including the children's environment/science camp that integrates environment and science and the family environmental experience program held for employees and their families.

Eco-experience

In order to pass on beautiful forests to the future generation, Hyundai Mobis has in place various eco-experience programs. We plan to offer the eco marsh experience program for elementary students and the bird observation program for looking at various types of resident birds and migratory birds.

Supporting the Mobility Assistance Program for Disabled Children

In order to enhance mobility convenience and increase the opportunities of social participation for physically-challenged children, Hyundai Mobis has been supporting assistance equipment for 50 disabled children since 2012. Additionally, we also run a program to support living expenses, while also support speech treatment or music therapy for children who need improved language and cognitive functions and deliver them with daily necessities and rehabilitation/treatment products.

Fairytale Books Made to Raise the Awareness on the Disabled

Hyundai Mobis has been striving to raise the awareness on the disabled. In November 2015, we produced a fairytale book called 'Roll Super Wheels' written by Jung-wook Ko who has the first grade of physical disability, which is considerate of the disabled and promote the correct perception about them. We have distributed 3,300 of it to regional children's centers and the disabled welfare centers across the nation.

Hyundai Mobis Family Trip for Disabled Children

Hyundai Mobis held its family trip for disabled children, which supports mobility-challenged children and their families who experience inconvenient mobility and receive negative view. An employee who volunteered will go along as a helper for each family. In 2015, 16 employees volunteered to accompany 50 people including 13 disabled children so that they can go on healing trips to Gapyeong and Chuncheon.

Hyundai Mobis Family Trip for Disabled Children

Meer Forest Concert

Global Social Contribution

Four Move Campaigns and Future Plans

Hyundai Mobis has been implementing the Four Move Campaigns that reflect the Hyundai Motor Group's CSR vision and philosophy at all domestic and overseas worksites. In 2013, the Transparent Umbrella Program first started off at Jiangsu Hyundai Mobis Automotive Parts Co., Ltd., followed by efforts to reduce the risks of car accidents involving children on rainy days by distributing about 30,000 transparent umbrellas to Beijing, Jiangsu, Shanghai and Wuxi.

In 2014, we started the junior engineering class to strengthen the closeness with local communities by holding science class for children that incorporates automotive engineering education. In 2015, we held classes at elementary schools near the overseas corporations in Beijing, Shanghai and Jiangsu, and starting from 2016, we will expand the application in collaboration with the Hyundai Motor Group. Going forward, we plan to develop social contribution programs that reflect local characteristics of regions where our overseas corporations are located including Europe and India.

Social Contribution Activities of Overseas Corporations

As a global company, Hyundai Mobis strives to contribute to local communities by supporting scholarships to students who are in the country where overseas corporations are located, or sponsoring various organizations through sisterhood ties. Since 2008, the Global Hyundai Mobis Fund is in place, which donates certain amount of the salaries from the employees sent overseas and locally hired employees and the same amount is matched and accumulated in the fund to show compassion to neighbors in need locally. Hyundai Mobis has been striving to develop the local communities domestically and internationally to strengthen the trust-based relationship with local residents through sharing and communication.

Junior engineering class held at elementary school affiliated to Beijing Shunyi No.1 Middle School in China

Global Social Contribution Activities

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INTERACTIVE USER GUIDE

If you click on an icon or the table of contents, you can jump to that area. If you click on an icon at the top of all pages, you can jump to that page.

SECTION 05

Appendix

Sustainable Management Practices

UN Global Compact

Since July 2, 2008, Hyundai Mobis has been a member of the UN Global Compact (UNGC). Initiated by then-UN Secretary-General Kofi Anna, the UNGC was designed to encourage businesses around the world to adopt sustainable and socially responsible business activities consisting of 10 principles in four business management areas-human rights, labor, environment and anti-corruption-Hyundai Mobis upholds all 10 UNGC principles in every one of its business activities and has provided information about the company's performance in these areas through this report.

The 10 principles of the UN Global Compact

Classification	Description	Reporting Pages
Human Rights	Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights.	62-63, 65-66
	Principle 2. Businesses should make sure they are not complicit in human rights abuses.	
Labor	Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	65-66
	Principle 4. Businesses should uphold the elimination of all forms of forced and compulsory labor.	
	Principle 5. Businesses should uphold the effective abolition of child labor.	
	Principle 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	
Environment	Principle 7. Businesses should support a precautionary approach to environmental challenges.	53-56
	Principle 8. Businesses should undertake initiatives to promote greater environmental responsibility.	
	Principle 9. Businesses should encourage the development and diffusion of environment friendly technologies.	38-39
Anti-corruption	Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.	62-63

Sustainable Management Evaluations

Hyundai Mobis participated in a number of socially responsible investment (SRI) review programs in support of looking back on its social, environmental, ethical and other CSR performance and financial performance results, including the Dow Jones Sustainability Index (DJSI), the Carbon Disclosure Project (CDP) and KOBEX SM, to name but just a few. Hyundai Mobis then considered the feedback it was given and compared its CSR practices with those of domestic and overseas best practices to further enhance stakeholder value.

Association Membership Status

Association	Objectives
Federation of Korean Industries	Exchange of information on business management, collaboration on CSR activities
Korea Chamber of Commerce and Industry	Mandatory requirement by law to join this chamber, Issuance of import and export documents, etc.
Korea Employer's Federation	Collaboration to establish labor-management system and discuss on policies, etc.
Korea Auto Industries Coop. Association	Collaboration among relevant companies for the advancement of the automotive industry
Fair Competition Federation	Exchange of information and opinions among government agencies and member companies for compliance on fair trade guidelines
UN Global Compact Korea Network	Commitment to abide by the 10 principles of the UN Global Compact
Korea Economic Research Institute	Research on short-term and long-term issues relevant to the development of the Korean economy and the country's companies
Korea Automotive Recyclers Association	Promotion of improved environmental protection efforts by the auto industry and recycling of automobiles
Korea Industrial Technology Association	Improved technology cooperation network and strengthened technology innovation capacity
Korean Society of Automotive Engineers	Advancement of automotive technologies through the active exchange of information concerning relevant technologies
Korean Academy of Motor Industry	Advancement of the automotive industry through seminars and networking between experts

Awards Received for Sustainable Management

Description	Date
Winner of the 2015 Korea Sustainability Report Award	September 15, 2015
Listed to the 2015 Dow Jones Sustainability Indexes (DJSI) World	October 28, 2015
Listed in the 2015 East Asia 30	October 29, 2015
Winner of the Korean Exemplary Company for CSR in China	December 4, 2015
Rewarded with the 2015 government medal for job creation	December 15, 2015

Punishments & Violations

	2013	2014	2015
Cases and amount of hazardous substance leakage	None	None	None
Fines and non-monetary sanctions for violations of environmental regulations	None	None	None
Violation of Customer Information Security Act	None	None	None
Violation of marketing communication regulations	None	None	None
Violation of regulations and voluntary rules regarding product and service information and labeling	None	None	None
Amount of fines imposed for violation of regulations and rules on the supply of goods and services	None	None	None
Violations of the Fair Trade Act	None	None	None

※ Hyundai Mobis complies with the Fair Labeling and Advertising Act (FLAA) in all its advertisements, promotions, sponsorships, and other marketing communication activities. Furthermore, its Compliance Program guidebook provides employees with a summary of the FLAA, related punishments, and behavioral guidelines.

Management Performance

Business Results

(Unit: KRW million)

	2013	2014	2015
Sales	33,242,240	35,126,612	36,019,749
Gross profit	4,802,377	5,123,204	5,147,830
Operating income	3,022,413	3,141,242	2,934,571
Earnings before taxes	4,632,434	4,659,004	4,212,662
Net income	3,396,421	3,392,512	3,040,049

※ Hyundai Life has conducted capital increase through third-party allocation on December 7, 2015. As a result, Hyundai Mobis shares owned by Hyundai Life have fallen and excluded from the consolidated subsidiaries. Therefore, please take note that financial business was excluded from our business performance.

Financial Conditions

(Unit: KRW million)

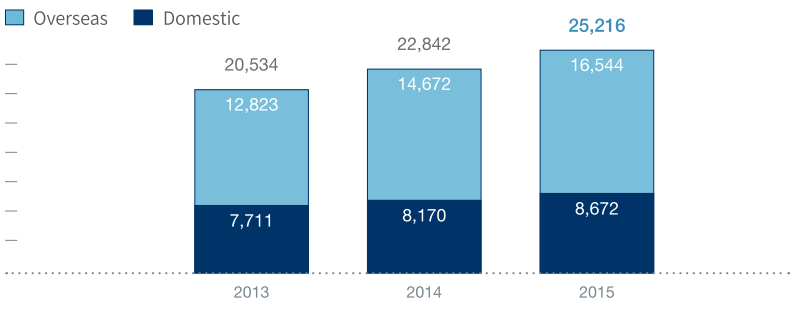
	2013	2014	2015
Total assets	34,430,309	39,111,916	37,774,833
Cash & Equivalents	2,475,832	2,911,441	2,497,886
Liabilities	14,237,123	15,825,813	12,098,593
Borrowings	2,922,307	2,856,450	3,219,201
Equity capital	20,193,186	23,286,103	25,676,240
Shareholders' equity	491,096	491,096	491,096
Debt-to-Equity ratio	70.5%	68.0%	47.1%

Employees

All data in the tables below (except for the number of overseas employees) covers only domestic operations as of December 31, 2015.

Employment

(Unit: persons)



Individual Performance Evaluation

Classification	No. of employees evaluated	No. of employees compensated	Percentage	Note
KPI-based evaluation	8,672	8,672	100	
Multi-layered evaluation	8,672	437	5	Persons in positions of above executives (excluding above managing directors) and team leaders
Compensation linked to relative evaluations	8,672	3,237	37	Persons in positions of above executives (excluding above managing directors) and managers

Wages and Fringe Benefit Expenses

(Unit: KRW million)

Classification	2013	2014	2015
Total Annual Wages	636,460	693,863	736,729
Per-employee Average Wages	87	86	90
Retirement Benefits	24,691	50,501	63,896
Fringe Benefit Expenses	113,278	132,165	134,819

※ Wages and fringe benefit expenses were taken from the Sales and Administrative Expenses and Other Accounts from the company's non-consolidated financial statements.
※ New employee wages are higher than the legal minimum rate, with Hyundai Mobis employee wages determined solely on job grades and work conditions, not by gender.
※ Hyundai Mobis has adopted a defined benefits type of corporate pension fund for employees. They can choose either a lump-sum payment or retirement pension. The company plans on gradually increasing each employee's share of the pension so that their benefits can grow in the future.

Retirees

Classification	2013	2014	2015
No. of retirement by age	27	3	40
No. of general retirement	132	123	128

Disabled Employment

Classification	2013	2014	2015
No. of hired persons	126	138	137
Employment percentage	1.75	1.70	1.60

Union Shops

Classification	2013	2014	2015
No. of Employees Qualified for Union Membership	4,892	4,948	5,157
Percentage of Membership to Total Workforce	63.4	60.6	58.3

※ New employees become members of the labor union as soon as they join the company, with the Collective Bargaining Agreement disqualifying employees who are above the managerial level, labor relations staff, accounting staff, executives and their secretaries and chauffeurs, standby staff for the Korean Workplace Reserve Forces and Civil Defense, employees in the Production Control Tower, interns, temporary workers, part-time workers, special-position staff, senior researchers and those more senior, guards, communications staff, general affairs staff, legal affairs staff, and other employees whom labor and management have agreed to disqualify.
※ Issues subject to advanced notification as stipulated in Articles 39 and 40 of the Collective Bargaining Agreement are: mergers, conveyances, and any company-related spin-off, which requires union notification 90 days prior to the event/ outsourcing or contracting of all or part of production, while research and/or auto parts businesses need to give the union notice 60 days prior to preparing such plans, with the union needing to be told immediately of any reassignments or retraining of personnel due to business and/or technical reasons.

No. of Times Consultations Held between the Labor and Management Annually

Classification	2013	2014	2015
No. of times collective bargaining held annually	46	65	37
No. of times labor-management meeting is held annually	12	12	8

※ Hyundai Mobis held the labor-management meeting quarterly for three unions.

Loss Time from Occupational Accidents

Classification	2013	2014	2015	Note
No. of injuries	7	4	1	
Absence loss per 10,000 employees(%)	10.0	8.3	4.9	the number of days of lost work per 10,000 annually

Health Check-ups

Classification		2013	2014	2015
Basic health check-ups		6,487	5,769	6,783
Comprehensive health check-ups	No. of employees	1,129	1,654	1,566
	No. of spouses and family members	975	1,130	1,057
	Total amount of subsidies (KRW million)	614	844	677

※ In addition to the basic health check-ups, Hyundai Mobis also supports comprehensive health check-ups to enhance the welfare of employees. In the case of employees who are over 35 years old, we support 50 percent of the comprehensive health check-ups for the employee, spouse and family members. Also, we support the full amount of the comprehensive health check-ups for employees themselves on a five year basis.

Social Contribution

Yearly Social Contribution Expenses(non-consolidated)

(Unit: KRW million)

2013	2014	2015
18,153	15,124	19,014

2015 Social Contribution Expenditures Breakdown(non-consolidated)

Social Welfare	Education/Research	Culture, Arts	Environment	Global Programs	Others
37%	17%	18%	16%	2%	10%

Details of Employees' Volunteer Activities in 2015(domestic)

No. of Volunteers	No. of Volunteer Groups	Volunteer Hours	Per-employee Volunteer Hours
3,747	107	11,791	1.36

※ Details of employees' volunteer activities included making talent donation for junior engineering class and giving blood donation from employees. Per-employee volunteer hours refer to the value of dividing the total volunteer hours (11,791) by the number of domestic employees (8,672).

Volunteerism by Division(domestic)

Classification		2013	2014	2015
No. of Employees		7,295	7,373	8,672
No. of Volunteers		2,601	2,629	2,997
	Participation Rate	35.7	35.7	34.6
Volunteer Hours		7,956	8,415	9,027
	Per-employee Volunteer Hours	1.09	1.14	1.04

Smile Microcredit Foundation

	2013	2014	2015
Hyundai Mobis Contribution(KRW million)	4,500	-	900
Loans(cases)	1,452	1,551	1,653
Value of Loans(KRW million)	16,277	16,657	19,116
No. of Loan Products	18	29	15

Kids Auto Park

	2013	2014	2015
No. of Visitors	16,181	14,531	7,724
Hyundai Mobis Subsidies	77	88	93

Basketball Team Donations

(Unit: KRW 1,000)

2013	2014	2015
12,885	10,545	9,330

Win-Win Partnership

Domestic and Overseas Primary Suppliers

Classification	2013		2014		2015	
	No. of companies	Purchase amount (KRW 100 million)	No. of companies	Purchase amount (KRW 100 million)	No. of companies	Purchase amount (KRW 100 million)
North America	30	6,694	27	6,510	27	9,068
Europe	22	5,612	29	5,865	29	4,084
China	183	18,222	212	23,768	237	14,425
India	26	2,229	24	2,291	24	2,315
Russia	2	112	3	116	3	126
Brazil	10	193	13	315	13	544
Turkey	5	187	6	470	6	960
Domestic	859	126,868	869	140,046	881	131,882
Total	1,137	160,117	1,183	179,381	1,220	163,404

Seven Beautiful Pledge Performance Results

Classification			2013	2014	2015
Loan Support to Suppliers	Loan guarantees	KRW 100 million	498	568	518
	Suppliers	No. of companies	42	42	42
R&D Collaboration	Sharing of the Shanghai Test Center	Cases	18,598	22,265	39,623
	CTO Forums	No. of companies	159	152	119
	Sharing of royalty-free intellectual property rights	Cases	160	160	160
Support to Secondary/Tertiary Suppliers	Supporting MSQ evaluations	No. of companies / persons	186/201	23/23	156/156
	Subcontracting agreements between primary and secondary suppliers	No. of companies	403	412	733
Support of Training Programs	Supporting training programs	No. of companies	1,710	1,648	1,905
	No. of trainees	persons	2,251	2,265	2,800
Communication with Suppliers	Cooperation meetings	No. of companies	163	173	167
Promotion of Fair Transactions with Suppliers	Paying SME suppliers in cash	-	Settlements in cash	Settlements in cash	Settlements in cash
Performance sharing and others	Rise in paid customer supply & unit cost	KRW 100 million	14,551	16,789	14,337

Fair Trade Agreement & Mutual Growth Programs

Classification	5th	6th	7th
Period	2013.1.1 ~ 2013.12.31	2014.1.1 ~ 2014.12.31	2015.1.1 ~ 2015.12.31
No. of Signatories	555	443	452
Purchase Amount(KRW 100 million)	51,434	54,491	62,312

Environmental Management

ISO14001 Certification of Domestic Operations

		Eligible operations	Certified operations	Certification rate(%)
Plants	Domestic	18	18	100
	Overseas	20	11	55
Parts sales offices		29	29	100
Total		67	58	87

※ Domestic plants: Include the head office, Mabuk R&D Center and contract manufacturing companies ※ Parts sales offices: including logistics centers (Asan, Naengcheon, Gyeongju, Ulsan 1, Ulsan 2, Ulsan 3)

Materials Used by Weight or Volume

INPUT

	Region	Amount of raw materials used	Unit	2013	2014	2015	Change compared to 2014
Raw Materials	Domestic	Metals	Tons	393,916	321,610	225,072	-30.02%
		Consumption intensity	Tons/KRW 100 million	2.249	1.743	1.180	-32.32%
	Domestic	Plastics	Tons	38,491	11,613	13,058	12.44%
		Consumption intensity	Tons/KRW 100 million	0.220	0.063	0.068	8.74%
	Domestic	Solvents	Tons	4,520	5,781	4,484	-22.43%
		Consumption intensity	Tons/KRW 100 million	0.026	0.031	0.024	-24.98%
Energy	Total	Domestic/overseas energy consumption	TJ	5,802	6,105	5,906	-3.26%
		Consumption intensity	TJ/KRW 100 million	0.017	0.017	0.016	-5.66%
		Domestic energy consumption	TJ	2,503	2,607	2,268	-13.00%
		Overseas energy consumption	TJ	3,299	3,498	3,638	4.00%
	Domestic	Electricity	TJ	2,158	2,265	2,073	-8.48%
	Overseas	Electricity	TJ	2,862	3,034	3,222	6.20%
	Domestic	Fuels (city gas, propane, other oil)	TJ	345	342	195	-42.98%
	Overseas	Fuel	TJ	402	431	379	-12.06%
	Overseas	Other(steam)	TJ	35	33	36	9.09%
Water resources	Domestic	Total volume of water resources used	1,000 tons	1,174	1,099	798	-27.35%
		Consumption intensity	Tons/KRW 100 million	6.70	5.96	4.18	-29.74%

OUTPUT

	Region	Emissions	Unit	2013	2014	2015	Change compared to 2014
GHG	Total	GHG emissions	tCO_2eq	287,193	302,214	292,234	-3.30%
		Consumption intensity	tCO_2eq/KRW 100 million	0.86	0.86	0.81	-5.70%
	Domestic	GHG emissions	tCO_2eq	124,075	129,091	112,350	-12.97%
	Overseas	GHG emissions	tCO_2eq	163,118	173,123	179,884	3.91%
	Domestic	Waste emissions volume (designated/general)	Tons	18,173	19,533	18,176	-6.95%
		Consumption intensity	Tons/KRW 100 million	0.10	0.11	0.10	-10.01%
Waste & Recycling		Recycled amount	Tons	10,230	11,787	9,692	-17.77%
		Recycling rate	%	56.3%	60.3%	53.3%	-11.63%
		Landfill rate	%	5.7%	5.5%	4.8%	-12.00%
		Incineration rate	%	38.0%	34.2%	41.8%	22.34%
Air Pollutants	Domestic	Air pollutant generation by year	Tons	49	46	52	12.69%
		Consumption intensity	kg/KRW 100 million	0.28	0.25	0.27	8.99%
		NOx	ppm	2.4	1.2	3.3	
		SOx	ppm	5.3	1.1	2.9	
		Dusts	mg/m^3	3.6	3.3	3.6	
Water Pollutants	Domestic	Total volume of water pollutants	Tons	21.0	23.3	12.8	-45.24%
		Consumption intensity	kg/KRW 100 million	0.12	0.13	0.07	-47.04%
Water Quality at Wastewater Treatment Facilities	Domestic	BOD	ppm	15.0	17.7	19.6	
		COD	ppm	34.5	29.6	29.1	
		TN	ppm	8.5	8.4	10.2	
		SS	ppm	13.9	11.5	7.0	

GHG Assurance Statement

Terms of Engagement

This assurance statement has been prepared for Hyundai Mobis Korea.

Lloyd's Register Quality Assurance Ltd. (LRQA) was commissioned by Hyundai Mobis to assure its GHG Inventory Report for the calendar year in 2015, which is summarized in Table 1 below (hereinafter referred to as "the Report"). The Hyundai Mobis-related data, as presented in the Report, has been prepared in accordance with the GHG Target Management Scheme for quantification and reporting of greenhouse gas emissions in Korea. The Report relates to direct and indirect GHG emissions.

Management Responsibility

Management personnel at Hyundai Mobis were responsible for preparing the Report and for maintaining effective internal controls over the data and information disclosed. LRQA's responsibility was to carry out assurance engagement on the Report in accordance with our contract with Hyundai Mobis. Ultimately, the Report has been approved by, and remains the responsibility of, Hyundai Mobis.

LRQA's Approach

Our verification on the Report has been conducted in accordance with Korea's GHG Target Management Scheme. We verified that the Report was prepared in conformity with the guidance stipulations for verification of greenhouse gas assertions to a reasonable level of assurance.

In order to form our conclusions, we have:

- Conducted site tours of the facilities and reviewed processes related to the management of GHG emissions data and records
- Interviewed relevant staff of the organization responsible for managing and maintaining raw and consolidated data
- Verified historical data and information at an aggregated level for the calendar year in 2015

Level of Assurance & Materiality

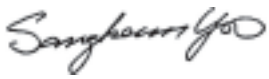
The opinions expressed in the Assurance Statement have been formed on the basis of a reasonable level of assurance and at a five percent working materiality level.

LRQA's Opinion

Based on LRQA's approach, we have found that the GHG data as presented in the GHG Emissions Inventory Report, and the amount of energy used within the Report, are materially correct.

March 27, 2016

Sang-keun Yoo



On behalf of Lloyd's Register Quality Assurance Ltd.

17th Floor, Sinsong Building, 67, Yeouinaru-ro, Yeongdeungpo-gu, Seoul, 07327, Republic of Korea

LRQA Reference: SEO6014771

GHG emissions as reported in the Hyundai Mobis GHG Inventory Report for the calendar year 2015

Scope (as defined within Korea's GHG Target Management Scheme)	2015
Direct GHG Emissions	10,534
Energy Indirect GHG Emissions	101,816
Total GHG Emissions	112,350

※ Data is presented in tons of CO_2 equivalent

Assurance statement: This assurance statement has been prepared in accordance with the Guidelines on the GHG & Energy Target Management Scheme regarding greenhouse gas emissions and energy consumption.

Third Party Liability: Lloyd's Register Quality Assurance Limited, its affiliates and subsidiaries and their respective officers, employees or agents are, individually and collectively, referred to in this clause as the "Lloyd's Register Group." The Lloyd's Register Group assumes no responsibility and shall not be liable to any person for any loss, damage, or expense caused by reliance on the information or advice in this document or howsoever provided, unless that person has signed a contract with the relevant Lloyd's Register Group entity for the provision of this information or advice. In that case, any responsibility or liability is exclusively related to the terms and conditions set out in that contract.

Independent Assurance Statement

To All Hyundai Mobis Stakeholders

Hyundai Mobis commissioned the Korea Productivity Center (the "Assurer") to provide independent assurance of its 2016 Sustainability Report (the "Report").

Responsibility and Independence

Hyundai Mobis is entirely responsible for the reliability and accuracy of all information and opinions presented in this Report. The Assurer is responsible solely for providing third party verification of the content in the Report. As an independent assurance agency, the Assurer was neither involved in the process of preparing this Report with Hyundai Mobis, nor in any conflicts of interest that may undermine our independence.

Assurance Standard

The independent verification process was planned and performed in accordance with the AA1000AS (2008) Assurance Standards to provide Type 1 moderate level of assurance. This was achieved through the evaluation of the organization's adherence to the AA1000 APS (2008) of Inclusivity, Materiality and Responsiveness. Furthermore, assurance was performed to ascertain the organization's adherence to the Global Reporting Initiative (GRI) G4 Guidelines in preparing and presenting sustainability performance information.

Assurance Limitations

Based on the aforementioned assurance standards, the Assurer verified the organization's sustainability performance in 2015. The reliability of financial data in the Report was verified by crosschecking financial statements and disclosure information (as it was audited by an independent auditor), with some data, such as GHG data and information linked with the company's website, verified for its reliability by referring to a third party assurance statement. Site inspection was also performed, in a limited scope, on Hyundai Mobis's headquarters in Seoul. As a result, the Assurer clearly states that any future verification may produce varied results.

Assurance Methodology

The assurance was undertaken with the methodology specified below:

1. We verified if the Report satisfies the requirements of the GRI G4 Guidelines' Core Options.
2. We verified consistency with the principles dictating the content and quality of the Report based on GRI G4 Guidelines.
3. We verified objectivity and appropriateness of all selected key issues and content in the Report by reviewing media reports and performing benchmark analysis.
4. We verified any inconsistencies and errors with the information presented in the Report by comparing and analyzing the same information from different sources.
5. We verified the validity of sustainability strategies and report content by interviewing staff members in charge from the report preparation task force and working-level employees from all related departments.
6. We verified the basis of data and information collection by performing onsite inspection at Hyundai Mobis's headquarters in Seoul, and also verified all internal processes and systems.
7. The scope and boundaries of the assurance process has been conducted according to the boundaries of the time period, region, and value chain of the report. Therefore, the scope of the assurance process meets 100% coverage of the non-consolidated revenue of company, and data regarding the supply chain has not been included unless specified.

Findings and Conclusions

It is the Assurer's opinion that the Report presents Hyundai Mobis's sustainability efforts and performance results in a fair and accurate way. In addition, the Assurer verified the Core Option requirements for the GRI G4 Guidelines' General Standard Disclosures, and reviewed all specific standard disclosures of material issues against the disclosure on management approach (DMA) and indicators as identified from the process of determining report content as follows. The Assurer also reviewed the indicators regarding the non-material aspects of the specific standard disclosures, and the results are included in the GRI/UNGC Index.

Key Material Issues	Material Aspect	DMA & Indicators
Leading Global Technology Competencies	Economic Performance, Energy, Products and Services	DMA- Research & Development EC2, EN7, EN27
Customer-oriented Management	Products & Services	DMA- Customers Satisfaction EN7
Talent Development	Training & Education	DMA-Employees LA9, LA10, LA11
Win-Win Partnership	Indirect Economic Impacts, Assessment of Suppliers' Environment, Labor practices, Human rights, Assessment of Suppliers' Social Impact	DMA-Win-Win Partnership EC8, EN32, EN33, LA14, LA15, HR10, HR11, SO9, SO10
Eco-friendly Product Policy	Economic Performance, Raw Materials, Energy, Products and Services	DMA- Research & Development EC2, EN1, EN7, EN27
Improving Work Efficiency through System-based Management	Non GRI	DMA-System Management

1. Principle of Inclusivity: Stakeholder Engagement

The principle of inclusivity articulates that organizations should include stakeholders in the development and achievement of accountable and strategic responses to sustainability. The Assurer verified that Hyundai Mobis complied with the inclusivity principle and improved its practices accordingly in 2015. Hyundai Mobis separates its major stakeholders into eight groups: domestic & international complete car markers/competitors; employees; suppliers; and customers (agencies/consumers). It operates different channels for communication with each stakeholder group. In particular, the Assurer highly respected the company's efforts to share essential points from the opinions gathered through the CSR council meeting and come up with response strategies.

2. Principle of Materiality: Selection of and Reporting on Material Issues

The principle of materiality dictates that organizations should focus on issues relevant and material to both the organization and their major stakeholders. The Assurer found that Hyundai Mobis successfully identified issues relevant and material to the company and its major stakeholders based on a logical materiality analysis process. The Assurer found that Hyundai Mobis successfully identified domestic and overseas issues based on: media analysis; competitive benchmarking; international standard analysis; confirmation of internal policy documents; interviews; and listening to major management opinions. In particular, the Assurer highly respected that Hyundai Mobis has listened to diverse opinions of internal employees in charge and executives and reflected them. In the Report, Hyundai Mobis presents its progress and major performance results regarding the identified six key material issues by allocating an appropriate amount of space and from a balanced perspective. Regarding this, we suggest that Hyundai Mobis listens to more diverse opinions from external stakeholders, including outside experts, and reflect them in the materiality analysis process for future reports.

3. Principle of Responsiveness: Organizational Response to Issues

The principle of responsiveness says that organizations should be responsive to issues that may impact stakeholder performance. The Assurer found that Hyundai Mobis successfully identified all issues that may impact stakeholder performance, implemented measures to address them, and adequately presented relevant information in the Report. The Assurer found that Hyundai Mobis has clearly disclosed key material issues and its progress and major performance results, and presented measures taken to address them in the Report. In particular, the company is setting a good example by specifying which activities will be implemented in the following year in line with the activities being implemented. In this regard, it seems necessary to take measures to address issues of continuity and seek ways to derive results.

Recommendations

While the Assurer commends Hyundai Mobis for making a variety of efforts to enhance sustainability and for the subsequent performance results, it also presents the following recommendations for improving future sustainability reports and sustainability management.

1. The Assurer highly evaluates the company's continuous increase of R&D investments and the results achieved in technology development. The Assurer suggests Hyundai Mobis discloses its overall R&D directions and results to help enhance the stakeholders' understanding, including R&D strategic directions, related project portfolio and progress results and plans, etc.
2. The activities that support the suppliers in identifying and improving their product quality control, environmental management system certifications, human rights practices, safety control at worksites, etc. are essential for Hyundai Mobis to manage sustainability risks. The Assurer suggests Hyundai Mobis presents the suppliers' sustainability risk factors identified from its self-evaluation and improvement performance made together with examples.
3. Hyundai Mobis set a good example in enhancing organizational efficiency by managing its overall business administration through system management. The Assurer expects that the integrated and continuous management of its sustainability management results will be possible, ensuring a better communication with stakeholders.

April 2016

Korea Productivity Center CEO **Soon-jik Hong**

kpc 한국생산성본부

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Dong-soo Kim
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Team Reader

The Korea Productivity Center's Sustainability Management Center is an assurance agency officially certified by AccountAbility (the organization that established AA1000), the international standard for stakeholder participation and verification, and is qualified to conduct independent assurance statements. Our Assurance Committee is comprised of competent experts who have in-depth experience in sustainability management consulting and assurance, and have completed all relevant training.

· AA1000AS (2008): The Aa1000 Assurance Standard (2008) is an international assurance standard established by AccountAbility, and provides detailed information on the method of reporting sustainability management issues by evaluating an organization's management on performance, compliance with principles, and reliability of performance information.

· AA1000APS (2008): The AA1000 AccountAbility Principles Standards (2008) is an international assurance standard set by AccountAbility, and features all principles related to AA1000 standards.

GRI Index

● Fully reported ◑ Partially reported ○ Not reported Ø NA: Not Applicable

Indicator	G4	Managerial Issues Report Contents	Remark	Page	Note
Corporate Overview					
Strategy and Analysis	G4-1	Statement from the most senior decision-maker	●	4~5	
	G4-2	Provides a description of key impacts, risks, and opportunities	●	4~5, 60~61	
Organizational Profile	G4-3	Report the name of the organization	●	6~7	
	G4-4	The primary brands, products, and services	●	6~7	http://www.mobis.co.kr
	G4-5	The location of the organization's headquarters	●	6~7	
	G4-6	The number of countries where the organizaion operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	●	8~9	http://www.mobis.co.kr, http://dart.fss.or.kr
	G4-7	The nature of ownership and legal form	●	58~59	http://www.mobis.co.kr, http://dart.fss.or.kr
	G4-8	The markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	●	14	
	G4-9	Scale of the organization	●	6~7, 12~14, 75	
	G4-10	Total workforce	●	75~76	
	G4-11	The percentage of total employees covered by collective bargaining agreements	●	76	
	G4-12	The organization's supply chain	●	42~46	
	G4-13	Any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	●	No change	
	G4-14	Whether and how the precautionary approach or principle is addressed by the organization	●	60~63	Business ethics, Risk management
	G4-15	List externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	●	74	
	G4-16	Memberships in associations (such as industry associations) and/or national/international advocacy organizations	●	74	
Identified Material Aspects and Boundaries	G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents	●	6~9	See 39th Business Report (http://dart.fss.or.kr)
	G4-18	The process for defining the report content and the aspect boundaries	●	2	
	G4-19	List all the material aspects identified in the process for defining report content	●	16~17	
	G4-20	For each material aspect, report aspect boundary within the organization	●	17	
	G4-21	For each material aspect, report the aspect boundary outside the organization	●	17	
	G4-22	The effect of any restatements of information provided in previous reports, and the reasons for such restatements	●	Reasons for change to data are stated on each page.	
	G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries	●	No change	
Stakeholder Engagement	G4-24	List of stakeholder groups engaged by the organization	●	15	
	G4-25	Basis for identification and selection of stakeholders with whom to engage	●	15	
	G4-26	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	●	15~17	
	G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	●	16~17	
Report Profile	G4-28	Reporting period such as fiscal or calendar year) for information provided	●	2	
	G4-29	Date of most recent previous report (if any)	●	2	
	G4-30	Reporting cycle (such as annual, biannual)	●	2	
	G4-31	Provide the contact point for questions regarding the report or its contents	●	87	
	G4-32	Report the 'in accordance' option the organization has chosen	●	83~86	
	G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report	●	81~82	
Governance	G4-34	Report the governance structure of the organization, including committees of the highest governance body	●	58~59	
	G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	◑	58~59	http://dart.fss.or.kr
	G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	●	58~59	
	G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics If consultation is delegated, describe to whom and any feedback processes to the highest governance body	●	58~59	
	G4-38	Report the composition of the highest governance body and its committees	●	59	
	G4-39	Report whether the chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement)	●	58	
	G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	●	59	Subcommittees are operated under the BOD. Their members are appointed from the BOD members according to their respective experts.
	G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed	●	59	Audit Committee and Ethics Committee
	G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	●	58~59	

● Fully reported ◑ Partially reported ○ Not reported Ø NA: Not Applicable

Indicator	G4	Managerial Issues Report Contents	Remark	Page	Note
	G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	◑	58~59	
	G4-44	Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics	●	58~59	
	G4-45	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities	●	58~59	
	G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	●	58~59	
	G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities	●	58~59	
	G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material aspects are covered	●	15~17	
	G4-49	Report the process for communicating critical concerns to the highest governance body	●	58~59	
	G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	●	16	
	G4-51	Report the remuneration policies for the highest governance body and senior executives	●	58	Compensations are made based on the BOD's performance as reported to the General Shareholders' Meeting.
	G4-52	Report on the procedures and standards for determining remuneration, including whether remuneration consultants were involved, their independence and relationship with the company.	○		
	G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable	○		
	G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country	○		
	G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country	○		
Ethics and Integrity	G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	●	10~11	
	G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines	●	62~63	
	G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	●	62~63	
Economic Performance Indicators					
Economic Performance	EC1	Direct economic value generated and distributed	●	13	
	EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	●	38~39	Eco-friendly technologies
	EC3	Coverage of the organization's defined benefit plan obligations	●	76	Corporate pension (defined benefits type) fund is in place.
	EC4	Financial assistance received from government	●	36	Hyundai Mobis received government subsidies for national projects.
Market Presence	EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	●	76	
	EC6	Proportion of senior management hired from the local community at significant locations of operation	○		
Indirect Economic Impacts	EC7	Development and impact of infrastructure investments and services supported	●	42~46, 69~72, 77, 78	
	EC8	Significant indirect economic impacts, including the extent of impacts	●	13	
Procurement Practices	EC9	Proportion of spending on local suppliers at significant locations of operation	◑	78	
Environmental Performance Indicators					
Materials	EN1	Materials used by weight or volume	●	53	
	EN2	Percentage of materials used that are recycled input materials	◑	55	
Energy	EN3	Energy consumption within the organization	●	53~54	
	EN4	Energy consumption outside of the organization	●	53~54	
	EN5	Energy intensity	●	53	
	EN6	Reduction of energy consumption	●	54~55	
	EN7	Reductions in energy requirements of products and services	●	38~39	
Water	EN8	Total water withdrawal by source	●	54, 79	
	EN9	Water sources significantly affected by withdrawal of water	●	54	
	EN10	Percentage and total volume of water recycled and reused	●	54	

● Fully reported ◑ Partially reported ○ Not reported Ø NA: Not Applicable

Indicator	G4	Managerial Issues Report Contents	Remark	Page	Note
Biodiversity	EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas	Ø	Unrelated	
	EN12	Description of significant impacts of activities, products, and services on biodiversity	●	54	
	EN13	Habitats protected or restored	●	71	
	EN14	Total number of IUCN red list species and national conservation list species with habitats in areas affected operations, by level of extinction risk	Ø	Unrelated	
Emissions	EN15	Direct greenhouse gas(GHG) emissions (scope 1)	●	55	
	EN16	Energy indirect greenhouse gas(GHG) emissions (scope 2)	●	54	
	EN17	Other indirect greenhouse gas(GHG) emissions (scope 3)	●	54	
	EN18	Greenhouse gas (GHG) emissions intensity	●	53	
	EN19	Reduction of greenhouse gas(GHG) emissions	●	54~55	GHG emissions reduction initiatives
	EN20	Emissions of ozone-depleting substances (ODS)	●	56	
	EN21	Nox, Sox, and other significant air emissions	◑	56, 79	
Effluents and Waste	EN22	Total water discharge by quality and destination	●	79	
	EN23	Total weight of waste by type and disposal method	●	79	
	EN24	Total number and volume of significant spills	●	74	
	EN25	Weight of transported, imported, exported, or treated waste deemed hazardous	Ø	Unrelated	
	EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	●	64~66	
Products and Services	EN27	Extent of impact mitigation of environmental impacts of products and services	●	38~39	
	EN28	Percentage of products sold and their packaging materials that are reclaimed by category	●	55	
Compliance	EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	●	74	
Transport	EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	◑	55	
Overall	EN31	Total environmental protection expenditures and investments by type	●	71	Contributed a total of KRW 10 billion to Meer Forest between 2012 and 2017
Supplier Environmental Assessment	EN32	Percentage of new suppliers that were screened using environmental criteria	◑	43	
	EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	◑	46	
Environmental Grievance Mechanisms	EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	Ø	Unrelated	
Labor Practice and Decent Work Performance Indicators					
Employment	LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	●	76	
	LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	●	76	
	LA3	Return to work and retention rates after parental leave, by gender	●	65	
Labor/Management Relations	LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	●	76	
Occupational Health and Safety	LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	○		
	LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	●	76	
	LA7	Workers with high incidence or high risk of diseases related to their occupation	●	67~68	
	LA8	Health and safety topics covered in formal agreements with trade unions	●	67~68	
Training and Education	LA9	Average hours of training per year per employee, by gender, and by employee category	●	51	
	LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	◑	48	
	LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	●	75	
Diversity and Equal Opportunity	LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	●	58~59	
Equal remuneration for women and men	LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	●	64	
Supplier Assessment for Labor Practices	LA14	Percentage of new suppliers that were screened using labor practice criteria	◑	43	
	LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	◑	43	
Labor Practices Mechanisms	LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	Ø	Unrelated	

● Fully reported ◑ Partially reported ○ Not reported Ø NA: Not Applicable

Indicator	G4	Managerial Issues Report Contents	Remark	Page	Note
Human Rights Performance Indicators					
Investment	HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	◑	46	
	HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	●	63	
Non-discrimination	HR3	Total number of incidents of discrimination and corrective actions taken	●	65	
Freedom of Association and Collective Bargaining	HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	●	65	
Child Labor	HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	●	74	
Forced of Compulsory Labor	HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	●	74	
Security Practices	HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	●	63	
Indigenous Rights	HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	Ø	Unrelated	
Assessment	HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	◑	62~63, 66	
Supplier Human Rights Assessment	HR10	Percentage of new suppliers that were screened using human rights criteria	◑	46	
	HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	Ø	Unrelated	
Human Rights Grievance Mechanisms	HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	◑	62, 66	
Society Performance Indicators					
Local Communities	SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	◑	69~72	
	SO2	Operations with significant actual and potential negative impacts on local communities	Ø	Unrelated	
Anti-corruption	SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	◑	62	
	SO4	Communication and training on anti-corruption policies and procedures	●	63	
	SO5	Confirmed incidents of corruption and actions taken	●	63	
Public Policy	SO6	Total value of political contributions by country and recipient/beneficiary	Ø	Unrelated	Prohibited by law
Anti-competitive Behavior	SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	●	46, 74	
Compliance	SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	●	74	
Supplier Assessment for Impacts on Society	SO9	Percentage of new suppliers that were screened using criteria for impacts on society	◑	43	
	SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	●	42, 78	
Grievance Mechanisms for Impacts on Society	SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	●	74	
Responsibility Performance Indicators					
Customer Health and Safety	PR1	Percentage of significant products and services categories for which health and safety impacts are assessed for improvement	◑	32~33, 38~39	
	PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	●	74	
Product and Service Labeling	PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant products and services subject to such information requirements	◑	31	
	PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	●	74	
	PR5	Results of surveys measuring customer satisfaction	●	31	
Marketing Communications	PR6	Sale of banned or disputes products	●	74	
	PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	●	74	
Customer Privacy	PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	●	74	
Compliance	PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	●	74	

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