INNOVATION
FOR HUMANITY,
MOBILITY
FOR TOMORROW

HYUNDAI MOBIS SUSTAINABILITY REPORT 2023

HYUNDAI MOBIS

CONTENTS

LETTER TO STAKEHOLDERS

CEO Message

"Our challenge will carry on towards The New MOBIS, newer than today."

Dear Stakeholders,

With transition of COVID-19 to endemic phase, discussions about a sustainable future have been much more vibrant than before. This future, however, is the story of all of us, living the present. For 'The New MOBIS', newer than today, we will progress towards a sustainable company with focus on the following priorities.

First, we will secure our business competitiveness for future mobility through company-wide structure improvement.

In order to secure competitiveness in the future mobility market, we will accelerate our transition into a software-centered company. To this end, we will strengthen our core competitiveness by securing software talent, diversifying training, and continuing to expand our relevant infrastructure. In addition, we will secure global top-level technology and product competitiveness in early stage and expand our position in the global market through localization and expansion of a stable supply base.

Next, we will ensure future growth resources through profitability-based management.

For sustainable growth, it is important to secure financial resources by improving profitability. We will enhance the company's profitability through selection and concentration strategy and secure future competitiveness through preemptive R&D investment and infrastructure investment, including expansion of electrification bases. In this way, we will further enhance corporate value and continue stable shareholder return.

Lastly, we will strengthen the sustainability management to preemptively respond to internal and external risks.

We are keenly aware that sustainability management is imperative in addressing the uncertainties in the business environment that are exacerbating due to climate risk, supply chain instability and others. Accordingly, we have declared 2045 Net-Zero commitments, including our supply chain, and expanded eco-friendly infrastructure within our business sites. In addition, through the Corporate Sustainability Management Committee and the company-wide ESG management system, we will strive to settle ESG management that considers not only our own operations, but also supply chains and local communities.

We ask for your unwavering support and encouragement in our challenge towards the newer 'The New MOBIS' to promote the greater good of our society and our planet Earth.

Finally, on behalf of all of us at Hyundai Mobis, we wish you and yours much health and happiness.

Sincerely,

Sung Hwan Cho
President & CEO, Hyundai Mobis

CORPORATE OVERVIEW

About Hyundai Mobis

Company Overview

Hyundai Mobis is a global automotive parts company focused on autonomous driving, connectivity, and electrification to lead the smart mobility era. We render safety and ease in driving with our system solutions (ADAS/sensor, IVI system, electrification, et.) and components (chassis, cockpit, front-end parts), and outperform the competition in our automotive after-sales parts business. We aim to evolve into a mobility specialist providing integrated platforms that combine software and hardware in the future mobility industry. On the back of our competitive technology and production capabilities, we will also broaden our business territory into smart mobility, UAM (Urban Air Mobility), and robotics. Such initiatives will fuel our growth to become a 'mobility platform provider' that meets the needs of varying customers for integrated solutions.

Company name	Hyundai Mobis Co., Ltd.
Date of establishment	June 25, 1977
Headquarters	203, Teheran-ro Gangnam-gu, Seoul, South Korea
President & CEO	Sung Hwan Cho
Employees	33,125
Business area	Automotive modules and parts manufacture, A/S parts sales
Key Financial Performance	KRW 51.9 trillion in sales KRW 37.8 trillion in equity KRW 17.6 trillion liabilities
Change in management	Established subsidiaries specialized in manufacturing (Wholly owned)

The New MOBIS

MObility Beyond Intergrated Solution

We redefined the name of MOBIS as 'Mobility Beyond Integrated Solution'.
We will reach new heights as a mobility platform provider to deliver a truly innovative user experience, integrated solutions optimized for market demand, and value beyond all these.

Vision

Innovation for Humanity, Mobility for Tomorrow

Brand Essence

Integrated Excellence,
We will deliver integrated solutions and superior technology, and we will constantly strive for excellence in all aspects of mobility.

Slogan

The one for all mobility

Management Policy

The management policy of Hyundai Mobis anchors its organizational operation upon the three pillars: 'Talent-centered', 'Autonomous execution', and 'Future-leading'.

Talent-centered

Human capital – the source of our corporate competitiveness

Talented individuals are identified and supported as they build professional expertise. We recognize the performance of our employees to promote their work engagement.

Autonomous execution

We take a self-directed approach

We uphold principles in our business conduct.

Future-leading

Looking far and wide, always one step ahead

We venture out to rise to new challenges and shape our new future. We think flexibly and act quickly.

MANAGEMENT POLICY — HYUNDAI MOBIS — MANAGEMENT GUIDE 2023

2023 Management Guide

To align ourselves towards our shared goal and pursue sustainable growth along the way, Hyundai Mobis established the 2023 management guide to set our key priorities, and shared them with all our employees via CEO Town Hall meetings.

Bolster profit-driven management

to secure resources for future growth

Secure competitiveness for the future mobility business

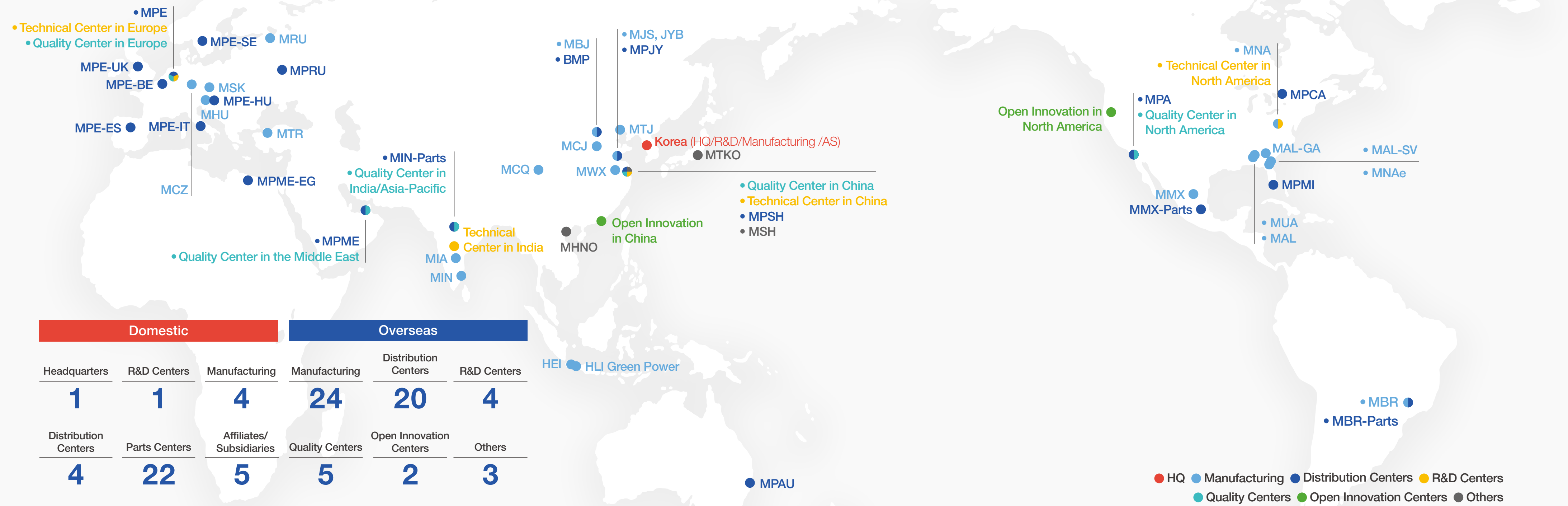
through business fundamentals improvement

Preemptive risk response

due to the expected expansion of business environment uncertainty

Global Network

Hyundai Mobis is maximizing customer satisfaction and strengthening competitiveness by establishing a worldwide network.



Domestic					
Headquarters	R&D Centers	Manufacturing	Distribution Centers	Parts Centers	Affiliates/ Subsidiaries
1	1	4	4	22	5

Overseas					
Manufacturing	Distribution Centers	R&D Centers	Quality Centers	Open Innovation Centers	Others
24	20	4	5	2	3

Domestic

Headquarters	1	Yeoksam, Seoul
R&D Centers	1	Mabuk
Manufacturing	4	Jincheon, Changwon, Daegu (Electrification), Ulsan (Electrification)
Distribution Centers	4	Ulsan Distribution Center, Asan Distribution Center, Gyeongju Distribution Center, Naengcheon Distribution Center
Parts Centers	22	Bukbu Parts Center, Seobu Parts Center, Gangwon Parts Center, Gangneung Parts Center, Chuncheon Parts Center, Dongbu Parts Center, Incheon Parts Center, Nambu Parts Center, Chungcheong Parts Center, Jeonbuk Parts Center, Jeonnam Parts Center, Seosan Parts Center, Suncheon Parts Center, Mokpo Parts Center, Jeju Parts Center, Gyeongbuk Parts Center, Gyeongnam Parts Center, Busan Parts Center, Pohang Parts Center, Gimcheon Parts Center, Andong Parts Center, Jinju Parts Center
Affiliates/ Subsidiaries	5	Motlas – Asan, Unitus – Cheonan, HGP-Chungju, IHL-Gyeongju, GIT- Songpa, Seoul

Overseas

Manufacturing[1]	24	Americas: MAL, MAL-GA, MAL-SV, MNA-OH/MI, MNAe, MUA, MMX, MBR Europe: MSK, MCZ, MHU, MRU, MTR China: MBJ, MJS, JYB, MWX, MTJ, MCJ, MCQ Asia Pacific: MIN, MIA, HEI, HLI Green Power
Distribution Centers[1]	20	Americas: MPA, MPMI, MPCA, MMX-Parts, MBR-Parts Europe: MPE-DE/BE/UK/SE/ES/IT/HU, MPRU China: BMP, MPSH, MPJY Asia-Pacific/Middle East: MPAU, MPME, MPME-EG, MIN-Parts
R&D Centers	4	R&D Center in North American – Michigan, the US, R&D Centers in India – Hyderabad, Hyderabad Center 2, India R&D Center in Europe – Eschborn, Germany, R&D Centers in China – Shanghai, Yantai, Shenzhen, China
Quality Centers	5	Quality Center in North America – California, the US, Quality Center in Europe – Eschborn, Germany, Quality Center in China – Shanghai, China, Quality Center in India/Asia-Pacific – Delhi, India Quality Center in the Middle East – Dubai, UAE
Open Innovation Centers	2	Open Innovation Center in North America – Silicon Valley, the US, Open Innovation Center in China – Shenzhen, China
Others	3	MSH – Shanghai, China, MTKO – Tokyo, Japan, MHNO – Hanoi, Vietnam

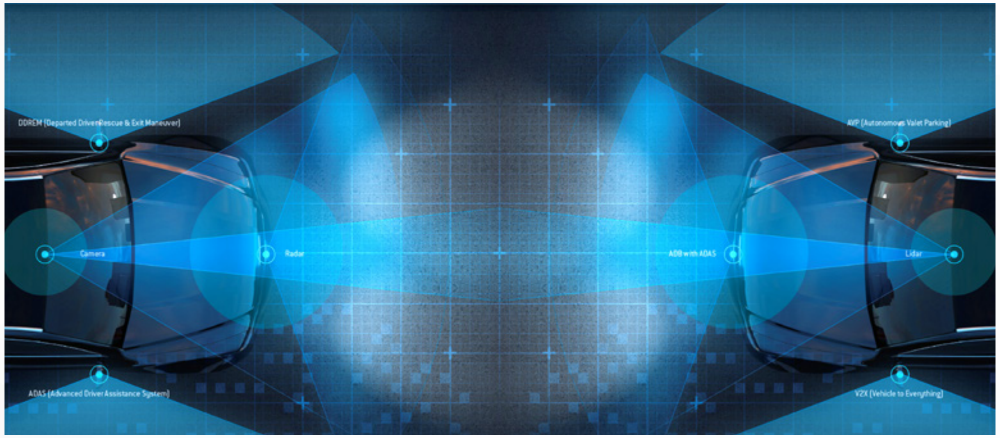
1) Including Joint ventures (JYB, BMP, MPJY, HLI Green Power, HEI)
* Adjusted in line with classification modifications made to reflect changes in operational site management standards and overall business structure (Based on May 2023)

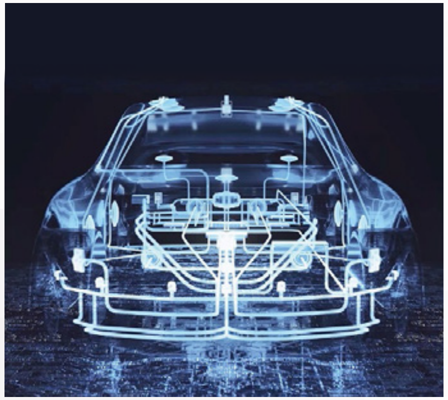
Business Area

System Solutions

2022 sales | KRW **19.01** trillion

Hyundai Mobis leverages our exceptional technology to focus on developing core automotive parts that consider the environment, while delivering safety and performance. We produce traction motors and battery systems essential for EVs, hydrogen fuel cell vehicles and other eco-friendly vehicles, and are developing HDP[1)], HDA[2)], RSPA[3)], and PCA-F/S/R[4)] solutions to boost our competitiveness in autonomous driving and parking. We developed integrated automotive communication controllers as the first Korean company to do so, and remain committed to delivering integrated solutions for future automotive technology.





Electrification

To tackle climate change and the resulting environmental consequences, governments around the world are tightening automotive fuel efficiency regulations and CO_2 emissions standards. In response, Hyundai Mobis is developing a range of electrification parts technology, including high-output traction and high-capacity battery systems and automotive chargers for EVs, along with fuel cell systems for hydrogen-powered vehicles. We strive to harness our electrification technology to create new environmental values through reduced CO_2 emissions and increased energy efficiency.

1) HDP : Highway Driving Pilot
2) HDA : Highway Driving Assist
3) RSPA : Remote Smart Parking Assist
4) PCA-F/S/R : Parking Collision Avoidance - Front/Side/Reverse

Autonomous Driving

Building upon our solid performance in parts development through the convergence of electronic control technology, Hyundai Mobis is exploring autonomous driving solutions for an accident-free future era of driving. Our ADAS (Advanced Driver Assistance System) reimagines a much safer, convenient ride, and our autonomous driving system solutions span the whole spectrum of perception, positioning, decision-making, and control.

IVI(In-Vehicle Infotainment)

Hyundai Mobis' IVI solutions aim to create a system capable of conversing and even connecting with humans. In keeping current with the 'stay connected' paradigm of IoT and universal connectivity, our solutions gather data on vehicle interior/exterior environments and the driver's conditions to provide optimized information and services. Our portfolio ranges from the infotainment systems that play a pivotal role in IVI solutions, to HUD[1)], digital clusters, and premium sound systems.

1) HUD : Head-up Display

Steering

Steering enables a driver to intentionally control a vehicle's direction. Hyundai Mobis supplies automobile OEMs with EPS[1] that delivers optimal steering performance through high-precision motor controls customized to the condition of the vehicle without using the existing hydraulic system. We are also developing next-generation steering systems such as SBW[2], RWS[3], and 4WS[4] to improve driving performance through reinforced reactivity and safety.

1) EPS : Electric Power Steering
2) SBW : Steer By Wire
3) RWS : Rear Wheel Steering
4) 4WS : 4 Wheel Steering

Lamps

Lamps provide information to surrounding vehicles and pedestrians while securing the driver's view by irradiating light. We make sure our lamps satisfy all safety, design, and performance requirements. In the upcoming era of autonomous driving, we are expanding the lineup of our headlights - ranging from Bi-Matrix ADB[1] which responds to its surrounding environments and objects to DMD[2] which supports the ability to communicate with nearby drivers and pedestrians.

1) Bi-Matrix ADB : Bi-Matrix Adaptive Driving Beam
2) DMD : Digital Micro-mirror Device

Suspension

Suspension serves to absorb road shock to increase ride comfort and safety. We provide air suspension solutions with high-pressure air to cushion against even the slightest vibration. We also develop mass-market ELC[1] products to protect EV battery packs that are located on the bottom of the car. We also expand the coverage of battery efficiency improvement functionality to mid/compact-sized EVs, readying ourselves for the upcoming era of autonomous driving and EVs.

1) ELC : Electronic Leveling Control

Brakes

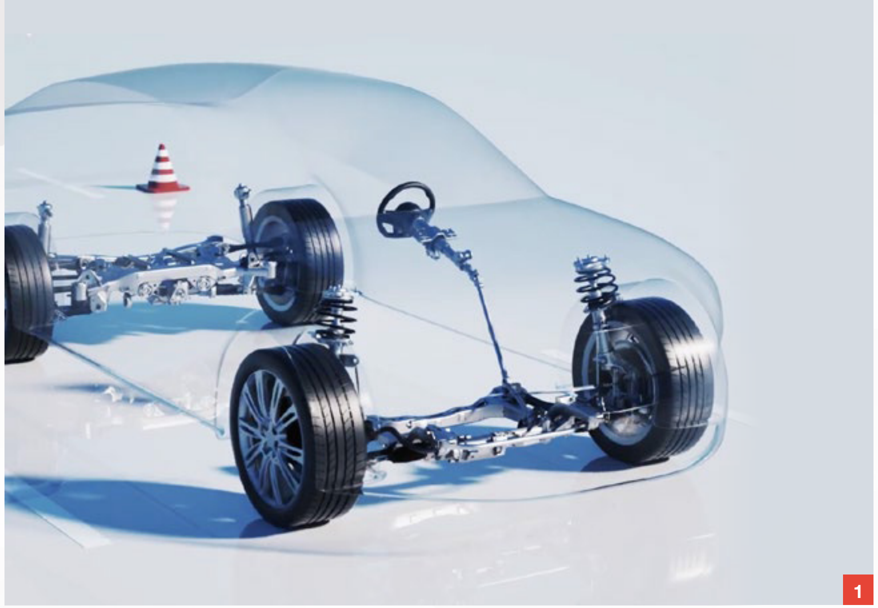
Brakes allow drivers to slow down, stop, or park. Not only do we provide CBS[1], EBS[2], MEB[3], VEB[4], iMEB[5], and EMB[6] for general brake performance, but also ABS[7], ESC[8], and TCS[9] that provide added vehicle safety through regenerative braking and brake systems for autonomous driving.

1) CBS : Conventional Brake System
2) EBS : Electronic Brake System
3) MEB : Mobis Electronic Brake
4) VEB : Vacuum-less Electronic Boost
5) iMEB : integrated Mobis Electronic Brake system
6) EMB: Electro-Mechanical Brake
7) ABS : Anti-Lock Brake System
8) ESC : Electronic Stability Control
9) TCS : Traction Control System

Airbags

Hyundai Mobis takes the safety of drivers, passengers, and pedestrians seriously in developing our airbag systems. From collecting data from the modules and sensors of our front seat airbags (DAB[1], PAB[2], KAB[3]), side airbags (CAB[4], SAB[5]), and center airbags (CSAB[6]), we produce electronic parts that that enable optimal airbag inflation.

1) DAB : Driver Airbag
2) PAB : Passenger Airbag
3) KAB : Knee Airbag
4) CAB : Curtain Airbag
5) SAB : Side Airbag
6) CSAB : Center Side Airbag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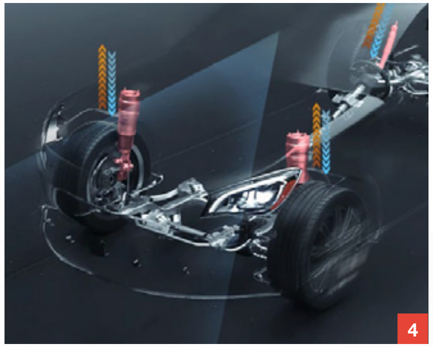
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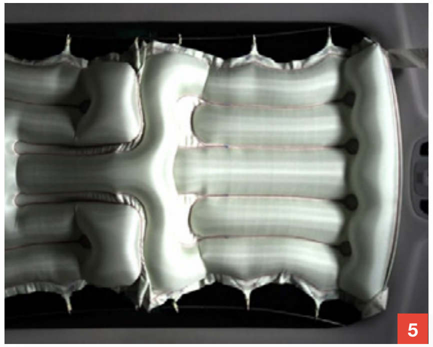
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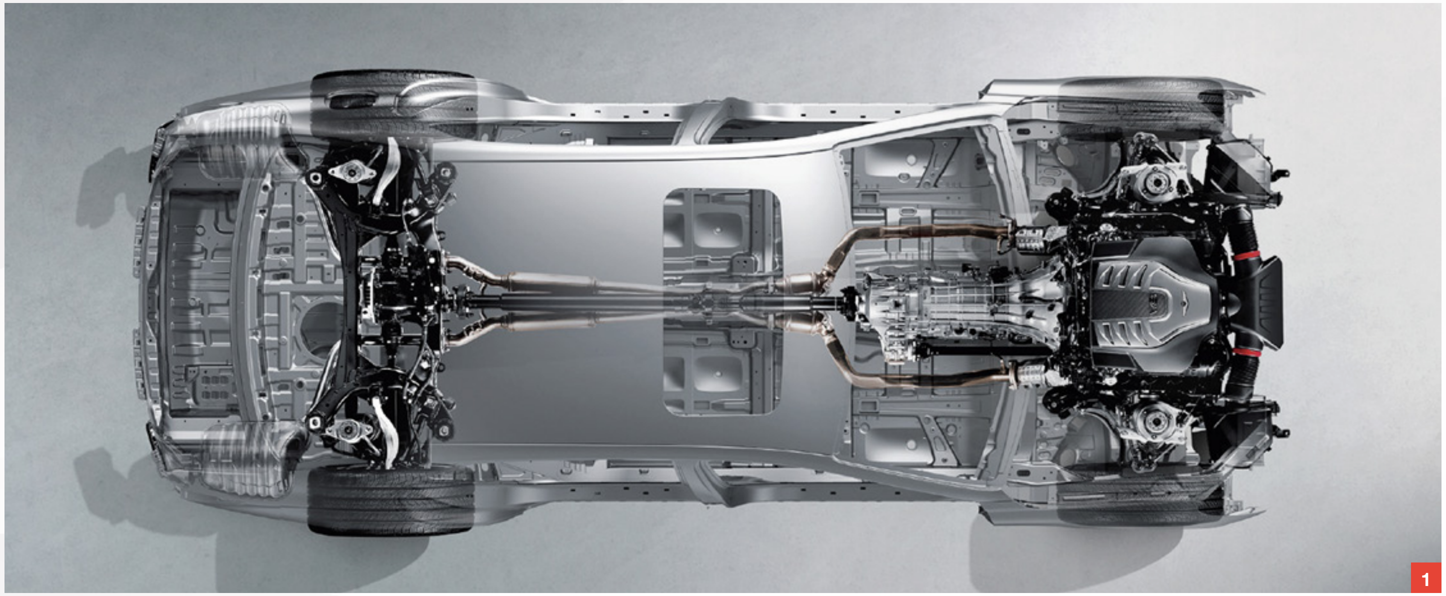
1. Steering system **2.** Lamp 3. Brake **4.** Suspension **5.** Airbag demo

Module Manufacturing

2022 sales | KRW **22.69** trillion

Hyundai Mobis produces and supplies the three key automotive modules for the chassis, cockpit, and front-end parts. We cooperate with car OEMs from the early R&D phase to develop and produce modules that meet the specific needs of different car models. Our cutting-edge technology and system integration bolster our global competitive edge as they help streamline the manufacturing process and improve assembly convenience. Furthermore, our expansion of local manufacturing across key manufacturing locations in China, the United States, India, and Europe have boosted the competitiveness of our products across overseas markets.



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Chassis Module

The chassis module is a product unit that integrates related parts among the parts that make up the frame at the lower part of the vehicle and supplied to OEMs. Hyundai Mobis researches core technologies for optimal module development to share platforms and parts with OEMs and is preemptively developing drive modules (eCCPM-X) and function-integrated e-axles for future mobility such as electric vehicles and purpose-built vehicles (PBVs).

Cockpit Module

We produce cockpit modules through the integrated packaging/functional design of the instrument panel, cowl cross bars, A/C system and airbags, and assemble and supply these modules as a unit product car OEMs. While we focus on advancing the essential functionalities of these modules for the safety of occupants along with user ease, driving information, and control devices, we also develop core technology of future modules by adopting integrated interior lighting and developing eco-friendly materials and processes that meet ESG requirements.

Front-end Module

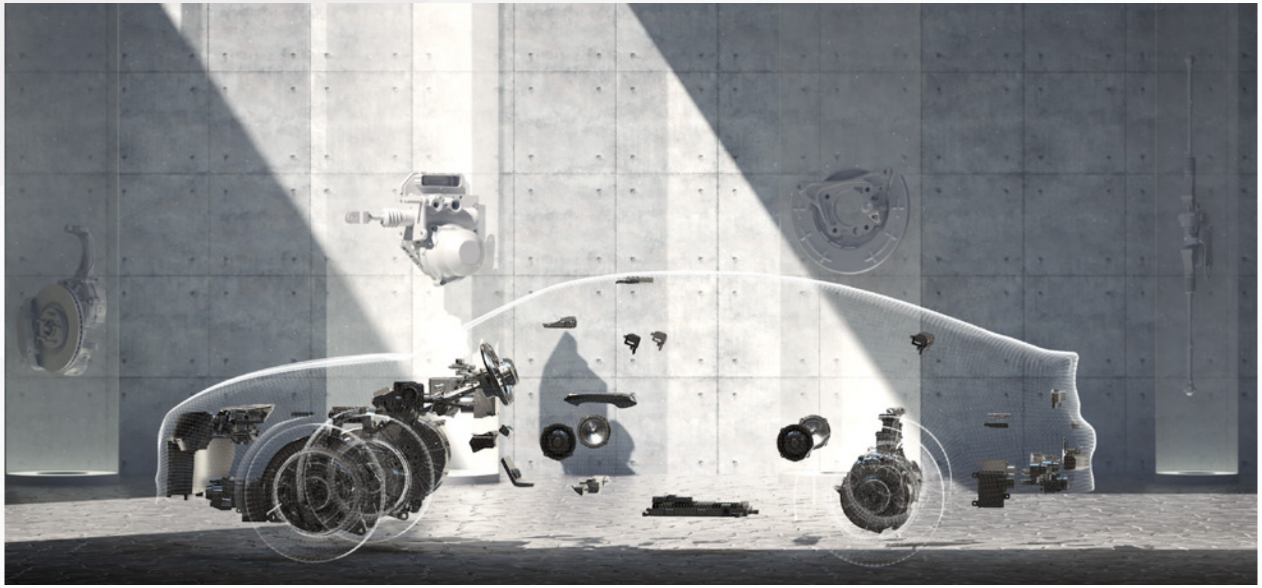
We integrate the functional parts of the front of the engine – radiators, headlights, bumper beams, carriers, and the AAF (Active Air Flap) system – into one single product for OEMs. We research how to use our technology better to enhance the protection of pedestrians, minimize the damage associated with low-speed collisions, improve aerodynamics, integrate functional electronic parts, and reduce weights through the use of novel materials.

1. Chassis module **2.** Cockpit module **3.** Front-end module

After-sales Parts and Automotive Supplies

2022 sales | KRW **10.21** trillion

Hyundai Mobis supplies 2.56 million after-sales parts for nearly 193 vehicle models in Korea and abroad. To ensure the optimal supply stream to serve over 58.66 million automobile vehicles of Hyundai Motor Company and Kia operating in domestic and overseas sites, we have established a best-in-industry distribution network supported by our large-scale infrastructure including distribution centers and our big data-based demand forecast system. Not only do we ensure customer satisfaction through a prompt and accurate parts supply that satisfies market demand for after-sales parts, but we also provide a range of auto consumables and supplies to help customers keep their vehicle in optimal condition.



After-sales Parts

As after-sales parts are used for car repairs, they must be of the same quality and have the identical specifications as new car parts. As a company appointed by Hyundai Motor Company and Kia to be responsible for supplying their after-sales parts, Hyundai Mobis does our utmost to ensure reliable inventory availability, backed by our systemic logistics, distribution, and system infrastructure.

Automotive Supplies

Automotive supplies add to the value of a car's functionality, user ease, and aesthetics. We carry a wide array of such supplies - roof racks, air filters, interior lights, and suit hangers. We provide custom automotive supplies for virtually any consumer, which helps heighten the commercial value of finished car and improve driver convenience.

▶ Website for after-sales parts and automotive supplies

Business Strategy

Mid-to Long-term Transformation Strategy

Tapping into the global market as a smart mobility solution enabler

Hyundai Mobis is establishing our core business capabilities, pursuing company-wide innovation for our business structure, and transforming our business fundamentals to secure global future technology competitiveness and long-term growth drivers. While bolstering our capabilities as an established tier-1 automotive parts company, we will also build core capabilities for semiconductors and software which play an instrumental role in the smart mobility business, transforming our business model to become a smart mobility solution enabler. Leveraging the core technology we have accumulated over the years to tap into the wider business territories of new mobility services and future growth businesses, we will pursue sustainable growth.

Our Approach to Mid-to Long-term Business Operations

Core competitiveness

Core technology

Build product competitiveness

Increase the profitability of existing business
+
Secure core technology

Secure new mobility business

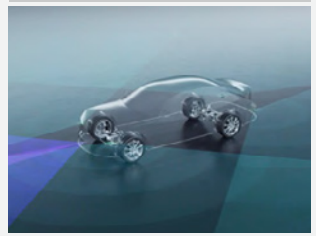
Create new added value

Prepare for long-term new growth business

Expand new business based on automotive business capabilities

SW

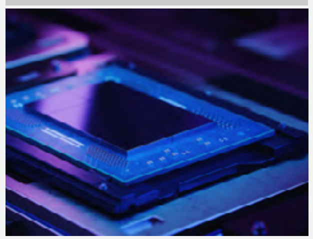
Core electronic /safety parts



Next-generation integrated cockpit

UAM[1)]

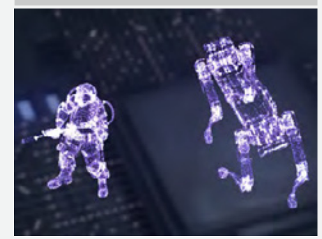
Semiconductors



Core electrification parts

E-corner module

Robotics



1) UAM (Urban Air Mobility): Use of highly maneuverable aircraft to carry passengers or cargo in urban areas

R&D Strategy

In response to the shift of the automotive industry towards MECA (Mobility, Electrification, Connectivity, Autonomous), we are fully committed to our R&D operations to create and deliver the value that sets Hyundai Mobis apart from the competition in the revolutionizing parts industry ecosystem.

Strategic transformation into a SW-centered company

- Secure global SW development capabilities through platform development strategy and global standard system development
- Make strategic/SW ecosystem investments to bolster the foundation in transitioning into a SW-centered company
- Pursue the localization of overseas R&D operations and strategic partnerships for a successful transition

Differentiated product development strategy

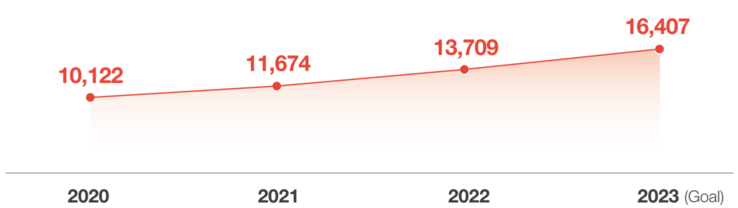
- Secure global top-tier product/technology competitiveness within 3 years
- Broaden a self-reinforcing structure by expanding both captive/non-captive businesses with the world's first products

Identify long-term new growth businesses

- Develop long-term growth drivers outside conventional automotive parts business

R&D Investments and Achievements

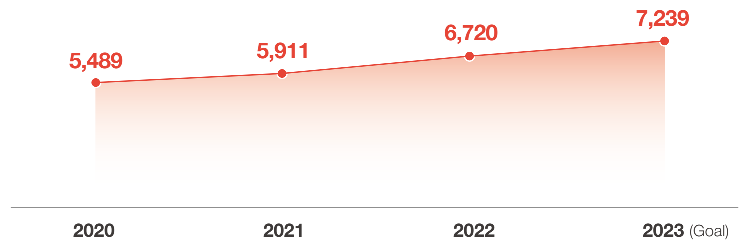
R&D Expenses



● Total R&D expenses (Unit: KRW 100 million)

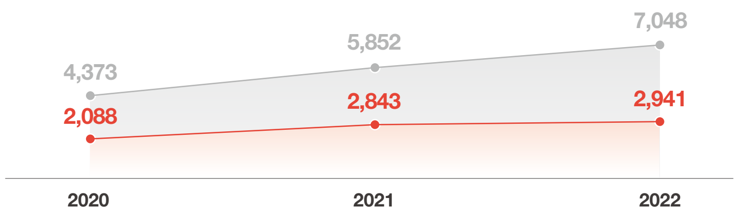
* 2023 plans exclude consolidated subsidiaries

R&D Workforce



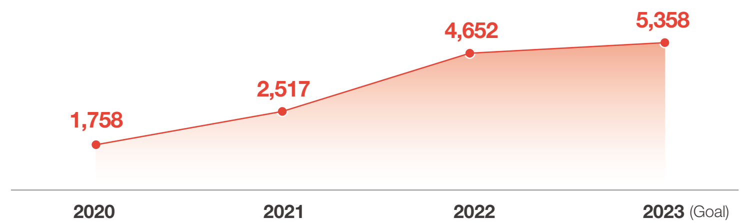
● R&D workforce (Unit: Persons)

Patents



● Registration of owned patents (Cumulative) ● Application of patents (Respective year) (Unit: Patents)

Key Parts Orders



● Key parts orders awarded (Unit: USD million)

Awards

2019

- IR52 Jang Young-shil Award – iMEB (Korea Industrial Technology Association)

2020

- Intellectual Property Management Enterprise of the Year, Minister of Trade, Industry, and Energy Award (Korean Association for Intellectual Property Services)

2021

- Korea Green Mobility Awards Innovation Award (Minister of Environment Award)

2022

- IR52 Jang Young-sil Award – High-voltage battery system (Korea Industrial Technology Association)
- Korea Green Mobility Awards Technology Award (Asia Business Daily)
- Minister of Science and ICT Award – DfAM applied e-corner module parts
- Silver Tower Industrial Medal – Airbag pressure control technology

Global R&D Center Operations

The Korean technical centers of Hyundai Mobis (Mabuk, Uiwang) serve as our global R&D locations to develop company-wide R&D strategy and head our future new technology development. These centers are fitted with a range of cutting-edge testing equipment to engage in comprehensive research and development - from advanced research to mass-production. Our technical centers in North America, Europe, and India develop wide-ranging future technologies in the areas of autonomous driving, electrification, and connectivity, and are merging ICT with our existing machinery parts (brakes, steering, suspension, safety components, headlights, etc.) to build global top-tier R&D competitiveness.

We also operate three winter proving grounds (in Sweden, China & New Zealand) with an emphasis on the Seosan proving ground in Korea. These facilities help us test out the new technology for our chassis, trimming, autonomous driving, electrification, and connectivity in real-world settings to lead the charge in the development of future mobility solutions.

Global R&D Centers

Creating a Creative R&D Culture

We operate M.FIELDs and host M.FIELDs Festa to create a creative R&D culture while simultaneously developing new products. M.FIELDs is our idea portal where our employees in Korea and overseas upload their desired R&D project ideas and are provided the opportunity to undertake their project when recommended and chosen by their colleagues. A variety of ideas originate at our worldwide technical centers in North America, Europe, China, and India as well as from within Korea. In 2022, over 700 ideas were submitted, and the third M.FIELDs Festa 2022 chose two winners – 'the EV BSA (Battery System Assembly) emergency fire suppression system which used cooling water' and 'cost-saving Mobis EMB[1)]'. Especially brilliant ideas selected through M.FIELDs go through proof-of-concept research and verification for their potential to be mass-produced and commercialized. In fact, the '4face LED-applied optical system' and the 'parabolic motion glove box' which were M.FIELDs winners successfully progressed into the mass-production phase. Hyundai Mobis will further encourage employees to submit their ideas and to 'think outside of the box' in an accepting environment, while continuously supporting commercialization.

1) Electro Mechanical Brake

Building Our Intellectual Property Rights Portfolio

We focus on securing original patent technology to boost our competitiveness in the future mobility industry. Not only do we encourage our own employees with invention, but we also sign licensing agreements with universities and other enterprises to expand our patent portfolio. Specifically, we focus on autonomous driving, electrification, connectivity, and other key areas of future mobility in broadening our essential patent portfolio on an on-going basis. We created a dedicated organization to this end, and proactively support patent applications with the help of patent experts and patent lawyers. To encourage research activities, we also host the annual job patent awards along with various reward programs. Such efforts resulted in increases in the intellectual property rights applications made in consecutive years, from 2,088 in 2020 to 2,843 in 2021 and 2,941 in 2022. Our overseas technical centers in North America and Europe support patent applications in a way optimized to local conditions by leveraging local patent agents to prevent potential global patent disputes. As a result, the proportion of our international patent applications has been rising steadily, from 35% in 2020 to 41% in 2021 and 51% in 2022, with a goal of reaching 52% in 2023. In 2023, we set a goal of reaching over 2,500 IPR applications in Korea and overseas, out of which 1,300 applications will be made outside Korea.

Key Patents in 2022

Mobility

How autonomous mobile robots identify and load bogie for transport
Technology to help autonomous mobile robots perceive, load and move bogie for transporting workpieces

Low-positioning structure for e-corner modules
Technology related to driving, braking, suspension, and steering component integration devices for low-floor structures

Autonomous Driving

Preventing highway chain collisions and shock load mitigation
Technology for the prevention of rear-end collisions along with the minimization of any consequential human injury

Improving the perception of front cameras so that crossroads can be sensed more accurately through map navigation data
Technology to control vehicles by correcting disparities in the curvature between left and right front cameras for approaching vehicles at a junction through reflecting information on the opposing lane or the navigation system's curvature data

Electrification

In-wheel traction system containing multiple planetary gears
In-wheel system to position the planetary gear decelerator for motor torque increases and to allow for bearing locations effective in canceling the axial direction force and in promoting axial load support and assembly

Semiconductors

Power semiconductor gate structures and their formulation
Technology that protects the bottom of the trench through the formation of deep junctions (BL) at the bottom of the trench to enable higher threshold voltage levels given the same length of EPI through charge sharing

Swivel Display

The world's first variable display developed by Hyundai Mobis, is perfect for autonomous vehicles and is also referred to as a swivel display as the ultra-large curved screen is able to move up and down. The 34-inch super-large screen features ultra-high-resolution 6K OLED panels and the multi-curved design that vertically creates three different curved surfaces. Not only is this design aesthetically pleasing, but it also greatly improves screen visibility from the user perspective. Despite it being an ultra-large sized display, it operates on a single screen so that users can go full screen to watch their favorite video in the autonomous driving mode. A variety of content is made available through touch or gesture recognition along with other various methods. For the swivel display, Hyundai Mobis submitted 10 new patent applications for a range of functionalities in display alignment technology, location control, and integrated cockpit design. Combining such cutting-edge technology with our portfolio of core parts technology greatly furthers our efforts to develop novel convergence-driven technology optimized for future mobility.

Quick Menu Selection

Our Quick Menu Selection, also known as "menu-free information", is the first of its kind in the world to adopt IR (Infrared Ray) sensors for in-vehicle location sensing. This drastically cuts down on cumbersome, repetitive touch screen maneuvering, allowing users to effortlessly select their most frequently used menus. This technology is touted for its ToF (Time of Flight) luminescence sensing technology which allows for fewer sensors, and for its automatic calibration powered by perception algorithms to increase the accuracy of perceiving different hand shapes and tracking their movements. To facilitate intuitive use for the driver, Quick Menu Selection also comes with responsive UX (User Experience) and UI (User Interface) solutions that sense distances and locations.
While it would be difficult to expect conventional touch displays to identify a users' intention without actual touch contact on the desired menu, our Quick Menu Selection can adjust its interface based on the direction of a user's hand and the location in which the screen is touched. By minimizing the actions required on the part of the driver as such, Quick Menu Selection helps prevent a host of distractions to support safe driving, making it even more enjoyable to use In-Vehicle Infotainment.

Smart Cabin Control

Our Smart Cabin Control is the world's first integrated control systems that is able to analyze a driver's biometric signals including posture, heartbeat, and brainwaves to support safe driving. While there have been control devices in the mobility area that process specific biometric markers, our control system is touted as the first healthcare-exclusive control capable of analyzing a range of bio signals in an integrated manner.
Smart Cabin Control consists of four sensors that measure biometric signals, a controller that analyzes these signals, and software logic, and serves as a sort of brain that can accurately analyze biometric signals that keep changing continuously. Smart Cabin Control can identify if a driver is feeling unwell or in high-risk situations such as dozing off at the wheel, and issue alerts through the navigator, the cluster, or the Head-up Display. Even the in-cabin temperature/humidity levels and CO_2 concentrations are controlled to create a safer and more comfortable ride. In line with evolving biometric signal controllers, the automobiles of the future are expected to operate as a 'mobile health checkup center'.

Embedded Air Sterilization System

Our embedded air sterilization system deploys UV sterilization to eliminate bacteria circulating within the machine components of the cabin. UV photocatalytic sterilization leverages OH radicals, sterilizing substances generated when UV LED is projected onto the photocatalytic filter. When activated, it draws in and sterilizes the cabin air, then emits it as purified air. This truly adds to the value of safety and health as it eliminates harmful pollutants without the use of chemicals or heavy metals. Real-world tests performed by third-party organizations proved that our system reduced the concentration of staphylococcus aureus in the air by 99.9%.
The air duct we developed in tandem with the sterilization system further improves in-cabin air quality as its anti-bacterial material inhibits the growth of multiple harmful bacteria/fungi along the air duct. Our sterilization technology achieves a 99.9% reduction in germs and bacteria in accordance with the ISO 22196 anti-bacterial activity assessment standard as well as zero mold growth in accordance with the ISO 846 Method A. Going forward, we will develop innovative technologies to truly enhance the vehicle user experience from the customer perspective.


1

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3


4

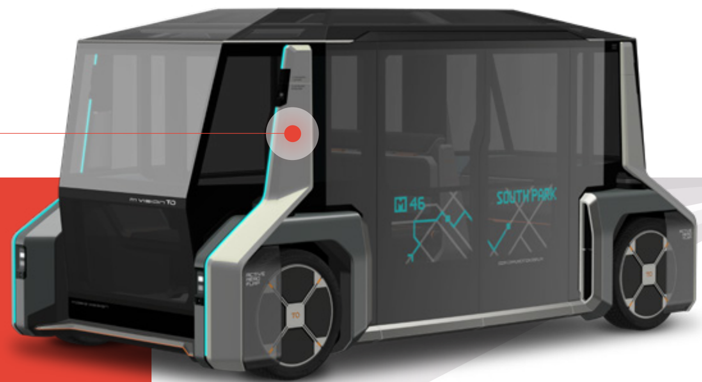
1. Swivel Display 2. Quick Menu Selection 3. Smart Cabin Control 4. Embedded Air Sterilization System

CES 2023

Unveiling M.Vision TO & HI, Our PVC Concept Models for Future Mobility

Hyundai Mobis unveiled M.Vision TO and HI as our new PBV (Purpose Built Vehicle) concept models under the theme of ‘Hi! For Better Tomorrow’ at the CES 2023.

- Deploy the modular IPDS (Integrated Pillar Drive System) developed by integrating the e-corner system capable of independent driving and steering, autonomous driving sensors - cameras, radars, LiDARs – MR (Mixed Reality) displays, and communication lighting into the four automotive pillars
- Support a range of movements including ‘crab driving’, zero turn, and diagonal driving, and cater to diverse types of PBV with different purposes and specifications through the modular architecture integrating most of the driving devices

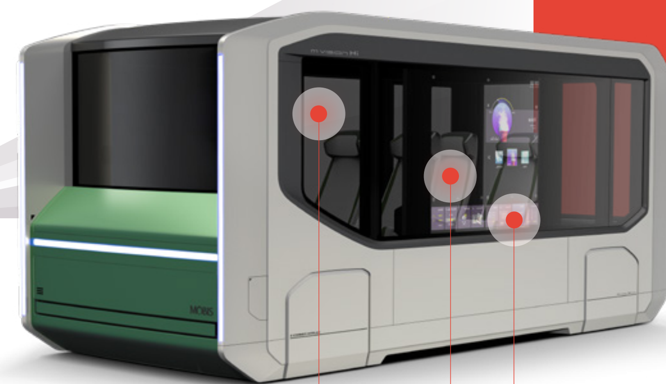


PBV for free transit and ride sharing in urban centers

M.Vision TO

M.Vision HI

PBV for leisure, rest, and outdoor activities



- Use one’s gaze from a distance just like a computer mouse to enjoy desired content
- Allow for purpose-based versatile seat positions for reclining postures (bench mode, cinema mode, lounge mode, tailgate mode)
- Use the translucent automotive glass as a large display for movies or as an AR display to access location-based information (parking lots, cafes, etc.)

Winning our first Innovation Award

Hyundai Mobis unveiled a range of new mass-producible mobility technologies at the CES 2023[1)]. We were honored with our first CES 2023 Innovation Award at this global event for our swivel display, 25-inch local dimming HUD, functionally-integrated GFRS (Glass Fiber Reinforced Plastic) transverse leaf spring suspension, and M.Brain technology.

CES INNOVATION AWARDS 2023 HONOREE

Swivel display

The swivel display is our variable automotive display that allows users to move the display up and down and zoom in and out. This improves visibility for users and adds to the aesthetic design.

25-inch local dimming HUD

Our local dimming HUD (Head-up Display) is the world’s first to deploy full array local dimming. Its 25-inch display, 2.23 times wider than the conventional 12-inch display, provides a user-friendly method for viewing information, and 220 local dimming zones, along with HUD local dimming logic, display videos in their most optimal way.

Functionally-integrated GFRP transverse leaf spring suspension

Our functionally-integrated GFRP transverse leaf spring suspension reduces the number of parts needed, while allowing for a low floor and lightweight structure. This module technology is best suited for future mobility development as it has the potential to create a roomier interior for PBVs and improve the power efficiency of EVs.

M.Brain

Our M.Brain technology can measure and analyze the brainwaves of a driver to determine his/her stress levels and/or attention levels, and is able to alert the driver of the specific cause for concern to enable safe driving.

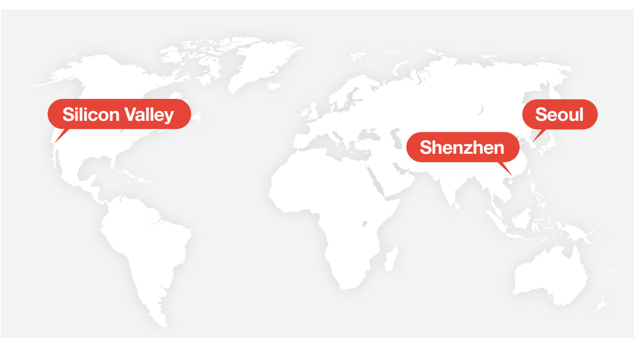
1) CES (Consumer Electronics Show): World's largest electronics show held in Las Vegas, the US, every January

Open Innovation

Operating Mobis Ventures as Our Global Open Innovation Center

Hyundai Mobis operates Mobis Ventures as our global open innovation center to better position us for the upcoming future trends. Mobis Venture Silicon Valley (MVSV), our first innovation center that we opened in the Silicon Valley, the US, in November 2018, serves as a hub of deal sourcing to keep close taps on innovative technology and preemptively secure such technology. Mobis Venture China, the second such center that we established in Shenzhen, China, in June 2019, is responsible for technology scouting and deal sourcing specialized in the local Chinese market. Mobis Ventures primarily targets autonomous driving, connectivity, mobility, robotics, UAM, electrification, and AI. To pursue growth in tandem with promising global startups on the strength of our expertise and global capabilities accumulated in the automotive sector, Mobis Ventures engages in tailormade investment activities spanning all the way from Series A to pre-IPO funding. In 2022, we hosted the 1st Mobis Mobility Day under the supervision of MVSV by inviting nearly 80 participants from startups and investors working in the future mobility industry in the Silicon Valley, the US. Going forward, we will leverage our global open innovation centers to reach out closer to local startups and investors and continue to broaden our partnership network to explore innovative technology that will shape our new future.

Hyundai Mobis Open Innovation Centers



Expanding Our Open Innovation Portfolio

We pursue strategic partnerships on an on-going basis to preemptively secure future growth drivers and lead the market over the mid-to-long haul. In 2022, we formed a strategic partnership with LightIC Technologies, a startup developing next-generation LiDAR technology, to work together to develop semiconductor-based electronic LiDAR systems. This electronic technology is recognized as a game-changer for its potential to improve durability while allowing for compact-sized parts compared to today's mechanical LiDAR. Given the sophisticated level of technology required to achieve such systems, success in preemptively securing it will surely help us become a leading player in the ever-expanding LiDAR market. Broadening our strategic open innovation portfolio, Hyundai Mobis will further boost our global competitive edge.

Portfolio

OUSTER (US) Startup developing automotive LiDARs	Obsidian (US) Startup developing thermal image sensors	STRADVISION (Korea) Startup developing image recognition software
ZENDAR (US) Startup developing high-performance automotive imaging radars	SONATUS (US) Startup developing cloud-based automotive software	DEEPGLINT (China) Startup developing face/behavior pattern recognition software
ENVISICS (UK) Startup developing AR HUD	LightIC Technologies (US) Startup developing automotive LiDARs	

Operating Startup Challenge as an In-house Startup Accelerating Program

Our Startup Challenge intends to encourage employees to startup their own business. Under this program, our employees are given an opportunity to take the lead in business development, which helps disseminate entrepreneurship and build challenging spirit and creativity into our corporate culture. Chosen teams are provided with business development expenses, standalone office spaces, and incubation programs with the help of professional accelerators. This program is expected to help Hyundai Mobis indirectly tap into new business areas that are barely approachable from our established business areas, learning about new markets and accumulating business experiences. In 2022, three teams who completed their year-one accelerating period as the finalists at the 2nd Startup Challenge participated in the 2022 Hyundai Mobis 2nd Startup Challenge Final Evaluation Demo Day. The event was attended by our senior management and employees and by external venture capitalists and accelerators who prepared their letter of intent and engaged in startup evaluations. The WithForce team which proposed lightweight wearable robots made of shape memory alloys was chosen to go on to the startup phase, and was spun off in January 2023.

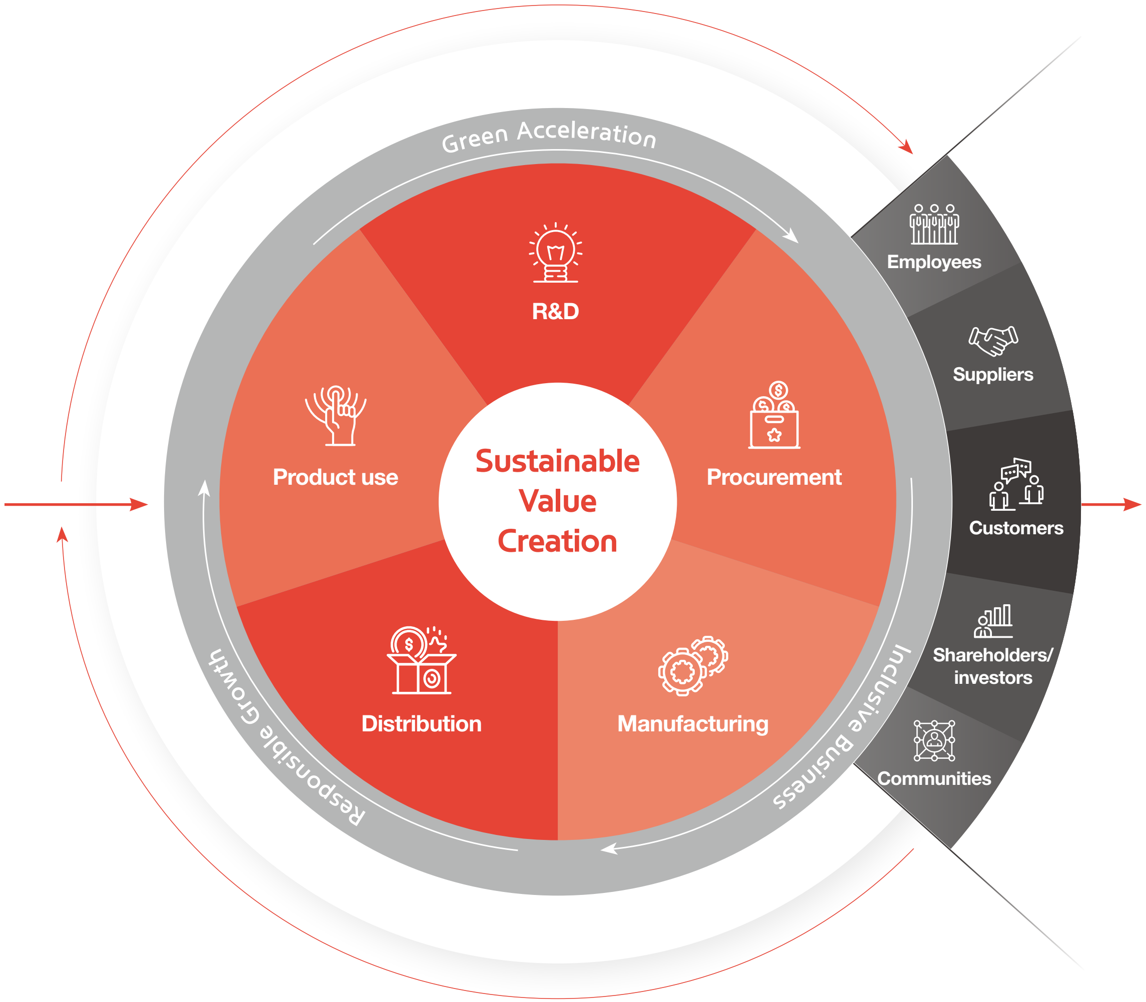
* Startup Challenge

Value Creation

Hyundai Mobis creates values for various stakeholders by considering sustainability for not only R&D, purchase, production, and distribution but also product use and disposal.

Input

Financial	
Total capital	KRW 37,807.6 billion
Manufactured	
Domestic tangible assets	KRW 4,160 billion
New facility/extension investment cost (CAPEX)	KRW 1,047.6 billion
Intellectual	
R&D personnel	6,720 persons
R&D expenses	KRW 1,370.9 billion
Human	
Employees	33,125 persons
New hires	5,109 persons
Total compensation for domestic employees	KRW 1,223.6 billion
Safety training (domestic CP module)	8,737 persons
Social and relationship	
Volunteer service hours	11,359 hours
Number of suppliers under the fair trade agreement	335 companies
Natural	
Investment in renewable energy (photovoltaic)	KRW 7.37 billion
Investment costs related to GHG reduction at business sites (purchase of renewable energy certificates, etc.)	KRW 50 million



Output (2022)

Financial	
Sales	KRW 51,906.3 billion
Operating profit	KRW 2,026.5 billion
Manufactured	
Domestic sales (Including consolidated adjustments)	KRW 26,713.4 billion
Electrification parts sales	KRW 9,675.9 billion
Intellectual	
New patent applications	2,941 cases
M.FIELDs ideas	Approx. 700 cases
Human	
Human capital ROI (Domestic)*	2.15
Employee satisfaction	74.8%
Occupational injury rate (Domestic)	0.03%
Social and relationship	
CSR effects (Donation through volunteer service)	KRW 620 million
Purchase amount made from suppliers under the fair trade agreement	KRW 6,440.2 billion
Natural	
Consumption/Conversion amount of renewable energy	386 TJ
GHG reduction amount at business sites	5,955 tCO_2eq

* (Total profit – (total operating expenses – employee related expenses))/employee related expenses

SUSTAINABLE GOVERNANCE

Dialogue with BOD

Corporate Sustainability Management Committee

In 2022, Hyundai Mobis continued to progress towards balanced and sustainable growth on multiple fronts at all levels of the Company. To share understanding and practice of these efforts, we interviewed five independent directors on the Corporate Sustainability Management Committee, which serves as our highest governance body that decides on sustainability agenda items.

Each of our independent directors provided feedback based on their extensive expertise and experience on the current activities and future plans of Hyundai Mobis to bolster our sustainable business competitiveness. We will incorporate their advice in furthering our transparent and accountable sustainability management and expand our communication with stakeholders.

Hwajin Kim	Daesoo Kim	Jina Kang	James Kim	Young Chang
Independent director	Corporate Sustainability Management Committee Chairman	Independent director	Independent director	Independent director
Governance risk management expert	SCM, supply chain, and operational risk management expert	Technology management and management innovation strategy expert	IT, automotive industry expert	Finance and financial risk management expert

Q1 **As global discussions on sustainable future expand and related regualtions and requirements get sophisticated accordingly, so does the importance of sustainability management in all business conduct. Can you tell us about the efforts and achievements Hyundai Mobis has made for sustainability management in 2022?**

James Kim

Hyundai Mobis has recognized sustainability management as our overarching value in business conduct since 2009, and preemptively operated the Corporate Social Responsibility Committee to lay the necessary structural basis. When global companies scrambled to announce their 2050 net zero vision in 2021, Hyundai Mobis committed to its 2045 net zero roadmap to bolster eco-friendly management capabilities with its future-oriented ESG vision, and became Korea's first automotive parts company to join the RE100 in 2022. We believe that win-win partnerships play an essential role in driving our corporate growth and value creation. We embodied this belief by providing emergency management support to parts distributors who found themselves financially strapped amid the pandemic last year. Not only did we provide them with discounts on supplied parts, but we also extended the due date of their bills.
Our proactive ESG efforts and future-driven plans were widely praised as we were awarded an overall A for two consecutive years in the ESG assessments made by the Korea Institute of Corporate Governance and Sustainability (KCGS) and were listed on the Dow Jones Sustainability World Index which represents top-tier companies in the DJSI Index family in 2022.

Daesoo Kim

In 2022, Hyundai Mobis verified our Scope 1 & 2 GHG emissions and expanded our Scope 3 category coverage for supply chain emissions management while extending the scope of disclosures to improve transparency. Concerning sustainable supply chain management that has recently emerged as a key ESG priority, we stipulated a code of conduct for our partners that covers human rights & labor, health & safety, the environment, responsible minerals sourcing and other ESG areas. We also established a systemic management process to align monitoring with corrective action through sustainability risk reviews. Our greatest strength lies in our agility in responding, which we have developed through continued communication and close cooperation with our partners.
There are still challenges ahead in terms of monitoring supply chain risks which loom large alongside the volatility of the global macro environment and internalizing key materials, parts, and equipment In response, we will develop preemptive risk mitigation strategies through our early warning system that operates on the probability of risk occurrence and impact. Our prompt risk response strategies which include playbooks and protocols will proactively help to establish a scenario-based risk management system.

Q2 **Society is increasingly trending towards shareholder activism and embracing the stewardship code in the capital market. What is Hyundai Mobis doing to keep current in this shifting landscape?**

Hwajin Kim

Hyundai Mobis communicates on the interests of stakeholders through our corporate governance and sustainability reports, and routinely engages with shareholders through regular NDR events and year-round conference calls so that strategies, achievements, and plans can be transparently shared. Improvements were also made for independent directors so that they are briefed on the Board meeting agenda items, sufficiently review the items, and create substantial improvements through active Q&A and comment sessions. The feedback from shareholders/stakeholders is escalated to top management to further reinforce communication, and interactive communication is encouraged to properly reflect the needs of the capital market in our business operations.

Young Chang

As the approach to ESG management and its detailed implementation have been established across the capital market, Hyundai Mobis is keeping close tabs on relevant trends to chart its course and identify specific implementation priorities while taking measured action when and where appropriate. While the initial buzz over ESG management gradually fades, sustainability management is here to stay to truly drive a company's growth and success. Going forward, we will need to move our gaze beyond responding to external needs and circumstances, and turn our focus inward to strengthen our core fundamentals. This will be possible through the company-wide support of human and physical resources and through reaching out ever closer to shareholders/stakeholders to communicate our activities and efforts.

Q3 R&D enforcement, technology innovation, eco-friendly product development and expansion are considered Hyundai Mobis' material sustainability management issues each year. How would you rate Hyundai Mobis' R&D and innovation strategy?

James Kim

The advent of EVs, paired with the present-day call for 'eco-friendliness', underscores the importance of securing of eco-friendly automotive technology for automotive parts and solution companies. Hyundai Mobis continues to increase our investments in electrification parts and other eco-friendly products to develop products with a clear technology edge and works to ensure such parts and products can be reliably mass-produced. We also strategically chose to evolve from a hardware-focused, high-carbon intensity automotive parts manufacturer into a software-defined future mobility business, tirelessly working to become globally competitive in our R&D efforts.

Jina Kang

The ultimate goal of our technology strategy is not to merely secure standard technology, but to independently develop proprietary standard technology. We learn from history that when the market has yet to embrace a dominant design, it cannot be guaranteed that the seemingly most 'cutting-edge' technology will become the standard or gain any first-mover advantage. Given the numerous emerging technologies of which there is no clear winner, our end-all goal should not be to simply to fill the No. 1 place marker. Rather, Hyundai Mobis should invest aggressively and defensively by technology, business, and phase. Hyundai Mobis clearly understands such needs, and this will surely drive Hyundai Mobis' pursuit of sustainable technology evolution.

Q4 What priorities should Hyundai Mobis place further focus on for sustainability management?

Young Chang

Increasing shareholder value is naturally a critical goal for corporate sustainability. It is essential that in this initial phase, an outstanding product is produced – one that is globally-acclaimed and competitive, even if such a product can only be made in small batches through 'selection and concentration'. This approach can also help Hyundai Mobis tap deeper into global OE markets, increase its profits, and cement its position as a global automotive parts company. This will surely and eventually result in improved shareholder value.

Jina Kang

As a technology company that always needs to accurately pinpoint new technologies and their direction, Hyundai Mobis is facing the difficult challenge of achieving a balanced execution that considers appropriate exploration and existing businesses at the same time. A company that follows the route of exploitation may forfeit the opportunity to establish the optimal process and risk having to settle for a sub-optimal equilibrium. So often, a success already has a seed for failure inherent in its very nature, which raises the need to take a conservative approach to decision-making even in stable conditions and review the current situation.

Hwajin Kim

Among numerous ESG management considerations, 'inclusion' is not a topic rendering full discussion, neither in Korea nor overseas. All companies, Hyundai Mobis included, need to live by the value of 'inclusion', which is defined as the fair and impartial treatment of all the members of a company. Efforts should be made to create an inclusive environment by realigning the performance compensation system, expanding employee benefit programs, and building a culture of mutual respect and care.

Q5 As the Chair of the Corporate Sustainability Management Committee, could you provide recommendations to further advance sustainability management at Hyundai Mobis?

Daesoo Kim

The ultimate goal of the Corporate Sustainability Management Committee, which serves as the highest oversight body driving Hyundai Mobis' sustainability growth strategy and activity under the vision of 'Innovation for Humanity, Mobility for Tomorrow' is to meet the needs of wide-ranging stakeholders and deliver greater environmental, social, and economic value. To this end, we need to strengthen communication with stakeholders to build consensus, and respective divisions and teams need to embed sustainable ESG management into their daily routine to consistently produce tangible outcomes. Hyundai Mobis also needs to keep even closer tabs on internal/external changes amid the rapidly-shifting landscape, and disseminate ESG management across the value chain through a tailormade support strategy. As the Chair of the Corporate Sustainability Management Committee, I will do my part to drive Hyundai Mobis' sustainable growth by supporting more vibrant discussions with employees and ensuring we meet the present and future needs of our stakeholders.

Visioning Sustainability

Sustainability Management

Vision & Strategy

Sustainability Vision

Innovation with Responsibility, Mobility by Clean Technology

Under the three objectives derived from our vision of "Innovation with Responsibility, Mobility by Clean Technology", we strive to achieve balanced, sustainable growth.

3 Strategic Pillars

Green Acceleration

Green Transition for future generations and the earth

- Achieve net-zero
- Realize a circular economy
- Expand eco-friendly products

Inclusive Business

Mutual growth with employees and society

- Establish human-centric workplace
- Promote responsible supply chain management
- Strengthen local community engagement

Responsible Growth

Responsible and sustainable management

- Advance ESG governance
- Secure reliable disclosure
- Activate stakeholder engagement

Management System and Activity

ESG Governance

Through the management and supervision of the the Corporate Sustainability Management Committee within the Board of Directors, which is the highest supervisory body, Hyundai Mobis strives to secure top commitment for sustainability management and to link overall business strategies with environmental and socially responsible management issues. The ESG Promotion Secretariat, our dedicated organization for sustainability management, develops ESG implementation strategies from the company-wide perspective and presents management guidance in reflection of internal/external stakeholder requirements to manage the progress made against ESG tasks. In 2022, regular senior management/working-level ESG consultative bodies were fully established to facilitate work consultations, and key agenda items were reported to the Board of Directors and top management on a quarterly basis so that their feedback could be collected and reasonable decisions could be assured.

ESG Consultative Body

Consisting of the ESG Council Meeting, ESG Administrative Group, and ESG Working Group, Hyundai Mobis' company-wide ESG conference body holds meetings under the supervision of the ESG Promotion Secretariat. The ESG Promotion Inspection Meeting participated in by the heads of each BU/division is personally chaired by the CEO. In this meeting, key ESG tasks and issues are reviewed and decisions are made in relation to policy establishment and revision as well as process development for preemptive response to changes in the internal and external management environments. Hyundai Mobis will continue efforts to internalize and update the sustainable management system based on organic cooperation among related teams and active participation by the executives.

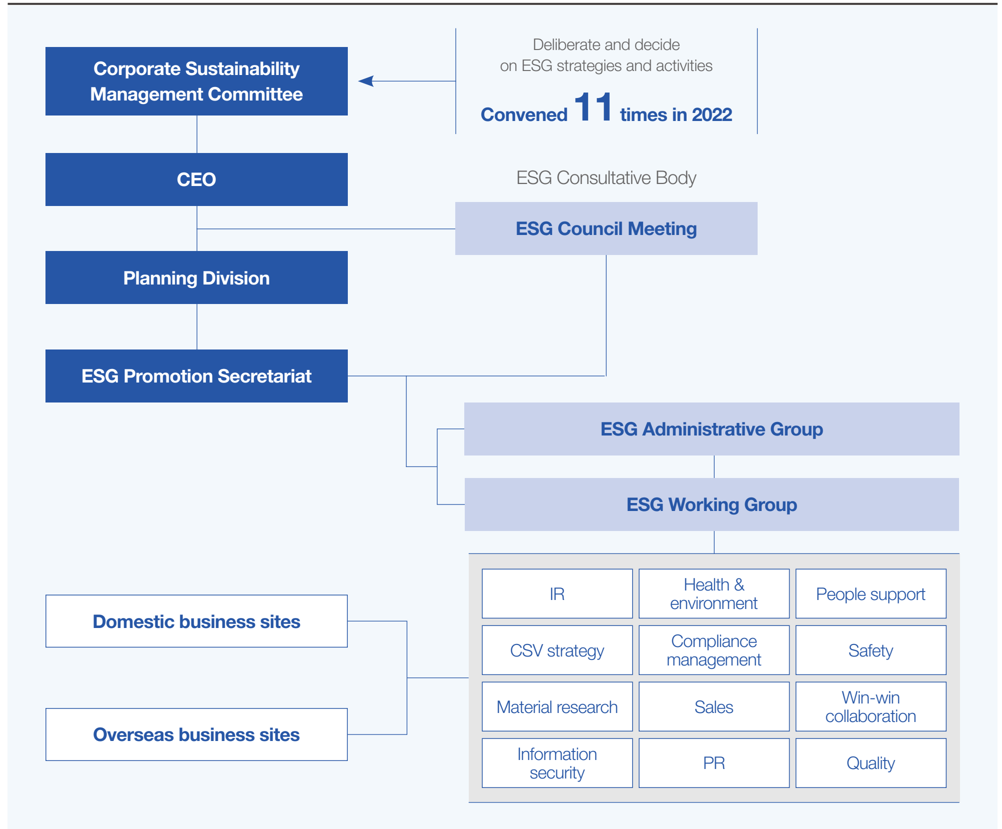
ESG Assessment

To identify, mitigate, and resolve ESG risks across our domestic and overseas operations, we initiated business site-specific ESG assessments in 2022. We independently developed our assessment checklist comprised of four categories: human rights/labor, environment, ethics, and safety. This checklist considers global guidelines and interna/external assessment items, and written assessments were performed on each business site to identify any negative impacts on their management status and identify necessary improvements. Direct visits were made to business sites defined as 'high-risk business sites' due to their geographical area and other internal criteria to conduct on-site assessments to identify impacts in practical terms and provide guidance on their improvement approach. These ESG assessments and due diligence, implemented as a pilot run, will be continuously upgraded, and we will use what we learned to help raise ESG awareness and mitigate risks at individual business sites.

Public Relations Activities

We engage in a wide array of public relations activities to advance sustainability management in a more effective and substantial way by identifying the latest sustainability trends in Korea and overseas and interacting with other companies. In 2022, we joined the human rights and anti-corruption working groups as a member of the UN Global compact to learn and share best practices on relevant issues.

ESG Governance



ESG Mindset Training

Hyundai Mobis provides company-wide ESG mindset training. In 2022, 7,561 employees completed two training modules that were developed and provided on ESG fundamentals and environmental management. In 2023, a module on product lifecycle assessment was added to promote further understanding and environmental awareness for all our employees. Questions were gathered through the company bulletin board prior to training, which were then reflected in the training plan to ensure the training delivered real-life benefits. Along with this, we independently produced and circulated the ESG Handbook which summarizes all ESG-related content including a general overview, terminology, and an assessment. In so doing, we not only communicated the basic concept of ESG but also provided the analyses of internal/external ESG factors that apply to Hyundai Mobis to help employees address their questions and put such practices to work in their daily duties.

Material Topic

Hyundai Mobis conducted a double materiality assessment and identified the top eight issues as our material topics. The following tables outline our strategies to respond to inside-out and outside-in impacts along with the corresponding activities and achievements. We strive to proactively address key sustainability topics and mitigate any adverse impact they may cause, and will communicate the process and results to stakeholders in a regular and transparent manner.

Material Topic	Impacts	Response Strategy and Key Achievements
Climate change response GRI 302-1 305-1~5	The World Economic Forum (WEF) forewarned the public that a failure to respond to the accelerating climate change could reduce the global GDP by 4~18% and eventually create irreversible damage to the planet, deeming it inhabitable for human life. This prompted many nations around the world to announce their 2050 net zero goal, and some have already legislated net zero requirements. Such regulations may serve as new trade barriers and provide an opportunity for Hyundai Mobis to better position itself in the market, in terms of business conduct and relationships, but it could also present a host of new expenses. Meanwhile, the reckless development of renewable energy sources as a means for climate change response that businesses are currently pursuing could cause environmental degradation in many communities. In particular, great caution must be exercised with photovoltaic panels, as the light reflected from these panels could adversely impact the quality of life for people in the surrounding areas.	Hyundai Mobis announced our '2045 net zero' commitment, and is implementing four strategies with its Green Planet initiative: (energy transition for business operations), Green Supply (Scope 3 supply chain management), Green Product (expansion of low-carbon products), and Green Partnership (sustainable partnership). Work is also underway to join the RE100 to transition to 100% renewable energy by 2040 and to join the SBTi and the TCFD to set and progress towards science-based net zero goals. In 2022, our use of and transition to renewable energy amounted to 386TJ, and this transition was implemented in compliance with applicable domestic laws which stipulate that the PV panels installed at business sites maintain a safe and prescribed distance from residential areas. Further information is made available to our stakeholders through our Net-Zero Reports, RE100 Roadmap Reports, and other varying channels.
R&D reinforcement and technology innovation GRI 203-1	The automotive industry is rapidly shifting over to autonomous driving and green mobility. Furthermore, UAM (Urban Air Mobility) and other new modes of mobility are shaping a new mobility paradigm. Such technology innovation and the resulting change will improve user access to utilities and promote convenient mobility. The advancement of clean technology also helps reduce carbon emissions from parts manufacturing and the use of natural capital, mitigating the environmental impact as a result. Automotive parts technology is evolving towards centralized and integrated architecture with a focus on electrification and software, and non-traditional players are entering into the automotive ecosystem as cutting-edge parts and solutions providers. On one hand, this shifting industry landscape could pose a risk to the survival of companies, but on the other hand, it could present an opportunity to expand the entire technology base and encourage the overall growth of the industry.	Hyundai Mobis announced our mid/long-term R&D strategy through Mobis R&D Tech Day and CES events. We will develop long-term growth drivers outside the realm of automotive parts along with our strategy to transform into a software-defined company through the development of integrated platforms and global SW. Our R&D investments have consistently risen over the past five years (KRW 1.37 trillion in 2022), and our R&D workforce increased by 63% from 2018 and by 17% year-over-year. We strategically recruit talented software employees who play a key role in future technology while keeping attuned to and proactively securing innovative technology through open innovation. Such efforts earned us much public recognition and most importantly, our first Innovation Award at the CES 2023.
Support Growth and ensure equal opportunity GRI 404	A company's development is ultimately driven by the roles fulfilled by its members and its value chain. With adequate training and exposure to a wide-range of experiences, employees are optimally positioned to unleash their full potential. Individual growth boosts the competitiveness of businesses and the entire industry, positively impacting the overall society. Equal opportunity and fair performance assessments not only guarantee basic rights, but they also serve as a motivating factor for employee engagement, creating a self-reinforcing cycle of driving corporate growth.	Hyundai Mobis defined our talent development approach under the three pillars of the leader fostering track, employee experience track, and expert fostering track, and established our training system accordingly. This provides our employees with training that meets their actual needs, including support for licensing acquisition and for future retirees. We also improve our training system, help instructors with capacity building, and encourage participation to provide a better learning environment. All our employees are paid in line with our non-discriminatory, fair compensation system, and are eligible for individual incentives provided under various reward programs that identify internal best practices. Further details are regularly communicated to our employees through our in-house training channel, and our intranet, and disclosures for our stakeholders are made through our annual sustainability reports.
Work-life balance GRI 401-2,3	Any undue burden on employees could negatively impact their motivation, leading to burnout and high turnover rates. In contrast, employment that respects a work-life balance not only adheres to sound labor rights, but it also promotes a mindset of individual responsibility, which provides a more pleasant work environment for all. A sufficient work-life balance is considered a key factor in determining a company's competitive edge, and serves to widen the opportunity to secure top talent.	To support the work-life balance of our employees, we implement flexible workhours and the PC-Off program. Our 'hybrid work arrangements' also provide employees with a flexible work environment where they can shift between in-person and remote work (home, hub office, etc.). Such efforts resulted in a 2%p y-o-y increase in the Culture Survey performed in 2022 which comprehensively assesses employee engagement, performance recognition (organizational effectiveness), and cultural awareness, with positive responses on the upward trend for four consecutive years. Relevant details are shared and communicated to our employees regularly through our intranet.

Material Topic	Impacts	Response Strategy and Key Achievements
Ensuring product safety and quality GRI 416	Given the distinctive characteristics of the automotive parts industry and the fact that product quality directly corresponds to safeguarding the lives of drivers, passengers and pedestrians, any product quality flaw incurs much more damage than any significant unexpected expenses; it also undermines the trust of our stakeholders and can even endanger our business continuity. In contrast, high-quality products help ensure the safety of users of automobiles and other means of mobility, and bring the added benefit of an extended parts replacement cycle. Companies with strengthened product competitiveness also enjoy increased order-taking opportunities, and encourage capacity building along the entire value chain through more rigorous quality management.	In tandem with Hyundai Mobis' Quality Policy, we systematically manage the entire process - from advanced development to post-mass production - to ensure product quality. We are building a data-based quality prevention system through the combination of quality data and AI technology. We have also stipulated factory/line-specific response manuals to respond to quality emergencies that occur if manufacturing sites suffer from any irregularities so that the production and distribution of non-conformant products can be entirely prevented. We also support suppliers with quality training, and provide resident guidance and consulting to help them establish quality throughout the entire product lifecycle. Each of our business sites is working to achieve the IATF 16949 international standard, and all our business sites subject to this standard were certified as of 2022. Relevant details are communicated to stakeholders through our corporate website and sustainability reports.
Strengthening win-win supply chain partnerships GRI 414	The recent supply chain fluctuations triggered by trade disputes and geopolitical conflicts are posing a significant risk to the entire industry. This underscores the importance of reinforcing win-win partnerships which include support for ESG capacity building, and establishing reliable supply chains, given the nature of the parts industry which requires cooperation between a large number of companies. Win-win partnerships not only benefit individual companies, but they are also advantageous to the entire industry ecosystem, and set in motion a positive domino effect that ensures reliability in parts procurement, production, and supply. A well-functioning business and its circulation facilitates a company's growth and employment security. Timely supply also brings greater satisfaction for end product users.	Hyundai Mobis implements our supply chain management policy to reduce ESG risks and help boost our suppliers' competitiveness as a partner for shared growth. Under our shared growth program represented by 'Seven Beautiful Promises', we provide support across a broad array of areas in technology, finance, and training as well as in ESG. WE also engage in diverse communication activities including regular consultations such as PARTNERS DAY and seminars, and share our programs, activities, and achievements each year. The sum of such efforts earned us the 'Best' rating in Korea's Shared Growth Index Assessment for four consecutive years, and we expect our winning streak to extend well into the future.
Talent recruitment and retention GRI 401-1	Efforts to build fairness and integrity into the recruitment process help us provide an equal opportunity for all applicants, while eliminating such unjust labor practices as child labor and compulsory labor. It also helps us create more optimal labor conditions, not just for individual employees, but for society at large. Recruiting and retaining exceptional talent also serves as an opportunity to promote a company's development and attain its long-term goal.	Hyundai Mobis strives to recruit top talent in line with Hyundai Motor Group's core values. We publicly offer applicants equal opportunity through our recruitment website, official YouTube account, and other varying channels, and leverage job fairs, the SW Academy, and invitation events for top-notch talent in expanding talent recruitment. In 2022, we hired nearly 360 applicants for domestic SW positions, and will recruit 100 more over the next five years – 20 applicants each year – from 2023 through our contracted department program. Our Career Market program also enables our incumbent employees to fill open positions as part of efforts to prevent employee turnover.
Enhancing global competitiveness GRI 203	As nations tighten their protectionism policies all across the globe, business localization has become a key determinant for a company's global competitive edge. Developing and operating new manufacturing locations streamlines the supply process for customers and users to generate cost savings while boosting community job creation and development. Meanwhile, it poses a risk for increased carbon emissions, decreased biodiversity in the vicinity of business sites, and other negative environmental impacts.	Hyundai Mobis partnered with LG Energy Solution, Hyundai Motor Company, and Kia to establish an EV battery cell joint venture in Indonesia. We also plan to operate five new manufacturing locations in North America exclusively for EV customers. We included these new business sites in the scope of our net zero initiative, and will pursue renewable energy transition and review possible environmental impact mitigation plans. Further details will be shared with our stakeholders through our future sustainability reports and business reports.

Stakeholder Communication

Hyundai Mobis defines stakeholders as those who directly or indirectly impact or could be impacted by its business operations. To facilitate communication with a broad spectrum of stakeholders, we operate wide-ranging channels to collect feedback and identify the needs of our stakeholders. We then integrate such feedback into our operations to build robust, trust-based relationships. Our sustainability reports, along with our official website, social network channels, and disclosures also serve to gain greater credibility in our conduct through transparently communicating our management strategies and achievements.

	Employees	Suppliers	Customers (distributors, consumers)	Domestic and overseas OEMs	Shareholders/investors	Communities/NGOs	Governments/ associations
Area of Interest	• Guarantee for basic rights in the workplace • Benefits • Safe and pleasant workplace • Growth and self-development opportunities • Equal opportunity and fair performance assessments	• Fair trade and win-win partnership support • Increased competitiveness	• Quality and safety guarantee for products and services • Manage brand credibility and reputation • Smooth and fast communication	• Competitive technology • Corporate environmental/ social responsibility	• New business to secure future growth drivers • Integrated management of financial/non-financial risks • Dividend payout ratio • Sound corporate governance • Transparent disclosure	• Partnership opportunities • Community investment and development • Activities aligned with corporate technology	• Prevention of unfair trade, regulatory compliance • Social/economic value creation • Transparent tax payments and corporate disclosures • Securing future technology • Technology talent development
Communica-tion Channel	• Culture Surveys/satisfaction surveys • Change Agent(CA) • Empathy, Thank you Cards, ESG management platform and other in-house portals • Labor-Management Council • CP Helpline, Cyber Auditor, Hello, HR, and other compliance channels	• PARTNERS DAY • Meeting with the CEOs of tier 2 suppliers • Online counseling center, CP Help Line	• Distributor seminars/CS training • Executive Seminar of Hyundai Mobis' National Association of Distributors • A/S parts & supplies website • Customer service system (MINDS) • CP Help Line, Cyber Auditor	• ESG assessment and evaluation • Customer presentations/ conference calls	• Annual General Meeting • Disclosure • NDR (Non-Deal Roadshow) • Conference calls • Notices on the website	• Programs for each of the Six Moves • CSV managers at each business site	• Disclosure • Website • Press releases • Government cooperation programs
Key Activity	• Operate healthcare and other diverse benefit programs • Arrange Town Hall meetings and other communication opportunities for management and employees • Plan and operate area-specific CA activities • Implement capacity-building trainings and programs • Provide relocation opportunities through Career Market and re-skilling • Conduct multidimensional assessments for fair performance appraisals • Operate whistleblowing programs to implement compliance management	• Introduce and abide by fair trade regulations • Stipulate and implement the supplier code of conduct to create a sustainable business environment • Share policies/ achievements/plans through multiple communication channels • Operate a range of on/ offline win-win partnership programs	• Enhance quality safety competitiveness • Ensure operational safety • Operate training for teams working at customer contact points • Share policies/ achievements/plans through multiple communication channels • Operate a range of on/ offline win-win partnership programs	• Strengthen R&D and proactively propose technology (CES attendance, etc.) • Monitor competitors/market trends • Perform risk assessment on domestic/overseas operations and implement ESG tasks	• Generate profits through new market entry, product development, and M&As • Perform risk assessment on domestic/overseas operations and implement ESG tasks • Hold IR meetings to communicate with shareholders and share performance data • Publish sustainability reports to disclose data on non-financial risk management	• Implement cooperation projects and form partnerships • Contribute to job creation within the communities where we operate • Operate One Company, One Village organizations • Make donations and direct employee volunteering	• Operate the internal control system and an audit body • Lawfully pay taxes • Develop future mobility technology • Join associations and engage in their activities

Stakeholder Interview

As a way to communicate with our stakeholders, we interviewed our stakeholders who represented customers, suppliers, communities, and media among others, to create a multi-faceted perspective of our ESG activities. The feedback collected will undergo extensive reviews and be integrated into our sustainability activities. Through regular communication with our stakeholders, we aim to build stronger trust-based relationships with them.

Customers

Woo Joong Kim
CEO, Dangjin Hyundai Parts

Hyundai Mobis supports communication and training programs for distributors to improve their competitiveness in such diverse areas as inventory management, taxes, and finance. These programs are provided to the CEOs of distributors and their successors as well as for employees, and do much to improve our work processes and professionalism in service.

Specifically, we have pivoted the focus of our customer service training away from emphasizing the negative aspect of customer complaints tarnishing the reputation of distributors into one that takes the perspective of mental care to encourages employees to recognize the value of their work and self-directed pride in one's own achievements. As the shift to green mobility accelerates, we expect to receive more relevant training so that distributors can take on even more roles in the maintenance field.

We look forward to further collaboration as we continue to grow as a team, and of course, we anticipate more opportunities for candid communication to discuss practical issues at distributor meetings.

Suppliers

Ha Yun Seong
Senior Manager, Hyunwoo Precision

Under the smart factory support program implemented by Hyundai Mobis as its win-win partnership activity, we were recently advised on our smart factory investment. This proved fruitful as we were offered highly practical advice on relevant issues.

We understand how challenging it is for Hyundai Mobis to reach out even to tier 2 suppliers, and surely we could sense the Company's genuine commitment to win-win partnerships as it approached us first to gather our grievances and offer us any support it could, going beyond the typical approach of passive communication through established channels.

Going forward, we expect that win-win partnership activities for supplier employees continue to expand and that we seek further shared growth together.

Community

Seok Go
CEO, Korea Children Safety Foundation

Hyundai Mobis' transparent umbrella donation is the Company's CSR program designed to protect children from road accidents. Opaque umbrellas fail to provide full visibility for children on rainy days, thereby increasing the risk of traffic accidents. This was the inspiration for this program to distribute and promote the use of transparent umbrellas, which are proven to reduce traffic accidents involving children. We are also expanding diverse programs designed for children's safety, including safety training for accident prevention over a range of transportation types.

It is my hope that Hyundai Mobis, as an automotive parts company, takes this 'safety' perspective in moving forward and does so continuously. In addition to implementing policies to protect children, people with disabilities and other vulnerable groups in society, the Company also needs to further advance relevant technology so that it establishes an unrivaled foothold in the industry to give back to society along with pursuing its business aims in the area of safety.

Academia

Hyun Bae Min
Professor, Ewha Womans University

It's impressive that Hyundai Mobis is working so extensively to respond to climate change as evidenced by its RE100 commitment. Given that the Company does not inherently generate massive carbon emissions in relative terms, it could have brought forward its target year to be more preemptive in reaching the net zero goal. It is also recommended that Hyundai Mobis generate profit from the energy business, such as carbon credit sales, in addition to its automotive product business, and even attempt to implement its own carbon negative strategy taken by other companies to raise its profile.

As uncertainties exist over the timeline for the upcoming business transition that addresses climate change, Hyundai Mobis needs to analyze a breadth of scenarios to quantitatively assess and analyze transition risks in reviewing the scale and timing of its investments based on its portfolio. In-depth assessments conducted on such unpredictable physical risks, such as flooding that affected businesses in 2022, would demonstrate the Company's proactive response to climate risks.

It is also worth noting that the Company admits there are some improvements to be made in terms of diversity for gender-based wage disparities in the social area. We need to keep a watch on how Hyundai Mobis will communicate with its stakeholders on such issues, and expect the Company disclose more specific strategies in this regard. Preemptive and continuous responses to ESG issues will surely impact its corporate value positively.

Media

Woo Il Shim
Journalist, Seoul Economic Daily

I was impressed to see the inclusion of Scope 3 emissions in the Company's 2022 sustainability report. Parts companies, such as Hyundai Mobis, work with a large number of suppliers, and we look forward to more reliable information, along with elaboration on specific calculation methods, as well as supply chain emissions. Pursuing shared growth with suppliers on multiple fronts seems to be the right way forward in preventing any value losses. Looking ahead, Hyundai Mobis may continue its partnership activities, including the provision of guides on 4M*-related uncertainties to suppliers to offer practical assistance.

We also look forward to even more precise sustainability reporting which specifies accurate data calculations, governance, and ESG communication from the viewpoint of the disclosure structure.

Given the potential social challenges associated with gender diversity among others, the Company needs to develop countermeasures and engage in further communication to this end. It is also recommended that Hyundai Mobis more specifically spells out its monetary analyses of climate-related transition risks and the financial impact analyses and preparations in relation to flooding and other unexpected events.

* Machine, Man, Material, and Method

Specialized institution

Na Rae Kim Senior researcher,
Samjong KPMG Economic Research Institute

We highly appreciate the efforts Hyundai Mobis has taken to publish sustainability reports since 2010. As these reports disclose the Company's sustainability management data, they help improve the over credibility of Hyundai Mobis. Its 2045 net zero roadmap is noted for its systemic approach and its alignment with the Company's largest customer, which leads me to believe that this would produce meaningful outcomes from the business perspective.

However, we expect the Company to further advance its goals and policies by region in consideration of the goal timeline suggested by its global industry peers and communicate with stakeholders accordingly. It may also be useful for the Company to present its clear vision for a circular economy in relation to the use of sustainable materials and recycling.

I was impressed with the ESG Ideathon implemented by Hyundai Mobis in 2022, and its continued execution will surely help the Company explore new business opportunities from the circular economy viewpoint and contribute to its ESG management.

In the social area, structural changes could impact the Company's business in terms of communication with labor unions and supplier management. This area is expected to bring potential yet long-term financial impacts, which raises the need for the Company to take stronger action in this regard.

Corporate Governance

Enhancing Shareholder Value

Shareholding and Capital Structure

Hyundai Mobis' largest shareholder is Kia Corp. with 16,427,074 common shares (17.42% ownership). In conformity with our Articles of Association, our authorized shares consist of 275,000,000 common shares and 25,000,000 preferred shares. As of the end of 2022, 159,659,165 common shares and 67,996 preferred shares were issued in total. Hyundai Mobis has 2,274,930 common shares as treasury shares, and there are 92,010,164 common shares and 3,974 preferred shares outstanding. Aside from treasury shares, we apply the one share one vote principle to all common shares to guarantee that all shareholders can equally exercise their voting rights. As to major changes in our capital structure as of 2022, Hyundai Mobis took over 100% stake of Mobis Automotive Solutions Spain, S.L.U., 100% stake of MOTRAS, 100% stake of UNITUS, and 99.99% stake of PT Hyundai Energy Indonesia, and classified them into consolidated subsidiaries.

Shareholder Composition

*As of Dec. 31, 2022

Type of Shares and Voting Rights

* As of Dec. 31, 2022

Category	Type of Shares	Shares	Note
Total number of shares issued	Common shares	92,010,164	-
	Preferred shares	3,974	-
Non-voting shares	Common shares	2,274,930	Treasury shares
	Preferred shares	3,974	-

Shareholding of Top Management

* As of Dec. 31, 2022

Category	Position	Shares	Ownership (%)
Euisun Chung	President & CEO	303,759	0.32
Sung Hwan Cho	President & CEO	300	0.00
Hyungkeun Bae	Executive director	460	0.00
Youngsuk Ko	Executive director	1,000	0.00

Establishing Subsidiaries Specialized in Manufacturing

In November 2022, Hyundai Mobis incorporated MOTRAS and UNITUS as subsidiaries specialized in manufacturing modules and parts respectively. These consolidated subsidiaries are both wholly owned by Hyundai Mobis, and are expected to generate synergy through their respective expertise and maximized efficiency. MOTRAS and UNITUS will establish their own production facilities and expand independent sales capabilities over the mid-to-long term to develop competitiveness on the global market. Hyundai Mobis disclosed the decisions made by the Board of Directors to make initial cash investments worth KRW 70 billion in the two subsidiaries as well as additional cash and in-kind investments. Hyundai Mobis also transparently communicated to stakeholders the key milestones we had reached in establishing subsidiaries specialized in manufacturing, which included granting and announcing the names of the new subsidiaries.

Shareholder-friendly Management

We develop a consistent and predictable shareholder value enhancement policy to communicate our management performance to shareholders and investors. As part of such a policy, we pay dividends in line with our dividend policy and on a quarterly basis, along with share buybacks and retirement. We also proactively implement shareholder value strategies by investing in future industries (technology) to elevate our corporate value and by improving our corporate governance. Such activities and results are made fully available for shareholders and all other stakeholders through our official website, business reports, and governance reports.

We regularly engage in conference calls for annual, Q1, semi-annual, and Q3 performance releases in January, April, July, and October of each year, along with on-site IR events for domestic/overseas institutional investors. We also interact with our domestic institutional investors and foreign investors through ad-hoc IR meetings and conferences so they can be provided with sufficient information on the Company in a timely manner. Our annual governance-related IR events are attended by independent directors recommended by shareholders to actively communicate and build trust with domestic/international institutional investors.

▶ 2022 Business Report

Protecting the Rights and Interests of Shareholders

Pursuant to our Corporate Governance Code, we issue the notice of convocation for the Annual General Meeting (AGM) of shareholders at least four weeks prior to the AGM. We also participate in the voluntary compliance program to stagger the dates for AGMs and ensure that our AGM is held on a date that does not conflict with other meetings. Our AGM is broadcast live online to promote transparent communication with shareholders, and we implement electronic voting to assist shareholders in exercising their voting rights and have introduced proxy solicitation.

Shareholder Return Policy

In 2019, we announced our mid/long-term shareholder value enhancement policy to return 20~40% of our free cash flow generated between 2019 and 2021 and repurchase shares worth KRW 1 trillion while retiring nearly two million treasury shares that we already own and additional shares worth KRW 187.5 billion each year that we repurchase in line with new buyback plans. For the three years since then, we maintained our annual dividend per share of KRW 4,000 (common share) in spite of COVID-19 and the resulting decline in profits, to eventually pay KRW 1.1 trillion in dividends and repurchased shares worth KRW 985.9 billion. This came in tandem with the retirement of two million treasury shares we previously owned (KRW 460 billion) and KRW 187.5 billion shares that we additionally repurchased, faithfully implementing our shareholder return policy and returning a total of KRW 2.6 trillion to shareholders. In February 2022, we announced our new shareholder policy for the year 2022 to flexibly maintain our payout ratio[1] between 20~30% and continue with quarterly dividend payments. We also committed to a KRW 330 billion buyback and a KRW 62.5 billion treasury share retirement within 2022. This policy is noted for its shift of calculation method from free cash free to dividend payout in reflection of shareholder proposals. In line with this policy, we made quarterly dividend payments of KRW 1,000 per share in August 2022 for those who owned our shares as of the end of June that year, and also made year-end dividend payments of KRW 3,000 per share (KRW 3,050 for preferred shares) in April 2023 for those who owned our shares as of the end of December the previous year, returning a total of KRW 367.1 billion (KRW 4,000 per common share) to shareholders as dividends. Treasury shares worth KRW 313.2 billion were repurchased, and KRW 62.5 billion treasury shares were retired. In February 2023, we announced a new shareholder value enhancement policy to set the payout ratio in the ranges of 20~30% and continue with quarterly dividend payments for 2023, maintaining our dividend policy and making our dividend payments more predictable for shareholders. This included our plan to buy back treasury shares valued at KRW 150 billion and fully retire them to raise the proportion of retired shares out of total shares repurchased and improve the effectiveness of our shareholder return policy. In so doing, we will pursue harmony between investment for future growth and shareholder return and maximize shareholder value in the process.

1) Based on net income excluding equity method

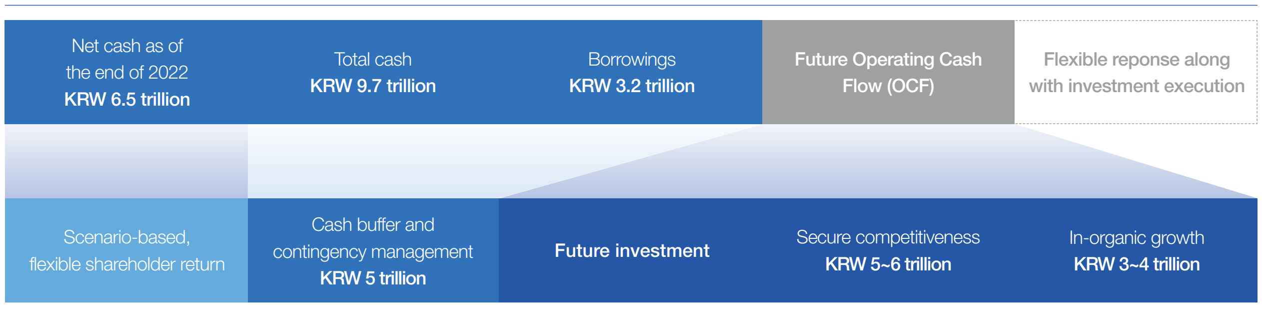
PHASE I (3-year Mid/long-term Policy)		PHASE II (Annual Implementation Plan)	
Category	2019 -2021	2022	2023 (plan)
Dividend policy	• Return 20~40% of free cash flow as dividends • Make quarterly dividends[1] (H1 of 2019 ~ KRW 1,000/share)	• Set the payout ratio in the ranges of 20~30% * Pay a total of KRW 4,000 per share for the year • Maintain interim dividend payments (KRW 1,000/share)	• Set the payout ratio[3] between the range of 20~30% and maintain interim dividends
Treasury stock purchase	• Pay KRW 1 trillion in dividends for 3 years Category: 2019 / 2020 / 2021 Purchase (KRW 100 million): 3,225 / 2,348 / 4,286 * Scaled down the buyback plan amid COVID-19 in 2020 and repurchased shares in 2021	• Repurchase shares worth KRW 313.2 billion	• Repurchase shares worth KRW 150 billion * Ensure flexibility in consideration of large-scale financing needs including a large-scale investment plan in North America and financial resources required for in-organic growth
Retire treasury shares	• Retire treasury shares[2] (KRW 460 billion) • Retire newly-repurchased shares worth KRW 187.5 billion (KRW 62.5 billion/year)	• Retire treasury shares (KRW 62.5 billion)	• Retired all newly-repurchased shares (KRW 150 billion)

1) Suspended quarterly dividends in 2020 due to external uncertainties caused by COVID-19, and paid KRW 4,000 per share in year-end dividends to maintain total annual dividends per share of KRW 4,000
2) Retired 2 million out of 2.6 million treasury shares that could be retired through Board decisions
3) Based on net income excluding equity method

Sharing Future Plans

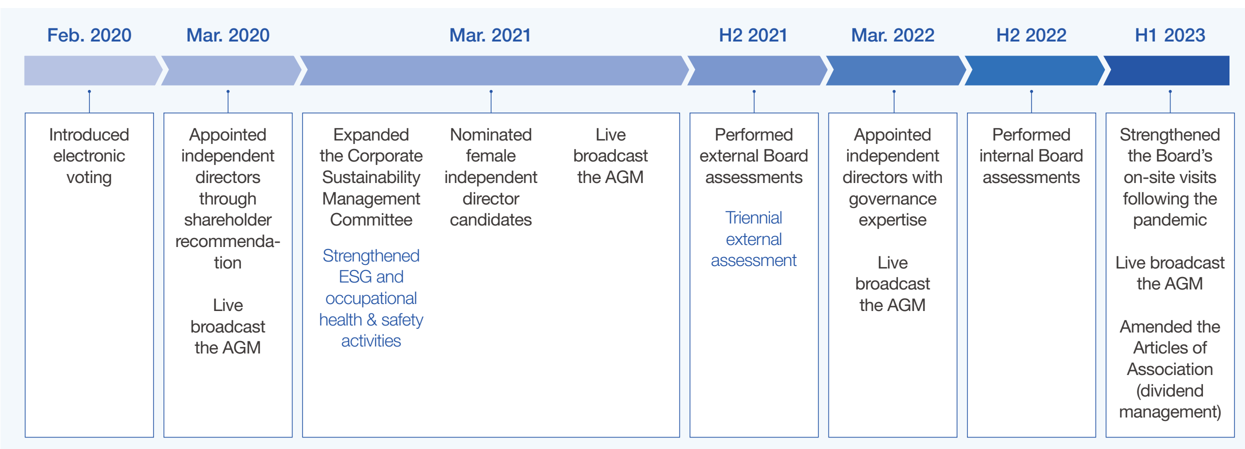
Hyundai Mobis will transparently disclose our future cash flow plans and deliver the greatest possible value to shareholders and investors through appropriate investment planning and execution. In 2023, our available cash decreased against the end of 2022 while uncertainties grew for operating cash flow, which prompted us to flexibly respond to secure future investment resources. Our cash flow plan focuses on expanding locations to boost our industry competitiveness, making facility investment to build a stable global supply base for electrification and key parts, pursuing open innovation and making M&A investments to secure future growth drivers in the areas of semiconductors, S/W, and autonomous driving. We will invest up to KRW 10 trillion in these areas over the next three years to build our future competitive edge and further increase our corporate value.

Source of Financing in 2022



To be operated over the next 3 years

Reinforcing Corporate Governance



Competitive Board of Directors

Composition of the Board

▶ Profile of Board Members
▶ 2022 Corporate Governance Report

The Board of Directors, as our highest standing decision-making body, represents a broad range of stakeholders including shareholders, and is mandated to oversee and decide on key management issues to drive the long-term growth of the Company. Our Board consists of nine directors, of which five are independent directors, indicating independent directors comprise a majority of the Board (55.6%)

Board Members

* ● Chair, ○ Member * As of the end of Mar. 2023

Type	Name	Date of Birth	Appointment	Tenure	Expected Role	Corporate Sustainability Management Committee	Independent Director Candidate Recommendation Committee	Compensation Committee	Audit Committee
Executive director	Euisun Chung (male)	Oct. 1970	Mar. 2022	3 years	Enable Hyundai Mobis and Hyundai Motor Group to implement management accountability to present a vision to lead autonomous driving, electrification, and the future mobility market		○		
Executive director (Chair)	Sung Hwan Cho (male)	Oct. 1961	Mar. 2021	3 years	Based on experience and expertise in R&D and automotive fields, as the CEO, appointed as the right person with the qualifications and capabilities to promote the company's future new technology, new business and competitiveness	○	○		
Executive director	Hyungkeun Bae (male)	Apr. 1965	Mar. 2019	3 years	Contribute to executing Hyundai Mobis' future vision based on extensive experience and expertise in planning and finance accumulated at Hyundai Motor Company and Hyundai Mobis		○	○	
Executive director	Youngsuk Ko (male)	Nov. 1971	Mar. 2021	3 years	Specialize in planning and developing strategies for Hyundai Mobis' future inorganic growth				
Independent director	Young Chang (male)	Oct. 1961	Mar. 2020	3 years	Serve as a bridge between shareholders and the Company on the back of extensive experience and knowledge of the automotive industry and finance	○			●
Independent director	Dae Soo Kim (male)	Mar. 1962	Mar. 2018	3 years	Use expertise in charting Hyundai Mobis' strategic course ahead, based on broad knowledge on product management and procurement supply chains	●	○	○	○
Independent director	Jina Kang (female)	Aug. 1967	Mar. 2021	3 years	Harness expertise in technology management and management innovation to contribute to Hyundai Mobis' new R&D strategy and innovation strategy	○	●		○
Independent director	James Kim (male)	Jun, 1962	Mar. 2023	3 years	Bring extensive and specialized knowledge of domestic and international business from rich career experience in the global IT and automotive industry to contribute to Hyundai Mobis' automotive/SW strategy	○	○	○	○
Independent director	Hwajin Kim (male)	Aug. 1960	Mar. 2022	3 years	Bring far-reaching experience and expertise on corporate governance to help establish sound governance at Hyundai Mobis	○	○	●	○

* Karl-Thomas Neumann resigned in March 2023 as his tenure had ended.

Independent Director Appointment Process

The Independent Director Candidate Recommendation Committee created a pool of candidates and performs in-depth discussions each year to select the candidate. The candidate is approved by the Board and the appointment is made at the Annual General Meeting of shareholders to ensure the expertise and independence of independent directors. The candidate pool is updated each year through internal/external reviews. To improve the independence of independent directors and their representation of shareholders, we introduced the shareholder recommendation system to receive nominations from a variety of shareholders, irrespective of their share ownership percentage, in appointing one out of the five independent directors. Nominated candidates are assessed and verified by the independent 3-member external advisory group, and the Independent Director Candidate Recommendation Committee determines one finalist based on the results, who is then appointed through the Board's approval and the decision made at the AGM. In March 2020, Young Chang was appointed as an independent director under this system, and was re-appointed in March 2023 to serve as an independent director recommended by shareholders and a member responsible for protecting the rights and interests of shareholders to date.

Independent Director Appointment Process

Appointment through the Independent Director Candidate Recommendation Committee	Independent Director Candidate Recommendation Committee organizing a pool of candidates	Candidate pool updated annually, final candidate verified	The candidate determined and approved by the Board	Approval granted at the AGM
Appointment through Shareholder Recommendation	Candidates recommended by shareholders	Assessment/ verifications made by the external advisory group	The candidate determined by the Independent Director Candidate Recommendation Committee	Approved by the BOD and the AGM

Independence, Expertise, and Diversity of the BOD

Independence

▶ Guidelines on Independence of the Board of Directors

We stipulate that directors are provided with information in advance to aid in their sufficient review and in-depth discussion on agenda items of Board meetings. Directors are given at least a full week's notice prior to a Board meeting. Pursuant to the Commercial Act, which prohibits independent directors at Hyundai Mobis from concurrently holding a position as a director, executive, or auditor at two or more listed companies, the Independent Director Candidate Recommendation Committee fully examines independent director candidates to ensure they do not run counter to requirements concerning holding concurrent positions outside Hyundai Mobis and verify there are no potential conflicts of interest in the recommendation process. Furthermore, we apply standards that are more stringent than the ones set out in the Commercial Act in line with our independent director independence guidelines. This aims to ensure that our independent directors who comprise a majority of the Board are verified for their independence to better hold management in check and help establish sound governance. To guarantee the independence of the Board, we implement the following guidelines, and the Board is chaired by the CEO to ensure we promptly respond to the rapidly-shifting automotive industry and business landscape and advance operational accountability.

01 The Audit Committee, which oversees our overall business operations, consists solely of independent directors.

02 The Corporate Sustainability Management Committee, the Independent Director Candidate Recommendation Committee, and the Compensation Committee all have a majority of independent directors.

03 All Committees are chaired by independent directors.

Expertise

Our Articles of Association and Corporate Governance Charter stipulate that independent directors should be appointed for their expertise in the fields of management, the economy, laws, and relevant technology, to ensure the Board is competitive and professional across wide-ranging areas including the automotive industry, academia, management, technology, and finance. While some of our independent directors at Hyundai Mobis concurrently assume other positions, they put in the time and effort required to duly fulfill their independent director roles.

Expertise of the BOD

* As of March 2023

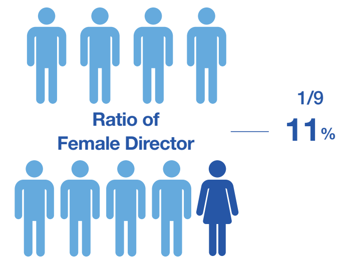
Name	Career	Field of Expertise
Young Chang, independent director	(current) CEO/CIO at Young&Co, handled tax affairs and performed financial audits at KPMG New York/Seoul (1987~1994), holding CPA (KICPA/USCPA) and USCFA licenses, Branch Manager of UBS Securities Seoul Office and Research Head (2003~2018)	· Financial · Risk Management (financial)
Dae Soo Kim, independent director	(current) Professor of Business Administration, Korea University, academic scholar on operational risk management (SCM OM, SCM, procurement, etc.), (previous) President of the Korea Production and Operation Management Society, President of the Korea Association of Procurement and Supply Management	· Risk Management (operational)
Jina Kang, independent director	(current) Professor, Seoul National University Graduate School of Technology Management, Economics, and Policy (current) independent director at OCI, academic specialist on technology management, (current) editing member for <Mobility Research> published by the Korean Association of Mobility Studies	· Technology
Hwajin Kim, independent director	(current) Professor, Seoul National University School of Law, academic specialist on ESG/compliance, (previous) member of the Financial Supervisory Service External Evaluation Committee for Financial Investment Business Licensing, (current) member of the KCGS Proxy Voting Committee	· Sustainability · Risk Management (financial)
James Kim, independent director	(current) Chairman, American Chamber of Commerce in Korea, (current) independent director at Mirae Asset Management, COO/Chairman & CEO at GM Korea (2015~2017), Representative Director at Microsoft Korea (2009~2015)	· Industry · IT

Diversity

We value diversity in our appointment of directors, and ensure that parameters such as gender, race/ethnicity, nationality, and birthplace are factored in to create a balanced representation of backgrounds and professions for our Board of Directors. As of March 2023, James Kim, a US national, was appointed as an independent director, and the Board consisted of nine directors in total, including seven Korean nationals and two US nationals (Dae Soo Kim, James Kim). The Articles of Association (Article 29) was amended in March 2021 to stipulate that the composition of the Board should not be gender specific, and one female independent director (Jina Kang) was appointed. In determining our approach to the composition of the Board, we perform 'diversity verification' in line with our Board diversity guidelines to ensure that the composition of our Board is balanced to reflect diversity requirements.

Diversity of the BOD

* As of March 2023

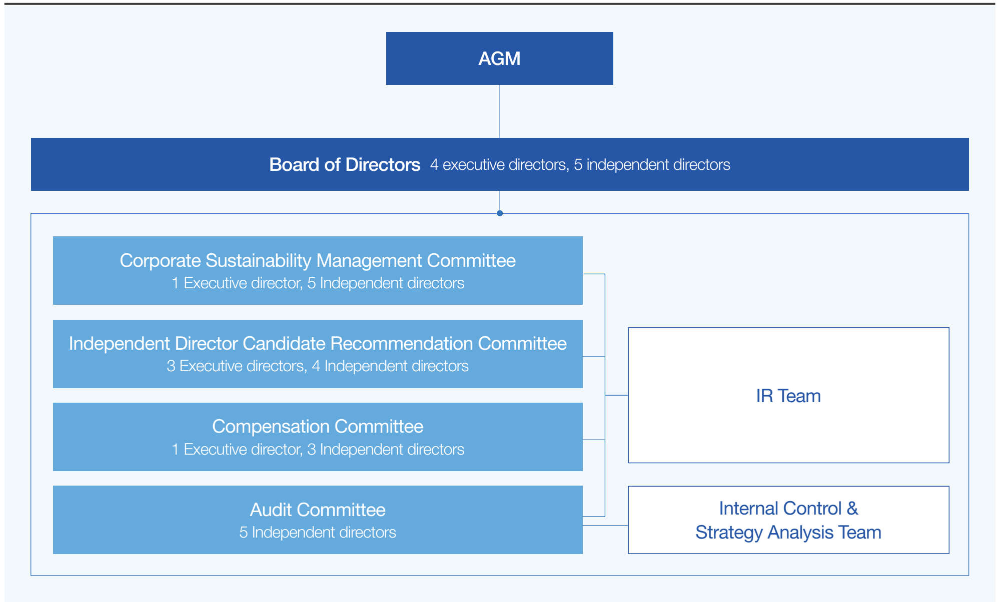


▶ Guidelines on Diversity of the Board of Directors

Committees of the BOD

Committees are up and running under the Board of Directors to fulfill specific functions and responsibilities for the efficient operation of the Board.

Board Structure and Composition



Corporate Sustainability Management Committee

The Corporate Sustainability Management Committee deliberates and decides on critical matters to improve the transparency of related-party transactions, advance ethical management, protect the rights and interests of shareholders, ensure and improve integrated ESG management, and bolster occupational safety and health. The Committee consists of a majority of independent directors, with one executive director and five independent directors, to guarantee the independence of its activities. One executive director (CEO) joins the Committee to reinforce the importance of ESG and explore further support options. In 2022, the Committee convened 11 times to decide on key agenda items including the approval of our shareholder value enhancement policy and related-party investments and to report on major business issues, review of investment in other companies and large-scale investments, (draft) repurchase and disposal of treasury shares, and health & safety activity results. Such meetings serve a pivotal role in moving Hyundai Mobis towards a more sustainable future.

Independent Director Candidate Recommendation Committee

The Independent Director Candidate Recommendation Committee selects independent director candidates who can serve the interests of the Company and shareholders through the fair and transparent procedure, impartially verifies candidates for the required qualifications stipulated in applicable laws and Committee regulations, and nominates candidates. The independence of the Committee is maintained through its composition, which includes four independent directors (including foreign nationals) who comprise a majority of the Committee, along with three executive directors, and three executive directors serve to establish a broader pool of candidates and identify candidates fit for business administration. Jina Kang was nominated and appointed as an independent director for her expertise on technology management and management innovation strategy in 2021, and Hwajin Kim was nominated and appointed in 2022 as a governance expert to bolster the expertise of the Board. In 2023, the Committee nominated and appointed James Kim for his executive experience in the automotive and IT industries. In appointing independent directors, we submit the confirmation of independent director qualifications which specifies his/her independence and statutory qualifications to the Korea Exchange to receive third-party verifications. The Committee was held twice in 2022.

Compensation Committee

The Compensation Committee deliberates on compensation thresholds for registered directors to be submitted to the AGM and decides on the establishment/amendment/abolishment of compensation regulations to determine appropriate compensation in consideration of business performance and market conditions. The Committee consists of three independent directors and one executive director (Hyungkeun Bae) who joined the Committee to help stabilize the operation of the Committee in its early stage and to ensure our director compensation reflects our strategy to cope with the rapidly-shifting automotive industry and its evolution over the mid-to-long term. In 2022, the Committee was held four times. Meanwhile, independent third-party Board assessments have been made every three years since 2021 with the Compensation Committee playing a leading role. During the years when such external assessments are not made, the Committee focuses on internal assessments and improvement activities to substantially improve our governance.

Audit Committee

The Audit Committee oversees our overall management, and is responsible for monitoring the transparency and fairness of accounting operations and guaranteeing the independence of independent directors. To ensure the independence and expertise of the Committee, its members are appointed through the decision made at the AGM in accordance with our Article of Association and Audit Committee regulations. Jina Kang as separately appointed as an independent director to serve on the Audit Committee at the AGM held in 2021. The Audit Committee is solely composed of independent directors, including the Chair and members, and includes financial experts (Young Chang). In 2022, the Committee was held seven times to deliberate on settlement results, key management plans, and the assessment of the internal accounting control system for its operational status among others.

Operation and Assessment of the BOD

Activity and Effectiveness of the BOD

At Hyundai Mobis, the Board of Directors convenes ordinary and extraordinary meetings: the former is held every quarter, and the latter on an as-needed basis. The Board meetings are convened by the Chair or the CEO, and notice should be given on the time, venue, and agendas of the meeting seven days prior to the meeting. This convocation procedures, however, could be omitted if consent is given by all directors. In 2022, the Board held five ordinary and seven extraordinary meetings to make decisions on 22 agenda items and receive information on nine agenda items. Key decisions items concerned management plans, the shareholder value enhancement policy, and investment in other corporations, and none of these items were left undecided nor rejected. Key information items were related to our internal accounting control system, business performance, and governance NDR results.

The BOD and Committee Meetings Held

Board of Directors	Corporate Sustainability Management Committee	Independent Director Candidate Recommendation Committee	Compensation Committee	Audit Committee
12 meetings (5 ordinary/ 7 extraordinary)	11 meetings	2 meetings	4 meetings	7 meetings

Board Attendance in 2022[1)]

Euisun Chung	Sung Hwan Cho	Hyungkeun Bae	Youngsuk Ko
67%	100%	100%	100%

Young Chang	Dae Soo Kim	Jina Kang	Hwajin Kim	Karl-Thomas Neumann
100%	100%	100%	100%	100%

1) Based on annual attendance between January and December of 2022

Board Meetings and Key Agendas in 2022

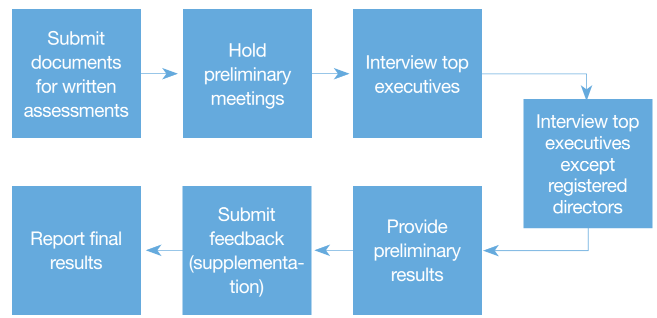
1st Ordinary	Jan. 25, 2022	Resolution	1. Approval of safety and health plan 2. Approval of 2021 financial results and 2022 business plan 3. Approval of the 45th business report
		Report	1. Report on the 2021 operational status of the Internal Control over Financial Reporting 2. Report on results of compliance control activities 3. Report on outcome of code of ethics for officers and employees implementation 4. Report on results of the voluntary fair trade compliance program implementation
1st Extraordinary	Jan. 28, 2022	Resolution	1. Approval of cancellation of Board's previous approval of the disposal of equity shares in another company 2. Approval of cancellation of Board's previous approval of internal transaction with affiliate
2nd Ordinary	Feb. 17, 2022	Resolution	1. Approval of convocation, report, and agenda to be submitted to the 45th Annual Shareholders' Meeting
		Report	1. 2021 evaluation results report on the operational status of Internal Control over Financial Reporting
2nd Extraordinary	Mar. 23, 2022	Resolution	1. Approval of election of Chief Executive Officer 2. Approval of election of Chairperson of the Board of Directors 3. Approval of members of the Committees within the Board of Directors
3rd Ordinary	Apr. 21, 2022	Resolution	1. Approval of investment in an overseas affiliate
		Report	1. Report on 2022 1Q financial results
3rd Extraordinary	Jun. 29, 2022	Resolution	1. Approval of investment in equity New Investment Company in US 2. Approval of Director's Engagement in Competitive Business
4th Ordinary	Jul. 21, 2022	Resolution	1. Approval of Loan Guarantee for Overseas Affiliate 2. Approval of 46th quarterly dividend
		Report	1. Report on 2022 1H financial results
4th Extraordinary	Aug. 11, 2022	Resolution	1. Approval of investment in other companies Investment in Establishment of Boston Dynamics AI R&D Center in US
5th Extraordinary	Sep. 7, 2022	Resolution	1. Approval of Exchange of Treasury Stock with Other Entity 2. Approval of Cancellation of Treasury Stock
6th Extraordinary	Oct. 5, 2022	Resolution	1. Approval of Investment in Equity Establishment of Integrated Affiliates Specialized in Production 2. Approval of large scale investment Investment in US Electrification Base 3. Approval of Treasury Stock Disposition For Performance related Payment
5th Ordinary	Oct. 27, 2022	Resolution	1. Approval of Director's Engagement in Competitive Business
		Report	1. Report on 2022 3Q financial results 2. Report on governance NDR results
7th Extraordinary	Dec. 8, 2022	Resolution	1. Approval of Treasury Stock Purchase

* None of the agenda items received objections or proposed amendments raised by the Board.
* 13 agenda items were associated with non-financial matters out of information/approval items addressed by the Board (Corporate Sustainability Management Committee)

Assessment of the BOD

Hyundai Mobis has conducted third-party assessments on the Board of Director every three years since 2021, and plans to focus on internal assessments and improvement activities for the years when such external assessments are not made. Third-party assessments were conducted by Egon Zehnder, a global assessment agency, to objectively and professionally assess the Board for its composition, regulations, and operational efficiency along with other areas. This helped us collect expert advice and best practices and engage in internal discussions to establish a roadmap to improve the efficiency of the Board and advance its operations, pursuing substantial improvements in our Board governance. Third-party assessments were made between August and November of 2021, and the results were reported to the Compensation Committee in December 2021. In 2022, internal assessments were performed in November and the results were provided to the Compensation Committee on December 8, 2022.

Third-party Assessment Process



Internal Assessment Process

Training of the BOD

Hyundai Mobis develops annual training plans and conducts training on a variety of topics to help independent directors boost their expertise and to gain a broader understanding on risk-related knowledge. In 2022, seminars were held on 'responses to economic sanctions on Russia', 'GT5 project progress', and 'Chinese business operations' to address regional management risk management in line with the changing political and economic landscape as well as future industry trends. This comes in tandem with visits to our major operations in Korea and overseas and attendance at technology presentations to help independent directors grasp and understand the specifics of our current business operations.

Training of the BOD

Date of Training	Key Topic
Mar. 23, 2022	Report on response action plans for economic sanctions against Russia
Mar. 23, 2022	Progress made for the GT5 project
Apr. 6, 2022	Visit to major business sites for newly-appointed independent directors – Chungju Factory and Mabuk Technical Center, etc.
Jun. 10, 2022	Visit to major business sites for all independent directors – Visit to the Ulsan Factory and presentation on our electrification business
Oct. 4, 2022	Chinese business operation status
Dec. 8, 2022	2023 economic outlook seminar

On-site visits and briefings

- Newly-appointed independent directors visited major business sites (Mabuk Technical Center, Chungju Factory) (Apr.)
- Independent directors visited major business sites
  - CES held in the US, North American corporations in Alabama and other locations (Jan. 2023), Ulsan Factory (Jun. 2022)
- Seminar on the internal accounting control system and the role of the Audit Committee (Jun.)
- Business strategy seminar: Economic sanctions on Russia, GT5 project (Mar.)

Compensation of the BOD

Compensation for registered directors (including independent directors) is decided at the AGM pursuant to Article 388 of the Commercial Act and our Articles of Association, and is paid within the limit approved at the AGM in accordance with registered director compensation regulations stipulated by the Compensation Committee.

Key Articles of the Regulations on the Payment of Compensation for the Registered Directors

- Executive directors are paid an annual salary, performance-based incentives, and severance pay.
- Pay for independent directors is based on job allowances.
- The annual salary for executive directors is a fixed salary, determined by a full consideration of the individual's grade, position, expertise, work performance, and overall contributions to the company.
- Executive directors are eligible to receive performance-based incentives, amounting to anywhere from 0~100% of their annual salary by comprehensively considering their business performance, including sales and operating profits, his/her performance and contribution as a member of top management, and internal/external business conditions.
- Independent directors are 100% paid fixed job allowances only to ensure their independence, without any separate incentives aligned with business performance.

CEO remuneration is determined through performance appraisals. As ESG management increasingly plays a role in ensuring corporate sustainability, we added corporate ESG ratings, used as a factor for inclusion on the Dow Jones Sustainability Index, as well as ESG activity results of respective BUs and divisions, to the KPIs for our CEO. Executive directors are subject to 'Management HR and treatment regulations' which specify the treatment of retired executives and retirement pension payments. Executive directors are eligible to receive a sign-on bonus under individual contract, which also includes clawback provisions to ensure that any money and/or benefits received is returned if they violate the established conditions.

Compensation of the BOD[1]

(Unit: KRW million)

The BOD Compensation	Directors	Total Compensation	Average per Person
Executive director	4	6,388	1,597
Independent director	5	517	103

1) The number of directors is based on the number of registered directors as of the end of 2022. Total compensation corresponds to the compensation provided to registered directors in 2022, and the average per-person compensation was calculated by dividing total compensation by the number of directors as the end of 2022. Total compensation refers to income paid in accordance with the Income Tax Act to registered directors, independent directors, and Audit Committee members in their capacity as registered directors who were either incumbent or resigned for the respective fiscal year pursuant to Article 159 of the Act on Financial Investment Services and Capital Market and Article 168 of the Enforcement Decree of this Act.

Individual Compensation

(Unit: KRW million)

Name	Position	Total Compensation
Euisun Chung	President & CEO	3,625
Sung Hwan Cho	President & CEO	1,471
Hyungkeun Bae	Executive director	822
Youngsuk Ko	Executive director	470

CEO Compensation

Compensation	Unit	2022
Total annual compensation for the CEO (including retirement income)	KRW	1,471,232,314
Increase rate of total annual compensation for the CEO	%	24.9
Average compensation for employees excluding the CEO	KRW	105,020,601
Ratio of CEO compensation to the average employee pay	Fold	14.0
Median pay of employees excluding the CEO	KRW	112,432,372
Ratio of CEO compensation to median of employee pay	Fold	13.1
Median salary increase rates for all employees, excluding the CEO[2]	%	17.4
Ratio of CEO compensation increase rates to median of salary increase rates, for all employees excluding the CEO	Fold	1.4

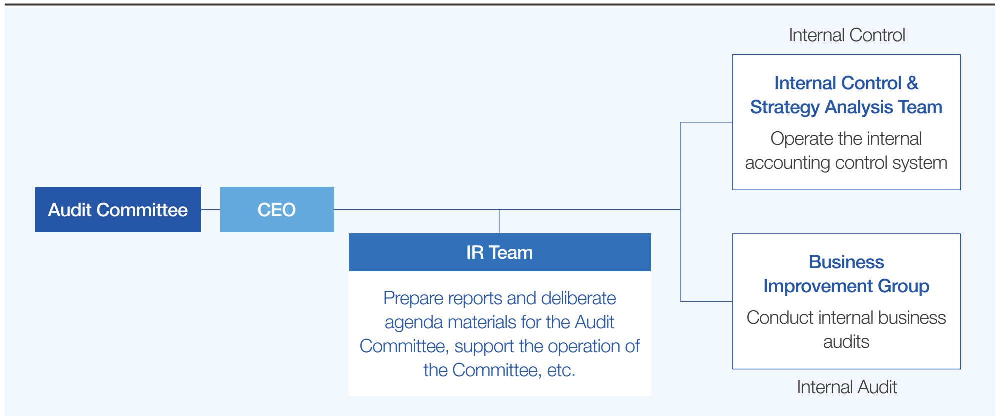
2) Reported in 2022 for the first time

Audit Body Operation

Internal Audit Body

Our Audit Committee, auditors and other internal audit bodies faithfully perform audits independently of top management and/or controlling shareholders. Key details of their activities are made publicly available through our business reports and governance reports.

Audit Governance



Audit Committee

The Audit Committee, as Hyundai Mobis' internal audit body, performs audits on our accounting and business operations and on the business execution of directors and top management to support their sound decision-making. The Committee is chaired and joined solely by independent directors, who were specifically appointed for their expertise on finance and accounting. The Audit Committee receives regular reports on business operations from the Internal Control & Strategy Analysis Team operating the internal accounting control system and the Business Improvement Group responsible for operational audits, with the IR Team supporting the Committee's operation. To facilitate the work of the Audit Committee, the Committee may request reports on the Company's operations or its assets. When deemed necessary, the Committee may also request the attendance of employees and external auditors at meetings, and seek advice from professionals at the Company's expense. In 2022, the Audit Committee convened seven times to approve financial results and key management plans and to discuss the operational status of the internal accounting control system. Quarterly in-person meetings were also held with the Audit Committee Chair, external auditors, and executives in charge of financial affairs to examine key issues from the risk perspective. Members of the Audit Committee were provided with specialized training on five occasions to help them better understand the latest trends and communicate on the role of the Audit Committee.

Appointment Criteria for the Audit Committee

Key Criteria Details	Status
There should be at least three directors.	5 directors
At least two thirds of the members should be independent directors.	All independent directors
At least one of the members should be accounting or financial expert.	Young Chang
The committee should be chaired by an independent director.	Young Chang
Further disqualifying factors i, such as not being in a special relationship with the majority shareholder	N/A

Audit Committee Training

Date of Training	Training Provider	Training Target	Training Topic
Jan. 21, 2022	Accounting Team, Internal Control & Strategy Team, KPMG Samjong	Young Chang (Chair of the Audit Committee)	Explain the system and plans concerning independent assessments of the Audit Committee Quarterly face-to-face meeting with the Committee Chair, finance executives, and external auditors
Apr. 20, 2022	Accounting Team, Internal Control & Strategy Team, EY Hanyoung		Means to resolve inconsistencies in audit opinions between outgoing and incoming auditors Quarterly face-to-face meeting with the Committee Chair, finance executives, and external auditors
Jun. 9, 2022	EY Hanyoung	All independent directors	Introducing the internal accounting control system and the role of the Audit Committee
Jul. 19, 2022	Accounting Team, Internal Control & Strategy Team, EY Hanyoung	Young Chang (Chair of the Audit Committee)	Explain the means used for the prevention of corruptive practices within the company and of its employees Quarterly face-to-face meeting with the Committee Chair, finance executives, and external auditors
Oct. 19, 2022			Explain the status of consolidated internal accounting management Quarterly face-to-face meeting with the Committee Chair, finance executives, and external auditors

Internal Accounting Control System Operation

The internal accounting control system refers to a series of processes to design and continuously implement control activities to ensure the credibility of financial statements. Auditing the financial statement preparation process, in addition to the financial statements themselves, contributes to reducing potential distortions in financial statements and enhancing accounting transparency. Pursuant to the Act on External Audit of Stock Companies (hereinafter "External Audit Act"), Hyundai Mobis, as a publicly-traded company, is obligated to implement the internal accounting control system. As such, we operate the internal accounting control system in compliance with internal accounting control system best practices and Hyundai Mobis' internal accounting control regulations/guidelines, and assist the Audit Committee in independently and objectively assessing the operation of this system. We also regularly report to shareholders, the Board, and the Audit Committee on the effective design and well-functioning operation of our internal accounting control system. External auditors also presented their unqualified opinion through the audits performed on our internal accounting control system.

External Audit Body

Hyundai Mobis ensures the timely provision of reliable accounting information to stakeholders through the period audits performed by independent external auditors. The appointment of external auditors follows the fair process of receiving and evaluating proposals in accordance with our internal regulations and is contingent on the approval granted by the Audit Committee. For the fiscal year 2022, EY Hanyoung was appointed as our external auditor under the auditor rotation system, which was introduced in 2018 pursuant to the New External Audit Act to ensure the independence of auditors and improve the quality of audits. In conformity with this Act, our auditing contract with EY Hanyoung spans from 2022 to 2024. The external auditor presented its 'unqualified opinion' for the fiscal year 2022 (46th period), and none of our subsidiaries received audit opinions other than 'unqualified opinions' by external auditors for the last three fiscal years. The audit reports are made publicly available through our official website. As to non-audit services provided by external auditors, the contract is signed through the preliminary reviews performed and approval granted by the Audit Committee or those delegated by the Audit Committee. In 2022, there was one instance of non-audit services provided. Concerning 'preliminary communication with external auditors and the Audit Committee', meetings are held with external auditors and independent directors attending. Such meetings are hosted on a quarterly basis prior to Audit Committee meetings, and six such meetings were held in 2022.

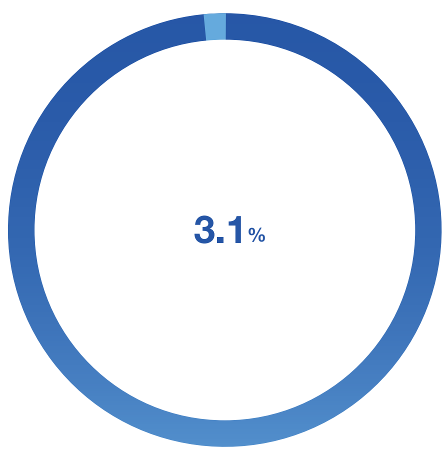
▶ 2022 Consolidated Audit Report

External Auditor Appointment Process

Free Appointment
- Create a pool of external auditors
- Internally review/verify
- Assess and select through the Audit Committee
- Report to the AGM
- Sign an auditing contract

Periodic Designation
- Designate the auditor through the Financial Supervisory Service
- Submit opinions on the pre-notification
- Notify the designated auditor through the Financial Supervisory Service
- Report to the Audit Committee
- Sign an auditing contract

Ratio of audit fees to services



Audit Opinion

Fiscal Year	Auditor	Auditor's Opinion	Key Findings	Key Audit Matters
46th Period (FY 2022)	EY Hanyoung	Unqualified	-	Period attribution of A/S parts business sales, provision of inventory valuation losses
45th Period (FY 2021)	KPMG Samjong	Unqualified	-	Assessment of Hyundai Autonet's goodwill impairment losses
44th Period (FY 2020)	KPMG Samjong	Unqualified	-	Assessment of cash generation unit impairment losses on the subsidiaries of MCQ and MBR

Auditing Contracts Signed

(Unit: KRW million, Hours)

Fiscal Year	Auditor	Description	Details of Auditing Contract		Details of Audit Execution	
			Compensation	Service Hours	Compensation	Service Hours
46th Period (FY 2022)	EY Hanyoung	Review non-consolidated/consolidated quarterly/semi-annual financial statements, audit non-consolidated/consolidated financial statements, audit the internal accounting control system	2,200	21,000	2,200	20,617
45th Period (FY 2021)	KPMG Samjong		1,840	20,000	1,840	20,035
44th Period (FY 2020)	KPMG Samjong		1,697	18,855	1,697	19,032

Non-audit Service Contracts Signed

(Unit: KRW million)

Fiscal Year	Date of Contract Signing	Service Description	Service Period	Service Fee
46th Period (FY 2022)	Mar. 4, 2022	Comprehensive income tax report service for expatriates	Mar. 2022 ~ Jun. 2023	68
45th Period (FY 2021)	Apr. 9, 2021	Advice on global integrated management development	Apr. 13, 2021 ~ Nov. 4, 2021	160
	Jul. 16, 2021	Advice on tax affairs	Jul. 16, 2021 ~ Mar. 31 2022	48
44th Period (FY 2020)	Jan. 1, 2020	Maintenance of the FTA system	Jan. 1, 2020 ~ Dec. 31, 2020	144
	Aug. 31, 2020	Advice on tax affairs	Aug. 31, 2020 ~ Apr. 30, 2021	53

Communication with Auditors

Category	Date	Participants	Method	Discussion Topic
1	2022.01.25	Five Audit Committee members and engagement partner	In-person meeting	Progress made on the year-end external audits for 2021
2	2022.02.15		Meeting by correspondence	Year-end external audit results for 2021 and internal accounting control system audit results
3	2022.03.23		In-person meeting	Accounting audit plans for 2022
4	2022.04.21			Report on the independence of the auditor, Q1 2022 review results
5	2022.07.21			Preliminary selection of Key Audit Matters and semi-annual review results for 2022
6	2022.10.25			Key Audit Matter updates and Q3 2022 review results

Risk Management

Company-wide Risk Management

Strengthening Risk Governance

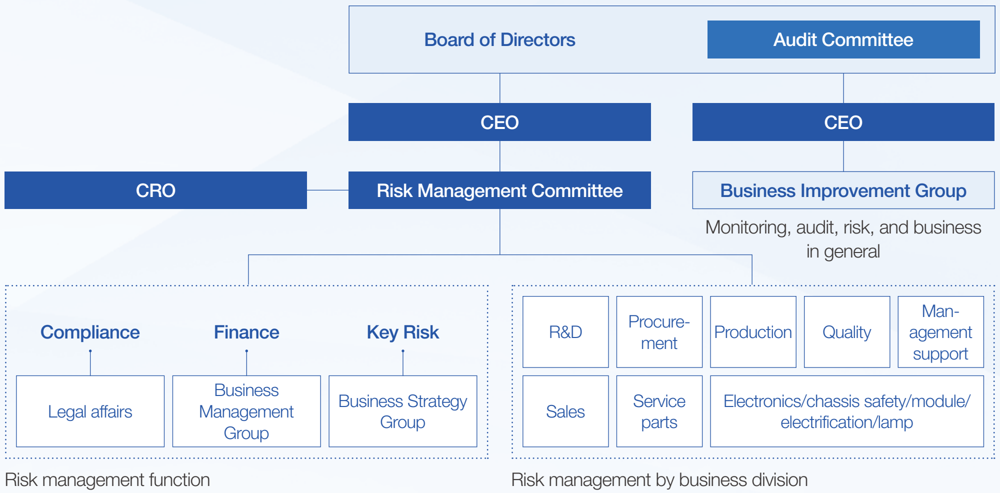
Hyundai Mobis operated a company-wide risk management system established to respond to the risks that may arise amid the fluctuating international landscape and rapidly-shifting industry paradigm. The company-wide Risk Management Committee is operated with the Business Strategy Group with the Planning Division leading the way, and the head of the Planning Division serves as the Chief Risk Officer (CRO). The Committee established a response system segmented into 16 BUs and divisions to ensure expertise and agility in responding to risk, and each division head is responsible for managing risks in their own division while the CRO heads overall company-wide risk management. Business divisions and the Business Enablement Team swiftly report identified risks through the Risk Management Committee to the CEO and top management. Consultative bodies also meet each month to take stock of risk management so that we identify risk and explore possible response strategies and action plans. The CoE Meeting1) supervised by the CEO serves to share internal/external business conditions and division-level risk review results and to consult response plans. The Risk Management Council composed of division-specific risk personnel reviews risk monitoring results at the division level. In 2023, we will integrate the CoE Meeting and the Risk Management Committee to create a company-wide enterprise management council to ensure consistency in managing risks and other pending management issues at the company-wide level. Meetings will be held on an as-needed basis when urgent issues arise in addition to regular meetings twice a month to promptly share issues with relevant organizations and seek potential responses to bolster our response capabilities at all levels. Through rigorous risk analysis and timely response, Hyundai Mobis remains agile to addressing risk situations amid the shifting internal/external landscape.

1) CoE (Center of Excellence) meeting: Discuss key company-wide strategies and pending issues

Risk Management by Type of Risk

Hyundai Mobis classifies risks into four types and ensures integrated management through close cooperation among relevant organizations. Monthly monitoring serves to preemptively manage all types of risk, and situation-specific scenarios are developed to minimize the impact and damage of uncontrollable risks such as manmade/natural disasters. We analyze risks for their severity, probability of occurrence, and consequences to define key and potential risk factors, and identify and focus on their management items. Each year, we review our progress made for key risk management items to determine whether any risk factors should be maintained or eliminated and realign our response system accordingly. In 2022, we chose and managed climate change response, safety first, talent recruitment, and response to the logistics and trade environments as our high-priority risks, and implement risk management for key issues identified through materiality assessment and major factors associated with business operations on an on-going basis.

Risk Management Governance



Type of Risk

Type		Definition	Specific Risk
Uncontrol-lable	Environ-mental risk	Uncertainties and potential losses caused by external factors including macro business environments, customers, competitors, and policies/regulations	Automotive industry trends / OE policies (production, investment, ESG, etc.) / regional politics / economic trends / policies / regulatory trends / international trade environments / disasters (natural disasters, fires, etc.)
Controlla-ble	Financial risk	Potential financial losses caused by fluctuations in the financial market, credit, and liquidity	Financial market risks (currency rates, stock prices, etc.) / liquidity risk / credit risk
	Strategic risk	Potential losses that arise when a company's chosen strategy fails to produce intended outcomes	Business strategy risk (M&As, partnerships, etc.) /products / technology strategy risks / major investment risks / location operational strategy risks (localization, etc.)
	Operational risk	Potential losses attributable to inappropriate work processes and operations, inefficiencies in organization/ personnel/system, and system errors	Development project management issues / production management issues / order & sales issues / quality issues (recalls/campaigns, etc.) / supplier and SCM issues / organization / HR / labor issues / asset management issues (inventory, equipment, buildings, etc.) / security management issues / IT system management issues / compliance, litigation, dispute issues / PR, media, reputation issues

Potential Risk Management

To ensure agility in responding to the trade environment and global regulations, we monitor potential risks that may affect our business operations.

Description of Risk	Impact on Business	Response & Management
Mandatory sustainability disclosure (regulation, guidelines) / risk management		
As corporate sustainability disclosures are mandated more broadly, businesses are required to move beyond mere descriptions of their business activities to communicating financially quantified information on opportunities and risks to stakeholders. The scope of disclosures for climate change response activities is extending mainly in the US and Europe to include not only data on the company, but also on its supply chains. This raises the need for a new management paradigm including supply chain management and any change in management system may incur added cost burden. Sustainability disclosures could have direct impact on investment attraction and credit ratings, and even lead to financial risks.	• Incurring added expenses (penalties) and tarnishing a company's brand image due to regulatory non-compliance • Growing needs for portfolio shift and improvement in line with the active adoption of the green taxonomy • Shareholders and investors exercising their rights and calling for corrective actions for the financial impact of ESG activities. • Weaken business competitiveness, including a failure in landing orders, due to the lack of climate action (failure to meet relevant customer requirements)	• Advance the integrated scenario analyses covering both domestic and overseas operations and establish a TCFD-based disclosure system • Establish a data collection system to expand the basis for consolidated disclosures • Extending the scope of GHG emissions verification to ensure data reliability
Risk with Parts Technology in line with the Shifting Automotive Industry (autonomous driving, UAM)		
The automotive industry is experiencing a paradigm shift in every direction imaginable that extends well beyond the switch in transport fuel (fossil fuel – electricity/hydrogen) to autonomous driving and UAM (Urban Air Mobility). This may expose us to new risks associated with technology beyond the business risk of reducing the number of parts. As technology plays an increasingly important role with the advent of autonomous driving, all eyes will be watching on how automotive parts fulfill their intended functional roles and and performance requirements in the event of an accident. As new systems, such as UAM, emerge, new regulatory risks could be triggered, along with the added technology burden of addressing urban noise and ensuring safety during crash.	• Heightened entry barriers due to technology advancement • Need for R&D investment expansion to develop new technology and build infrastructure • Advanced technology development to become a first-mover, bolster global competitiveness and increase sales • Change in response/management system due to the introduction of new regulations • Potential disputes leading to growing legal risks and expenses and degradation of corporate brand image	• Talent recruitment through diverse channels and open innovation to secure R&D capabilities (foster long-term growth drivers in addition to automobiles) • Rigorous infrastructure and advanced quality management through the operation of in-house proving grounds and the localization of overseas R&D operations • Strategic business partnerships (communication infrastructure and ICT, etc.)

Tax Transparency

Tax Policy

In abiding by tax laws and faithfully fulfilling tax obligations, we serve the interest of our customers and contribute to national finance, duly assuming our corporate social responsibility in so doing. Based on our thorough understanding on domestic and international tax laws, Hyundai Mobis complies with the laws and regulations of competent tax authorities in making any and all transactions in Korea and abroad. We also faithfully meet our taxpayer obligation to submit the documents required pursuant to applicable tax laws of respective countries to improve tax fairness. We apply clear internal regulations as to the roles and responsibilities associated with tax filing and payment, and seek advice from accounting firms and external tax professionals to identify how best to respond to tax law interpretations that are ambiguous or imprecise.

Fulfilling Overseas Tax Obligations

For cross-border transactions with overseas corporations, we establish and implement the transfer pricing policy which complies with domestic tax laws and transfer pricing guidelines as well as the Arm's length principle. As such, we prohibit the transfer of value created in jurisdictions with low tax rates and the use of any tax structure which lacks commercial substance. We also fundamentally prohibit offshore tax evasion through the use of tax havens and tax evasion committed by way of cross-border transactions. Hyundai Mobis Headquarters provides global business sites with assistance in paying corporate income taxes and other taxes in compliance with the tax laws of the countries where they operate and in meeting the obligation to submit the documents required by competent tax authorities.

Compliance Management

Compliance Management System

Hyundai Mobis Code of Conduct
Detailed and stipulated highest-level regulations to advance compliance management

Compliance Control Standard
Foundation for the compliance management system and activities

Compliance Culture
Create a corporate culture to embed ethics and compliance awareness

Compliance Organization & System
Organization and operating system to implement ethical/compliance management

Compliance Management Slogan

DO THE RIGHT THING - COMPLIANCE FIRST !

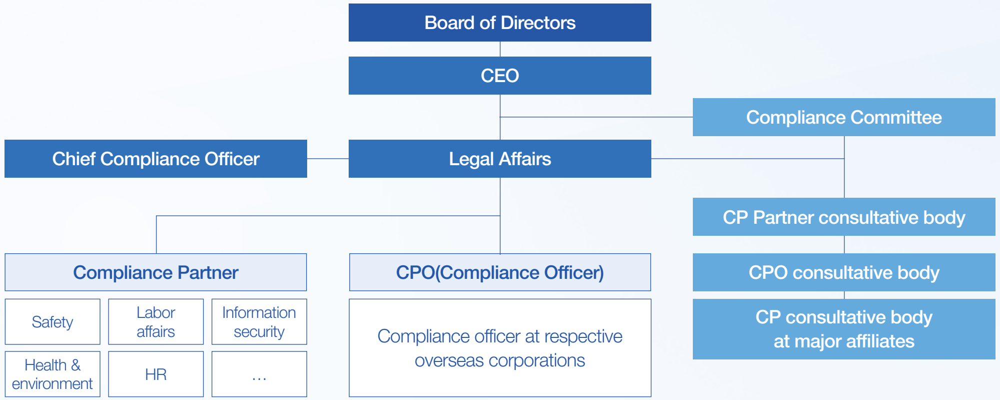
DO
Uncompromising dedication to compliance

RIGHT
Pursuing the ethical path: improve corporate value in pursuit of drivers behind sustainability management

FIRST
Highest and best value we pursue

Compliance Governance

Hyundai Mobis prioritizes compliance management as our fundamental management philosophy to advance sustainability management. To this end, we establish and operate a compliance and ethical management implementation system in our relationship with employees, customers, suppliers, and all other stakeholders. Starting with the Compliance Control Standard serving as the ground rules to establish a compliance control environment and implement compliance activities, we stipulated the Hyundai Mobis Code of Conduct and Code of Conduct for Business Partners which integrate our Ethics Charter, Code of Conduct for Ethical Practice, and Global Compliance Guidelines for all our contractual parties including employees and suppliers in Korea and overseas to follow in making value judgements and conducting themselves based on these values. To live by the 'Tone at the Top' principle and disseminate a culture of compliance, we created the Compliance Committee which consists of executive members to manage relevant risks, share compliance review results and improvement agendas, and discuss other compliance-related issues. The Chief Compliance Office appointed pursuant to the Compliance Control Standard and dedicated compliance organization review our company-wide compliance support activity plans and achievements as well as our employees' implementation of ethical norms, and fully report to the Board of Directors. We also introduced the 'Compliance Partner' system and designated responsible teams for 13 key compliance areas including safety, labor affairs, and information security to facilitate compliance activities. Meanwhile, respective overseas corporations appoint their Compliance Officer (CPO) to engage in bimonthly CPO consultation meetings and closely communicate with the dedicated compliance organization at the Headquarters to implement compliance activities. We also hold regular consultation meetings with subsidiaries and other major affiliates to create a comprehensive and effective compliance environment and culture.



Policy and Risk Management

Compliance Management Regulations

Hyundai Mobis has established the 'Hyundai Mobis Code of Conduct as the highest-level regulation to guide all employees, including those in overseas corporations and subsidiaries, in making the right decisions in business conduct across key risk areas associated with the Company. The Code of Conduct was stipulated and is amended through the approval of the Board of Directors as the highest governance body, and respects major international standards applicable to all our domestic and international business operations as well as the general laws of countries where we operate and the regional and regulations of each country and regional transaction norms. We appoint the Chief Compliance Officer in conformity with the 'Compliance Control Standard' which lays the basis for our compliance management pursuant to Korea's Commercial Act to establish and operate a compliance control environment. In addition, we established the 'Regulatory Compliance' as the basis to support the working-level operation of the compliance management system. As such, we operate the compliance regulation and guideline system which encompasses our policies, regulations, and guides in respective key areas as well as high-level regulations. Hyundai Mobis will establish new regulations and amend our existing ones as needed to keep abreast with internal/external compliance trends.

▶ Code of Conduct | ▶ Compliance Control Standard

Business Ethics and Anti-corruption Policy

Hyundai Mobis employees are required to avoid actual or potential conflicts of interest between the Company and individuals that may arise during the course of their business conduct. They are expected to reject any unfair instructions or pressures that undermine the fairness of their business execution, and fulfill their given duties and responsibilities to perform their work honestly and fairly in accordance with the set regulations. In particular, our anti-corruption policy prohibits any and all acts of abusing one's position and authority to benefit any third party interest. Such corruptive practices include providing or receiving any form of economic benefit (bribes, rebates, etc.) to influence business operations or cement an individual's position or any agreement or proposal to this effect. Our business ethics and anti-corruption policy apply to employees of Hyundai Mobis and/or employees working at domestic and overseas subsidiaries controlled by Hyundai Mobis, joint ventures, suppliers, agencies, and other key stakeholders. In 2022, we signed the anti-corruption pledge of the 'BIS (Business Integrity Society) Summit' organized by the UN Global Compact Korea to make our anti-corruption commitments public, and were named the 'Best Company in Anti-corruption' by the UNGC Korea based on its review of our anti-corruption risk and ESG achievements over the past five years.

Compliance Risk Management

Hyundai Mobis establishes and operates a risk management system which covers the Company and key stakeholders based on our compliance management system. Risk management spans all major compliance areas associated with the Company including anti-corruption, safety & environment, personal data, and fair trade. In addition to traditional key focus areas, we are extending the scope of risk management to include the prevention of power harassment and corporate reputation risks that are increasingly gaining prominence. We also bolstered our regulatory response system to ensure rigorous regulatory compliance in key countries. By monitoring domestic and international trends, we identify requirements made in relation to regulatory enactments and amendments and reflect them in our regulations while collaborating with relevant departments to swiftly incorporate them into our work processes and products. We also engage in a range of activities to improve the effectiveness of our risk management. These activities include distributing voluntary compliance guides and checklists to employees, conducting compliance surveys and regular reviews in risk areas, providing coaching and seminars to support improvement activities, operating committees attended by top management and collaboration systems in key divisions, operating regular consultative bodies with major affiliates, and assessing the appropriateness of related transactions made between affiliates, with the help of the dedicated organization. Furthermore, we implement risk management on the issues submitted through the compliance whistleblowing channels up and running at respective domestic and overseas corporations to review, improve and prevent the reoccurrence of such issues.

Compliance Assessment

We regularly assess compliance risks by type, including non-compliance with work ethics, bullying, and sexual harassment as well as bribery and other anti-corruption risks to identity our material risks. Assessment results are based our efforts to provide coaching for team leaders, team-level seminars, and other improvement activities to eliminate risks.

Compliance Assessment Results in 2022

- **Purpose** Assess employees' compliance awareness level, and expose, assess, and remedy compliance issues and risks
- **Target** (Domestic) Office, indirect labor / (Overseas) Expatriates
- **Method** Assessment (Jun.) – Result briefing and training for organization heads (Aug.) – Risk recognition team coaching/guide (Aug. – Nov.)
- **Result** Operate coaching and guides for leaders of 33 departments based on assessment results to encourage the shift in team operations from the compliance perspective
- **Area**

Domestic	Overseas
Work ethic Anti-bullying in workplace Prevention of sexual harassment in the workplace Recognition of the compliance management system (relevant personnel) Subcontracting, fair trade	Work ethic Prevention of workplace bullying Prevention of sexual harassment in the workplace

Compliance Program Operation

Creating a Compliance Culture

Compliance Pledge

Hyundai Mobis strives to create a transparent and fair corporate culture. We encourage our new hires and all our employees to sign the compliance management pledge which encompasses key compliance requirements in the areas of fair trade, ethics and anti-corruption, information security, prohibition of conflicts of interest, and data privacy. We also require employees who represent our subsidiaries and other key affiliates to sign the ethics pledge, and include provisions on compliance with the Code of Conduct for Business Partners within our basic contract for suppliers. This aims to demand that our entire value chain adhere to the compliance standard which applies to Hyundai Mobis.

Compliance Campaign and Community Operation

To disseminate a culture of compliance management and raise compliance awareness, we operate a range of compliance campaigns and programs targeting our employees and other key stakeholders. In particular, we hold the "Holiday Compliance Campaign" during major holidays each year to circulate compliance guides to employees and facilitate the operation of our gift return and report center. We also send letters to suppliers, distributors, and other key stakeholders to call for their cooperation with our compliance policy. In 2022, we implemented a help line facilitation program to expand our compliance channels.

Our online compliance community, available 24/7 for our employees, serves as an integrated information center to access relevant regulations, guidelines and learning materials and help make general inquiries, report misconduct, and use the compliance-related work system. Regular biweekly compliance reports are also published by the dedicated compliance organization to communicate area-specific compliance and legislative trends to assist employees in performing relevant work in a timely manner.

Compliance Training

Hyundai Mobis provides online and offline training to employees, both for new (upon joining the company) and incumbent workers (once a year, including contract workers and dispatch workers) to promote employees' awareness of compliance management and reduce risks in advance. The training covers our compliance management system including the Hyundai Mobis Code of Conduct, ethics and anti-corruption, human rights management, information security, safety and environment, improvement in awareness of contractual risks, tariffs, prevention of workplace sexual harassment to improve employees' awareness of diversity, and improvement in awareness on disability (statutory training). We also provide detailed regulations and guides which reflect characteristics of respective work areas and conduct specialized training with a focus on case studies to embed compliance management into our day-to-day work. For our overseas operations, we conducted Legal Risk Management training tailormade to respective countries with the help of the CPO (compliance Officer) in 2022. Employees at overseas corporations, including locally-hired members, were provided with training on data privacy and other relevant risks to elevate their awareness on ethical management. Regular and year-round compliance training are also provided to suppliers and distributors to prevent any potential corruption along the value chain. Going forward, we will continue to bolster our training system to implement and disseminate compliance management.

Employee Compliance Training

(Unit: Persons)

Compliance Awareness and Competency-Building Program in Key Areas

CP management system (Code of Conduct, etc.)	Ethics/ anti-corruption	Human rights (policy, compliance with labor relations laws, non-discrimination, ban on inhumane practices, improvement in labor conditions, etc.)
Tariffs (Code of Conduct, etc.)	Prevention of sexual harassment in workplace	Improvement in awareness on disabled person in the workplace
Improvement in awareness on contractual risks	Information security	Safety and environment

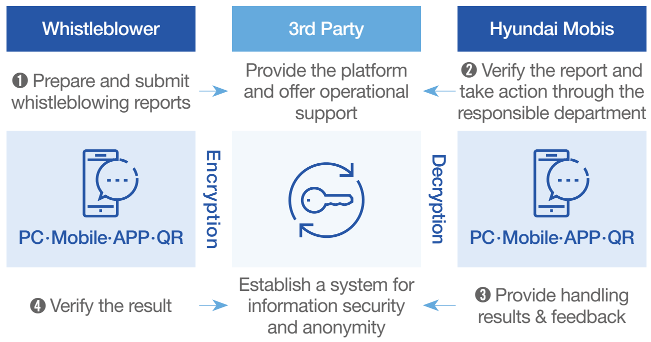
Category	Training	Target	2022 Performance
Basic	Compliance awareness and capacity-building training in key areas	All employees	8,737
		New hires	1,710
	Compliance system and statutory training	On-site workers	2,024
Advanced	Ethics/anti-corruption compliance training	Depart-ments and personnel at customer contact points	1,160
	Fair trade/subcontract compliance training		3,896
	Data protection/ security compliance training		11,433
	Safety/environment compliance training		17,361
	Tariff/tax compliance training		4,209
	Intellectual property compliance training		292
	Legal affairs/ contractual risk compliance training		54
	HR/labor affairs compliance training		65
	Disclosure compliance training		120
	Organizational head compliance training		561
	Expatriate compliance training		73

Operating Whistleblowing Channels

Compliance Helpline

Our Compliance Helpline was established with the goal of contributing to Hyundai Mobis' compliance management and practicing the value of compliance and ethics. Its operation is outsourced to an independent professional third-party company through the deployment of a secure technology that entirely deletes any trace of the whistleblower's IP information. We made our Compliance Helpline easily available in the mobile environment through applications and QR codes as well as for the PC, and also improved its accessibility to be operable 24/7 both in Korea and overseas. The Helpline consists of the 'compliance whistleblowing center' and the 'gift return center' from which users can choose depending on their intended use. The concerns raised are handled according to the Help Line operational process: the results are registered on the system and users can verify the results through the system.

Helpline Whistleblowing Process



Compliance Whistleblowing·Reporting and Actions Taken

Type of Whistleblowing·Reporting		Unit	Actions Taken
Whistleblowing·Reporting	Fair trade/subcontract	Cases	2
	Unfair business practices/receiving and providing unjustified profits	Cases	6
	Human rights violations	Cases	13
	Distribution of grey parts	Cases	1
	Others	Cases	11
	Return of gifts and others	Cases	9
	Total whistleblowing·reporting reports	Cases	42
Actions taken[1)]	Fair trade/subcontract	Cases	2
	Unfair business practices/receiving and providing unjustified profits	Cases	5
	Human rights violations	Cases	13
	Distribution of grey parts	Cases	1
	Others	Cases	11
	Return of gifts and others	Cases	9
	Internal review under way	Cases	1
	Total actions taken	Cases	42

1) Personal measures (12), internal training and institutional improvement (8), internal training (5) gifts returned (9), others (7), internal review underway (1) (42 in total)

Cyber Auditor and Internal Review

Hyundai Mobis' Code of Conduct and Employees' Code of Ethics establish the standards for appropriate value judgements and behaviors in relation to business conduct. We prohibit any act of requesting, receiving, or providing monetary benefits in our relationships with stakeholders, who refer to employees, suppliers, government organizations, agencies (third-parties, consultants), or any other stakeholder with business interest in the Company. The term "monetary benefits", include money and valuables, congratulatory and condolatory money, entertainment, and conveniences, and further encompasses all forms of unjustified gains or courtesies potentially running counter to impartial business conduct. Specifically, bribery is subject to the zero-tolerance principle and is subject to serious disciplinary action. Whistleblowing reports submitted to the Cyber Auditor and incidences of non-compliance with the Code of Ethics identified through annual internal reviews are subject to disciplinary measures according to the Human Resources Management Regulations, and actions are taken according to the procedures specified in the Disciplinary Committee Regulations.

Actions Taken for Whistleblowing·Reporting Cases on Non-compliance with the Code of Ethics

Type of Whistleblowing	Reported Cases	Actions Taken
Employees	15	15 cases of personal measures[1)] 11 cases of internal training 9 other cases (settlement, institutional improvement)
Suppliers	8	
A/S parts	5	
CS	7	
Others	0	
Total	35	

1) Type of non-compliance: Corruption/bribery (2), discrimination/harassment (2), data privacy (0), conflict of interest (1), money laundering/insider trading (0), others (5), unsubstantiated (5)

Hello, HR

Hello, HR is our grievance mechanism specialized for HR operations. Employees may raise any difficulties or concerns related to job stress, personal relationships, corporate culture, and personal matters. Our dedicated personnel then provide assistance with the most optimal solution to address the concern. Grievances are submitted under one's real name to swiftly verify the concerns raised and take appropriate action, and relevant details remain strictly confidential.

Grievances Raised through Hello HR and Actions Taken

Category	Unit	Cases of Reporting/Actions Taken
Submission	Cases	38
Substantiated [1]	Cases	1
Action	Cases	1

1) Cases that require action out of cases submitted to Hello, HR

Grievance Mechanism for Suppliers

Not only do we collect varying feedback from employees at our tier-1, tier-2, and tier-3 suppliers and incorporate such feedback in our policy to create healthy supply chains, but we also we operate anonymous grievance report center for suppliers as a grievance mechanism for suppliers to eliminate unreasonable practices and establish transparency in our procurement operations. Suppliers may raise concerns under their real name or anonymously, which remain confidential to all, aside from the original reporter. Each grievance comes with a case number, which facilitates the process of checking its status and result, and the entire process follows the principles of confidentiality, identity protection, and exemption.

Actions Taken by Anonymous Grievance Report Center for Suppliers

Category	Unit	Grievances/Actions Taken
Submission [2]	Cases	2
Substantiated [3]	Cases	0
Action	Cases	0

2) Type: Improvement in institutions and inconveniences (environment, safety, etc.), transparency/ethics, and systems
3) Cases that require action out of cases submitted to anonymous grievance report center for suppliers throughout the year

▶ Anonymous grievance report center for suppliers

Whistleblower Protection Policy

Hyundai Mobis extends protection to whistleblowers in line with the three principles of confidentiality, job security, and immunity. If a whistleblower reports an act of non-compliance or corruption involving himself/herself, it can be interpreted as an extenuating factor. In addition, we ensure all whistleblowers do not suffer any HR-related disadvantages for the act of whistleblowing. Whistleblowers are also free to request accommodations, such as department/work transfers, to doubly ensure they are protected from any disparaging work situation/environment.

Confidentiality

We prohibit the act of disclosing or implying the identity of the whistleblower without his/her consent.

Job Security

We clearly stipulate that whistleblowers are protected from any disadvantage or discrimination, including disciplinary action on the part of their associated department or in their professional relationship, for the act of whistleblowing, making statements, or submitting relevant materials.

Immunity

If whistleblowers voluntarily divulge errors they themselves committed, they may be granted immunity or receive less severe disciplinary action.

The Hyundai Mobis Regulatory Compliance includes the following provisions to operate whistleblowing channels, protect whistleblowers, and take appropriate action for non-compliance.

Article 13 (Operation of Internal Whistleblowing Channels and Whistleblower Protection)

1. The CEO may establish an internal whistleblowing mechanism to allow stakeholders to directly raise concerns over employees' regulatory non-compliance and/or unjustified business practices directly to the compliance officer.
2. The compliance officer may request relevant departments to take necessary measures for the efficient operation of compliance-related grievance/whistleblowing channels, and request the Company to establish new grievance/whistleblowing channels to respond to new compliance risks.
3. Anyone receiving or handling whistleblowing reports shall maintain the confidentiality of the whistleblower's personal information and details of the reports submitted.
4. Each department operating compliance-related grievance/whistleblowing channels may, if necessary for compliance risk management, share relevant information with or seek cooperation from the compliance officer to the extent that Paragraph 3 is not violated. The compliance support organization may request follow-up measures for grievances and whistleblowing reports to prevent the recurrence of compliance risks.
5. The Company is obligated to protect the whistleblowers who identified and reported the violation with its internal compliance regulations by way of confidentiality, job security, and immunity. If the whistleblower reports any illegal or corruptive practices involving himself/herself, this is taken into consideration, and no whistleblowers shall be subject to any personnel disadvantages for the act of whistleblowing. However, the Company shall take appropriate measures if the whistleblower and/or those who raised grievances, request work accommodations, such as relocations, over concerns of being put at a consequential potential disadvantage professionally.

Article 14 (Handling Incidences of Non-compliance)

1. If the compliance officer identifies any non-compliance with the Compliance Control Standard or the regulations herein, he/she may notify this to the person in charge at the responsible department or the CEO and request appropriate measures including suspension, improvement, correction, and disciplinary action while developing comprehensive countermeasures, if deemed necessary, in consultation with relevant departments and proposing them to the CEO and others. In urgent cases, the compliance officer may take necessary action by requesting the concerned employee to suspend, improve, and/or correct the practice in question at his/her own discretion prior to reporting or escalating such cases.
2. The Company shall take appropriate disciplinary action against violators of the Compliance Control Standard or regulations herein in proportion to the severity of the violation.
3. The compliance officer may request the HR department and the disciplinary committee to take disciplinary action against the violators of compliance-related regulations detected through compliance control activities in proportion to the severity of their violation. Relevant specifics follow the Company's personnel regulations and the rules of employment.
4. The compliance officer may prepare plans to prevent the recurrence of identical or similar violations and propose them to the Board of Directors, the CEO, or the Compliance Committee. When such plans are determined, the compliance officer communicates them to the concerned and related departments, and reflects them in improving relevant programs or policies.

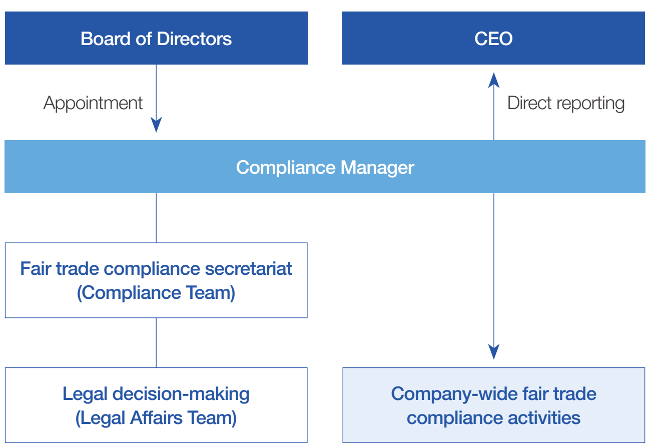
Fair Trade Compliance

Fair Trade Compliance System

Hyundai Mobis pursues sustainable growth based on fair trade and competition. To this end, we introduced the Compliance Program (CP) in 2002 as our internal compliance system for compliance with the fair trade regulations. The Compliance Manager, who oversees our CP operations, is delegated by the CEO to exercise full authority and responsibility for our CP operations to ensure company-wide compliance with fair trade regulations and prevent any regulatory non-compliance. We also established the 'Fair Trade Compliance Secretariat' under the Compliance Manager to oversee working-level CP operations, and ensure expertise in our CP operations through the Legal Affairs Team which supports legal decision-making. Furthermore, we specified detailed principles of fair-trade implementation within our Employees' Code of Conduct and CP Operating Regulations for all our stakeholders to practice fair trade.

▶ Operating Regulations of the Fair Trade Compliance Program

Fair Trade Compliance System



Fair Trade Compliance Inspection

Hyundai Mobis performs company-wide fair trade compliance inspections to prevent non-compliance with fair trade regulations in business conduct. When it is believed that the risk of regulatory non-compliance has occurred or is suspected, preliminary reviews should be made through the legal affairs supporting system to prevent potential non-compliance. Our Helpline is up and running as a whistleblowing mechanism to help with grievance reporting and whistleblowing in relation to fair trade, and the checklist is distributed and posted for responsible employees to self-check any risk of regulatory non-compliance. The Fair trade compliance secretariat promotes operation improvements in line with the amendment of government policies and regulations. Specifically, company-wide preventive activities are implemented by identifying risks of non-compliance with fair trade and subcontract regulations at all levels and by engaging in regular work inspections and improvements.

Fair Trade Compliance Training

We provide fair trade training to enhance employees' compliance awareness, and report the results to the Board of Directors on a semi-annual basis. Introductory fair trade training is included in the mandatory orientation training for new hires to help them recognize the importance of complying with fair trade laws and ensure their compliance from day one. In addition, annual fair trade compliance training is provided to employees working at departments closely associated with fair trade, and working-level fair trade personnel receive specialized third-party training to fully understand relevant policies and regulatory trends to improve their expertise in fair trade operations.

Training Provided (Unit: Persons)

Category	Training Topic	2022 Performance
Departments associated with fair trade	Key fair trade/subcontract regulations and working-level guides	3,218
New hires	Basic guides for fair trade/subcontract and awareness building	678

Implementing Fair Trade with Suppliers

Each year, Hyundai Mobis signs the Fair Trade Agreement with suppliers to promote fair business transactions and win-win collaboration. Specifically, we incorporated and implement the key requirements of subcontract regulations that our employees should satisfy in working with suppliers in our day-to-day work (Four Actions for Subcontracting: Suitable Contract Management Regulations, Regulations for Supplier Registration and Operation Management, Regulations on Internal Review Committee Establishment and Operation Management, and Regulations for Suitable Document Issuance and Retention Management). In 2022, we signed the Fair Trade Agreement with 335 tier-1 and tier-2 suppliers, and engaged in transactions valued at KRW 6.4402 trillion. We also promoted our tier-1 and tier-2 suppliers to sign the Fair-Trade Agreement, of which 229 tier-1 and tier-2 suppliers did so.

Implementing Fair Trade with Suppliers

Category	2020	2021	2022
Period	Jan. 1, 2020 ~ Dec. 31, 2020	Jan. 1, 2021 ~ Dec. 31, 2021	Jan. 1, 2022 ~ Dec. 31, 2022
Suppliers	333	333	335
Purchase amount (KRW 100 million)	43,902	55,981	64,402

* Purchase amount refers to purchases made from suppliers who signed the agreement for the respective year.

Unfair Trade Reporting Channel

While preventing unfair trade practices by operating a contract bidding system, we also make available our Compliance Helpline as an anonymous whistleblowing channel as well as a supplier grievance reporting center to receive concerns over unfair trade practices and pursue immediate improvements. We also continue with compliance training for departments associated with fair trade to prevent the reoccurrence of unfair trade practices.

SUSTAINABILITY AREAS

Responsible Environmental Management

Link to the UN SDGs

2022 Key Performance

Achieved Zero Waste to Landfil

for the first time in the domestic automobile industry

Future Plan

Achieve Zero Waste to Landfill for all operations in Korea and overseas by 2030

2022 Key Performance

Switched nearly 60% of A/S parts package to eco-friendly paper packaging

Future Plan

Switch to eco-friendly paper packaging for 65% of A/S parts in 2023

Duk Hun Park, Senior Manager — Health and Environment Team

To advance our management system to minimize our environmental impact, we continue to monitor tightening environmental regulations and implement relevant activities to develop preemptive management plans. Recently, our Changwon Plant became the first in the domestic automotive parts industry to achieve the 'Zero Waste to Landfill' distinction. Building on this achievement, we steadily progress towards our goal of achieving 'Zero Waste to Landfill' across all our domestic/overseas operations by 2030. On the back of proactive cooperation and efforts on the part of our dedicated personnel, we established internal regulations that are more stringent than the legally permissible ones in managing our pollutant and chemical discharge concentration thresholds across all our operations. Going forward, we will work as one team to create a self-reinforcing cycle in environmental management.

Dong Hui Kim, Senior Manager — CKD Management Team

To help transition to the circular economy, we established an eco-friendly packaging operation system driven by the 3R[1] initiative and are implementing activities accordingly. This begins with increasing the quantity of products being stacked while reducing packaging materials to mitigate carbon emissions from the logistics process. Furthermore, our corporations in the US, Mexico, and Europe switched over from disposal packaging materials to reusable ones as part of their Reuse activity. Recycled plastics are used in manufacturing reusable packaging materials to also promote recycling and generate greater synergy in the process. As such, we will do our utmost to shape a sustainable future at Hyundai Mobis.

1) 3R: Reduce, Reuse, Recycle

Environmental Management

Environmental Management System

Environmental Management Policy

As the international community increasingly tightens environmental regulations, a company's environmental strategy garners more attention as a key pillar for sustainable management. As such, Hyundai Mobis not only proactively implements environmental management, but also established our environmental management policy to conserve community resources and protect the environment. We communicate with wide-ranging stakeholders who do business with us as well as our own employees to advance environmental management in alignment with our strategic approach to business operations.

▶ Environmental Management Policy

Environmental Management Policy

Hyundai Mobis' Environmental Management Policy

1. Conduct periodic reviews of legal standards and check risk status to ensure thorough environmental compliance.
2. Establish medium-to long-term eco-friendly response strategies at the company level, continue to upgrade goals, and prove the effectiveness of results.
3. Realize continuous energy reduction through energy efficiencies such as the transition to renewable energy and the operation of a smart factory.
4. Apply new eco-friendly technologies to reduce the emission of air pollutants and greenhouse gases from business sites and minimize the environmental impact.
5. Establish an eco-friendly technology management system through the development of core carbon-reducing products and investment in the sector.
6. Reduce waste and implement a circulation system through the use of environmentally friendly materials and reuse of resources such as water.
7. Put efforts to manage related business sites in advance and improve the local environment for biodiversity and ecosystem preservation.

Scope of Application

Production and Sites	Products and Services	Distribution and Logistics
Waste Management	Supply Chain	Eco-Friendly Procurement
New Business and Project Investment	Due diligence and M&As	Sales & Marketing

Basic Principles by Environmental Factor

Raw Materials Raw Materials Usage Efficiency Recycle Wastes Use Eco-Friendly Raw Materials Biodiversity Protection Deforestation Prevention	**Energy** Promote Energy Saving Embrace renewable energy Operate an energy management system	**Non-compliance with environmental laws and regulations** Continue with monitoring Provide training on tightening regulations Prevent reoccurrences	**Greenhouse Gas** Carbon Reduction at Sites Carbon Reduction in Supply Chain Carbon Reduction in Products and Services	**Other environmental pollutants** Air pollutants Water pollutants Hazardous substances Soil Contaminants Noise and Vibration
	Water Water Recycling Water Storage Water Supply Area Inspection	**End-of-life products** Provide information on the recovery of end-of-life products Reclaim end-of-life products Recycle end-of-life products	**Waste** Waste Disposal Tracking Management Improve Waste Recycling Recycle waste back into resources	

Environmental Management Governance

Hyundai Mobis implements environmental management through collaboration with various departments, with the Health and Environment Team and the Green Strategy Team taking responsibility for environmental management at all our domestic/overseas operations and for climate change response and net zero strategies respectively. The ESG Promotion Inspection Meeting is held regularly, with the directors of key BUs and divisions attending to discuss company-wide pending issues and ways forward, and major agenda items including climate-related issues are reported to the Corporate Sustainability Management Committee (Board) each year. Each relevant department also regularly reviews and responds to key domestic/overseas policies and regulations that apply to our business operations.

Organization

Corporate Sustainability Management Committee

CEO

ESG Council Meeting
(attended by heads of BUs/divisions)

Key Departments Associated with Environmental Management

Green Strategy Team	Health and Environment Team	Customer Safety & Environment Quality Team	Smart Factory Development Team	Asset Management Team
Develop climate change response strategy and manage implementation	Implement environmental management for all domestic/ overseas business sites (ISO certification, chemicals management in the business sites, etc.)	Manage hazardous substances contained in products	Optimize energy operations Develop smart business sites	Manage equipment at business sites (install PV power generators, etc.)

Domestic business sites | Overseas business sites

Environment-related Agendas Reported to the Board of Directors

Investment in electrification bases in the US
Establishment and investment in EV-exclusive parts: manufacturing bases to respond to the IRA[1] and the North American electrification market

Governance NDR
Plans to respond to the K-Taxonomy and disclose the proportion of eco-friendly parts sales, expected financial impact associated with the implementation of Net-Zero and environmental initiatives

1) IRA (Inflation Reduction Act): Enacted to curb inflation while responding to climate change with changing rules for the tax credits granted on EVs, etc.

Environmental Management Activity

Environmental Management System Certification

As of December 2022, 33 domestic sites and 12 overseas manufacturing corporations were certified to the ISO 14001 international environmental management system certification. In line with this, we systematically operate our environmental management system, and conduct annual certification renewal audits to comprehensively review and improve environmental management operations at respective business sites. In 2023, we plan to certify the business sites that have yet to be certified.

ISO 14001 Certification Achieved

* As of Dec. 2022

Category		Business Sites Subject to Certification	ISO 14001 Certification	Certification Rate (%)
Domestic	Manufacturing [1]	4	4	100
	Parts centers [2]	29	29	100
Overseas	Manufacturing[3]	15	12	80
Total		48	45	94

1) The scope of business sites subject to certification was modified in line with the establishment of subsidiaries specialized in manufacturing in November 2022
2) Including the headquarters, distribution centers (5), parts centers (22), and Cheonan Storage
3) Sites that suspended manufacturing operations (MCQ, MRU) and new sites (MUA) are not applicable, and joint ventures and sites not operated (before mass-production) are not subject to certification.

Breakdown of Certifications by Business Site

* As of Dec. 2022

Category		Business Site Subject to Certification	Certification Achieved
Domestic	Manufacturing	Jincheon	○
		Changwon	○
		Daegu Electrification	○
		Ulsan Electrification	○
	Parts center	Service (29 locations)	○
Overseas	China	MBJ	○
		MJS	○
		MWX	○
		MTJ	○
		MCQ	N/A
		MCJ	X
	US	MAL	○
		MAL-GA	X
		MNA	X
		MUA	N/A
	Brazil	MBR	○
	Mexico	MMX	○
	Europe	MSK	○
		MCZ Module/Lamp	○
		MRU	N/A
	India	MIN	○
		MIA	○
	Turkey	MTR	○

Environmental Accident/Emergency Response

Hyundai Mobis implements the emergency response rules established to brace for natural disasters and environmental incidents involving human error. To preemptively manage relevant risks in accordance with these rules, the SHE (Safety, Health, and Environment) Team at respective business sites develops emergency-specific scenarios and processes while providing regular trainings and drills to bolster our preparedness against potential emergencies. Regular SHE reviews are also performed to assess our response capabilities and continuously identify necessary improvements. We also swiftly provide stakeholders, workers included, with information on their responsibilities and obligations and engage in sufficient communication to fully commit to safety and health management and prevent environmental incidents in the workplace.

Environmental Training for Employees

To strengthen our capabilities to proactively respond to rapidly-shifting environmental issues, we provide independently-developed training courses through diverse on/offline formats (SH&E Academy) along with regular statutory training for personnel in respective environmental areas (water quality, air, waste, GHG, and chemicals). Semiannual working-level workshops serve to build consensus through in-depth discussions while readying our employees to preemptively respond to tightening environmental regulations. Furthermore, environmental training is provided for all employees as part of our mandatory compliance training to help raise their environmental awareness.

Case

Special Lecture for Employees 'Diversity and Co-existence'

As the internal and external importance of natural capital expands, we invited Professor Choe Jae Chun, the head of the Diversity Foundation, for a real-time video lecture on the topic of <Diversity and Co-existence> in September 2022. A total of 314 employees attended the lecture and joined the Q&A session, and this served to help them better understand biodiversity and raise their awareness on how respective stakeholders could do their part in preserving biodiversity.

Circular Economy

Waste Management

Waste Reduction and Recycling

Hyundai Mobis supplies nearly 2.9 million tons[1] of products based on our domestic and overseas manufacturing sites, and strives to reduce our consumption of raw/subsidiary materials through the entire manufacturing process and minimize the generation of waste through the segmented management of their sources. This first begins with increasing the proportion of using recycled materials for plastic materials and opting for recyclable raw materials whenever possible in the product disposal phase. We also introduced lead substitutes in our process to mitigate the generation of designated waste, we sort out and recycle metal scraps including iron and aluminum, and continue to recycle unusable pallets and end-of-life parts discharged from distribution centers to contribute to resource circularity. In addition, we use waste synthetic resins as fuel to promote their recycling. The sum of such efforts allowed us to reach 77.1% in our recycling rate based on our domestic operations in 2022. The entire process from waste discharge to transport and disposal is reported to the government through the online legal waste treatment system [2]. We also evaluate waste treatment companies for their legal qualifications prior to entering into any contract, and conduct regular evaluations once a year on new vendors and every three years on existing vendors to fulfill our obligation as a waste discharger.

1) Total shipment weight based on assembly operations
2) Legal waste management system (Allbaro system): Comprehensive waste management system run by the Ministry of Environment

Case

Zero Waste Campaign

Hyundai Mobis launched an initiative to reduce the use of disposable plastic bags to help employees elevate their awareness on environmental protection and embed such awareness into their daily routines. Employees who signed the pledge for environmental protection were provided with an eco-friendly grocery bag made of recycled PET bottles and stainless steel straws to promote their participation in environmental protection activities.

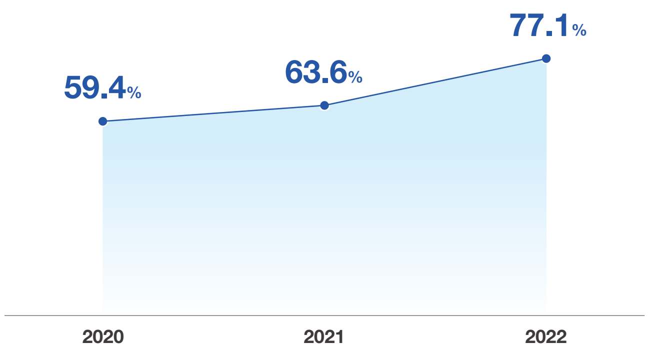
Zero Waste to Landfill

In 2022, Hyundai Mobis became the first in the domestic automotive industry to achieve a Zero Waste to Landfill (ZWTL)[3] designation awarded by UL, an international safety validation and testing organization. Our Changwon Plant which manufactures automotive brake systems reached 96.8% in waste recycling by turning waste paper, metal scraps, and waste synthetic resins into useful raw materials and fuel to achieve a Gold rating under the ZWTL program. Our goal is to achieve ZWTL across our entire business operations by 2030. To this end, all our operations are undergoing preliminary waste inspections, and the results will base our efforts to define target business sites and ratings and to pursue ZWTL step-by-step.

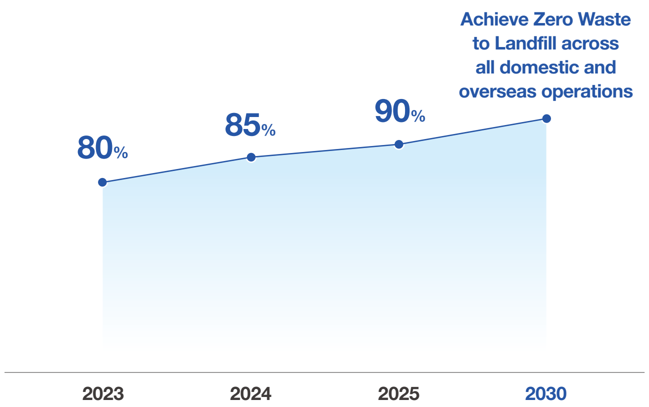
3) Zero Waste to Landfill validation: Evaluate business sites for their landfill diversion rates and award the corresponding rating

* Zero Waste to Landfill awarding ceremony at Changwon Factory

Waste Recycling Rate (domestic)



Waste Recycling Plan



Expanding Eco-friendly Packaging and Recycling Packaging Materials

In December 2014, Hyundai Mobis joined the Korean Packaging Recycling Cooperative to fulfill our recycling obligation for synthetic resin packaging materials (bubble wrap, vinyl, PE fillers) under the Extended Producer Responsibility program. We pay quarterly contributions as member of the Cooperative and submit our recycling obligation implementation plan as well as data on our product and packaging shipments and imports. We then submit our recycling obligation implementation result report, and if we fulfill the prescribed ratio set by the Ministry of Environment, we are eligible to have our related fees waived. As such, our efforts to mitigate environmental impact start early on, from the manufacturing and import phases, and we monitor the entire waste lifecycle beyond meeting our recycling obligations, from the consumer perspective.

Using Recycled Plastic

We have increased the proportion of recycled materials from the total amount of plastic we use, and opt for recyclable raw materials in the product disposal phase. In 2012, we signed the voluntary agreement for plastic waste recovery and reuse' with the Ministry of Environment and have since raised the recycling of five plastic-based A/S parts (bumpers, moldings, undercovers and washer, and coolant tanks) to minimize the environmental footprint of our products. In 2022, we reclaimed 16,487 tons of waste plastic from our domestic A/S parts centers to reach a 53.3% recycling rate.

Case

Expanding Eco-friendly Packaging

Hyundai Mobis is expanding the application of eco-friendly packaging materials in order to minimize waste generation and environmental impact as well in the process of product distribution.

A/S Parts Packaging

Applying Recycled Plastics for Packaging

On our plastic packaging, we are increasing the proportion of PCR (Post-Consumer Recycled) and PIR (Post-Industrial Recycled) plastic, and are opting for raw/subsidiary materials certified to the GRS[1] and RCS[2] for their recycled material content.

1) GRS (Global Recycled Standard): Evaluate finished products for their content of recycled raw materials and also evaluate their environmental, social, and chemical compliance
2) RCS (Recycled Claim Standard): Evaluate finished products for their content of recycled materials

Paper Packaging

We are increasing the use of paper packaging, and are also working to transition to highly recyclable materials through the adoption of water-based ink and eco-friendly non-alcohol printing. The proportion of eco-friendly paper packaging was approximately 60% in 2022, and our goal is to increase this number to 65% in 2023.

CKD Packaging

Returnable Packaging

While conventional CKD[3] packaging materials used to be made from corrugated cardboards and were disposed of after a single use, we are shifting to returnable packaging for CKD packaging. Presently, reusable packaging posts nearly 80% in its return rate, which helps us save over KRW 1.13 billion in packaging logistics costs while dramatically reducing waste generation. We plan to increase the proportion of reusable packaging to 90%, and are using 100% recycled plastics for the reusable packaging materials that we currently use.

3) CKD (Complete Knock Down): Export of individual parts that are planned to be assembled into finished products at the final destination

Increasing Product Recycling Rate

Remanufacturing EV Batteries

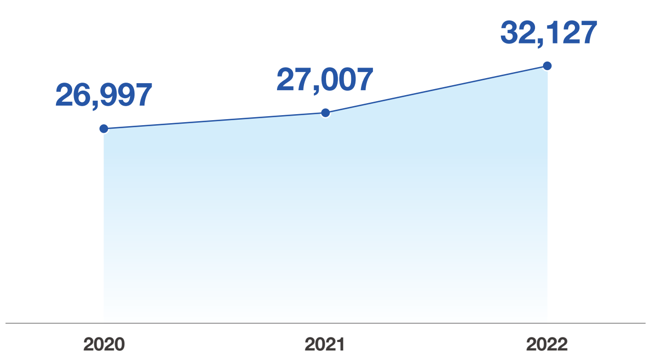
Hyundai Mobis is working with Hyundai Motor Company and Hyundai Glovis to establish a closed-loop battery recycling system. We are planning to leverage our worldwide parts supply network to reclaim used batteries, select those of highest quality, and use them to produce recycled batteries for A/S parts or old vehicles. We will remanufacture batteries, which extends their service life, to remain committed to increasing the recycling of batteries.

Remanufacturing Electronic Parts

Hyundai Mobis operates MRCs[4] both directly and through agencies in North America, Europe, India, and Korea. MRCs collect audio and AVN products that malfunctioned, remanufacture them to manufacturing plant standards, and run them through quality tests to ensure their performance is equivalent to that of new products. Finally, these remanufactured products are delivered to distributors and dealerships across the region.

4) MRC: Multimedia Remanufacturing Center

MRC Remanufacturing Performance (Unit: Vehicles)



Chemical Substances Management

Chemical Substances Management System and Activity

Chemicals Management in the Workplace

Hyundai Mobis is upgrading our chemicals management system at all levels to reduce the risks associated with tightening chemical regulations in Korea and abroad (Act on the Registration and Evaluation of Chemical Substances, Chemical Substances Control Act, EU REACH) and to proactively manage the chemicals that we use. We have established a preliminary assessment process in receiving and handling chemicals, and closely manage even the small amounts of chemicals used at our R&D centers to minimize any relevant risk. We also built inventories of chemicals handled at manufacturing sites and R&D centers to improve the efficiency of integrated information management. Work is underway to introduce the e-CMS (chemicals management system) to establish a chemical lifecycle management process ranging from procurement to disposal.

Designating and Managing Banned Substances to Avoid during Pregnancy in the Workplace

Pursuant to the Labor Standards Act, we designate and manage hazardous substances banned for use by expectant mothers (17 substances including lead, mercury, and benzene). We first identify expecting mothers and other workers potentially impacted by these substances across our operations, and strictly prohibit their access to areas handling these substances. Our business sites handling these harmful substances receive regular semiannual monitoring. Furthermore, we identify any new production line that consumes prohibited substances and/or employs pregnant women or female workers to establish our chemical use inspection system. In March 2023, we added 18 substances including nickel and toluene as ones being harmful for children’s health stipulated by the Industrial Accident Compensation Insurance Act, and this increases the number of hazardous substances that we manage to 32, excluding duplicates.

Managing Hazardous Chemicals Contained within Products

The Mobis Chemical Management System (MCMS) serves to prevent the inclusion of hazardous substances within our products and to systematically manage the data for substances we currently use through regular review and management. In particular, we establish materials data management standards to meet customer requirements all the way from the R&D phase, and analyze and review our products under development for any hazards they may pose while exploring possible substitutes to minimize the use of harmful chemicals. In the post mass-production phase, we manage changes in products/parts to ensure we abide by applicable laws and regulations in materials data management. Continuously pursuing system upgrades, we have built an integrated database which aligns our materials data with regulatory information, and are working to add more functionalities including automated monitoring of non-compliant materials. This ensures our ability to promptly develop measures to address key changes. Furthermore, we established a dedicated harmful substances analysis lab to build independent analysis capabilities. Since 2022, over 10,000 cases of preliminary product analysis have been conducted a year, and we are expanding assistance for our suppliers in performing analysis tasks. Building on such efforts, Hyundai Mobis will control the content of mercury within all automotive headlamps supplied to North America within the set threshold by 2023, and keep the content of copper and copper compounds within brake friction materials to 0.5% and below by 2025.

High Priority Hazardous Chemicals

Prohibiting the Use of 4 Heavy Metals (lead, mercury, hexavalent chromium, cadmium) and 2 Flame Retardants (PBB, PBDE) and Preemptively Adopting Alternatives to 4 Phthalates (DBP, DEHP, DIBP, BBP)

Hyundai Mobis rigorously manages the use of four heavy metals (lead, mercury, hexavalent chromium, cadmium) and two flame retardants (PBB, PBDE) contained in our parts and raw materials. In tandem with this, we continuously examine our consumption of four phthalates (DBP, DEHP, DIBP, BBP) and harmful chemicals set for regulatory supervision and recommend that their alternatives be adopted preemptively. We also sign the eco-friendly parts supply agreement with suppliers to observe the restrictions imposed on the use of heavy metals and prevent the consumption of harmful chemicals as a result. This also forms our efforts to comply with the ‘Global Standard for Four Heavy Metals’, an autonomous program run by Hyundai Motor Group to meet Korean and European regulations on end-of-life vehicles.

Air Quality Management

Air Pollutant Management at Business Sites

To minimize the environmental impact caused by air pollutants, we manage CFCs and other refrigerants, known to be the primary cause behind global warming and ozone depletion in accordance with legal standards, and perform regular inspections on facilities generating fugitive emissions to focus on the management of hazardous air emissions discharged from processes and facilities. We manage the discharge concentration of all air pollutants generated from our business sites through internal monitoring, and apply stringent internal standards that are 80% below those of the legal threshold.

As the Clean Air Conservation Act and other relevant regulations continued to tighten in 2021, we created the Environment Management Team to lay the basis for rigorous environmental management. The Environment Management Team leads the charge in ensuring that our facilities that generate and prevent atmospheric emissions are lawfully operated to optimize our environmental facilities and minimize the emission of air pollutants, in making improvements by regularly replacing old air environmental facilities and fillers, and in further bolstering environmental monitoring. While our manufacturing facilities continue to scale up amid increased investments, we apply highly stringent internal standards to reduce our emission of air pollutants and maintain our emissions to those of 2020 levels at our domestic operations, and are working to ensure there are no additional air pollutant emissions by 2025.

Water Resources Management

Water Resources Management at Business Sites

Water Use and Water Pollutant Management

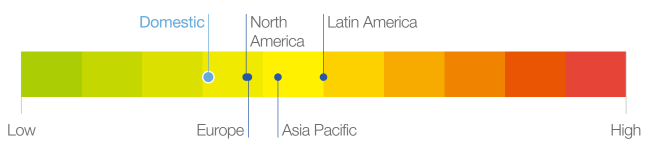
Most of our plants serve to assemble parts, and this requires less water than the activities of other companies. We manage our water consumption and treatment in Korea and overseas through company-wide monitoring. Each business site is monitored for its water consumption, and when any abnormality is identified, improvements are made and water consumption is reduced. Specifically, the wastewater discharged from the parts cleaning process and general sewage are either treated at the sewage and wastewater treatment facilities at each business site before being released to the environment, or are entirely outsourced. The sewage generated at other business sites is appropriately discharged through the sewage treatment plant. For some of our business sites that directly discharge effluents treated appropriately back into the environment, we have established internal operational standards to limit the discharge to only 80% of the legal limit, and we continue to monitor these sites to ensure the quality of the water in surrounding rivers is kept optimal.

Water Stress Analysis

We apply the Water Risk Filter (WRF) of the WWF[1] in analyzing all our operations in Korea and abroad for their potential water stress and monitor our withdrawal and consumption status. Key domestic risks included developing countermeasures against floods and ensuring local biodiversity, while the need to strengthen the management of water quality and water shortage-related issues was identified in China. Such analysis results will provide the foundation for our efforts to develop mid/long-term water management strategy and continue to advance our endeavors to minimize risks.

1) WWF (World Wide Fund for Nature): World's largest international non-governmental organization working in the field of wilderness preservation

Analysis method	Basin water risk analysis: Physical (water shortage, flood), regulatory (law, policy), and reputational (biodiversity) risks Operational risk analysis: Physical (purpose of handling, required water quality), regulatory (local laws/regulations, institutional tendency), and reputational (brand) risks
Analysis results	Comprehensive risk (Basin risk* Operational risk)



Biodiversity

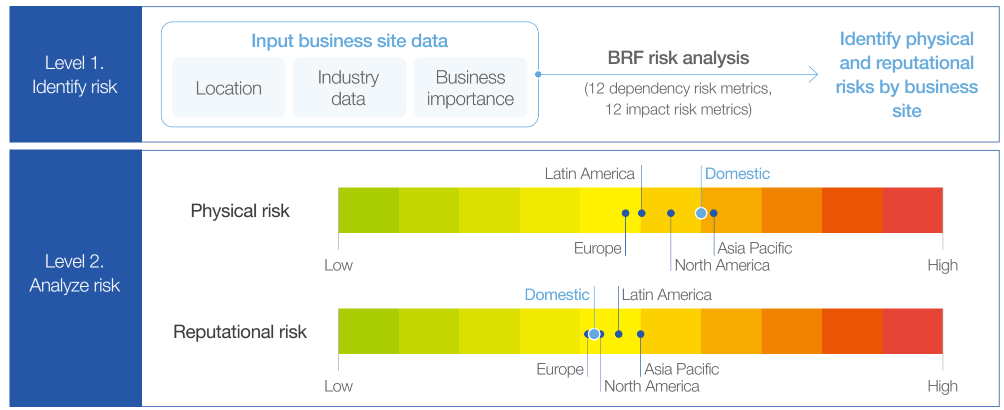
Establishing a Biodiversity System

Biodiversity Policy

Hyundai Mobis specified provisions on biodiversity in our company-wide environmental management policy. We keenly recognize the importance of biodiversity and are working to establish a system and elaborate on implementation tasks.

Analyzing Biodiversity Risks

To duly recognize the needs for biodiversity protection and minimize the environmental impact of our operations, we applied the Biodiversity Risk Filter (BRF) of the WWF in analyzing all our manufacturing sites in Korea and overseas for physical and reputational risks. In so doing, we identified key risks at the business site level based on dependency and impact risk metrics. Going forward, we will bolster our monitoring of biodiversity in the vicinity of our business sites and protect and restore biodiversity for risk management.



Biodiversity Activity

We implement biodiversity programs for the Miho River located near our Jincheon Plant to preserve and promote biodiversity in the vicinity of our business sites. We created a tree-lined street with flowering plants near the Jangwol and Baekgok Streams and along their sections that merge with the Miho River around the 2km surrounding radius of our Jincheon Plant. We also released Miho Spine Loaches, which is an endangered species of fish, along these areas. In 2023, we will set goals through local biodiversity assessment and comparative analysis, and establish a quarterly ecological environment monitoring system which engages local residents and professionals.

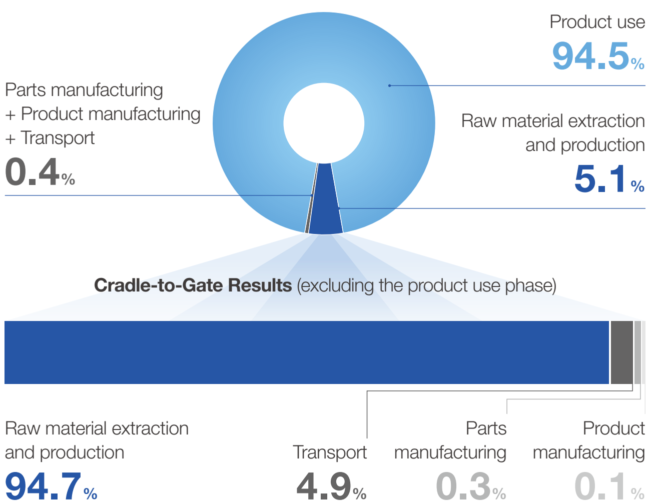
Product Environmental Impact Management

Product Lifecycle Assessment

As a global automotive parts company, Hyundai Mobis performs LCAs[1] introduced to preemptively respond to the Europe's Carbon Border Adjustment Mechanism and Batteries Regulation. LCAs takes a lifecycle perspective to product assessment ranging from raw material extraction to product manufacturing, use, and disposal. While we had performed LCAs individually in the development phase, we established an integrated LCA process in 2022 and conducted LCAs accordingly. To produce quantifiable results on the scope of environmental impact defined as global warming, we employed the GREET Model[2] developed by the Argonne National Laboratory of the US, and are implementing the GHG emissions mitigation strategy established in alignment with each phase of the product lifecycle. We are extending the scope of LCAs in line with our integrated LCA process, and will continue to expand the environmental impact categories beyond global warming.

1) LCA: Life Cycle Assessment
2) GREET Model: The Greenhouse gases, Regulated Emissions, and Energy consumption in Technologies Model

DIH[3] Lifecycle GHG Emissions



3) DIH: Drum in hat disk brake

Case: Calculation of Lifecycle GHG Emissions (DIH)

Raw material extraction and production

We collected raw material data for respective parts to identify the raw materials that comprise DIH. The LCI DB[4] was used in calculating the GHG emissions generated during phases spanning raw material extraction all the way to production.

Parts manufacturing

DIH consists of a variety of parts. To calculate lifecycle GHG emissions, we collected data on respective parts for their weight, their percentage-based composition of raw materials, and their individual proportion for each DIH. As supply chains corresponding to parts manufacturing consume electricity as their energy source, lifecycle GHG emissions were calculated based on the annual energy consumption of each supply chain component and emissions factor of electricity.

Product manufacturing

DIH is manufactured at our Changwon Plant, which uses electricity as its energy source. As it was the case with parts manufacturing, lifecycle GHG emissions were calculated based on annual energy consumption and the emissions factor of electricity.

Transport

The transport phase consists of four components: first, trucks transport the parts manufactured at supply chains to the Hyundai Mobis' Changwon Plant; second, trailers take the DIH manufactured at our Changwon Plant to warehouses; third, freight vessels transport the DIH is transported from warehouses to the destination country; lastly, trucks transport DIH to the customer's warehouse. To calculate lifecycle GHG emissions in each transport phase, we considered such factors as fuel efficiency of transport means, distances traveled, freight loads, the caloric value of fuel, and the emission factors of various fuels.

Product use

DIH impacts the automotive driving phase. As such, we base our calculations for GHG emissions in the product use phase on the GHG emissions generated from the vehicle exhaust pipe proportionate to the weight of DIH products against the empty weight of the vehicle fitted with DIH. To this end a demo vehicle model equipped with Hyundai Mobis' DIH was chosen for the calculations.

4) LLCI DB (Life Cycle Inventory Database): A database of all data collected and calculated in relation to product lifecycle assessment

Expanding the LCA Process

Hyundai Mobis is working to collect data to perform advanced LCAs on a broader range of products. We secured primary data for respective business sites and supply chains, and will use the LCI DB to identify data in the raw material phase and emissions factors to prepare secondary data. Building on our efforts to build a database as such, we will redefine the scope of lifecycle in reflection of product characteristics and upgrade our assessment system accordingly.

LCA results are not merely considered as a way to measure and assess the environmental performance of products, but also a determinant for a company's product competitiveness. Hyundai Mobis will establish an integrated LCA process to feed LCA results into developing environmental improvement plans so that we lead the charge in developing less carbon-intensive products and bolster our product's competitive edge.

Carbon Mitigation Strategy Aligned with Product LCA

Identify GHG emissions from the product lifecycle perspective	Develop and implement phased carbon reduction strategy
Raw material extraction and production	Expand the procurement of low carbon raw materials
Product manufacturing	Develop eco-friendly materials and processes
Product use	Expand the development of electrification parts
Recycling & Disposal	Increase product circularity

Developing Eco-friendly Materials

Developing Lightweight Materials

To render parts lightweight, we switch to materials that are lightweight and yet deliver exceptional strength and performance, such as specialized plastic and aluminum so that we can guarantee the eco-friendliness of our products all the way from the raw material phase. According to the International Aluminum Institute, aluminum's properties are quite static, making it the most recyclable metal, with a recycling rate of 75%. This means that recycled aluminum has the potential to significantly mitigate carbon emissions in the manufacturing process.
Aluminum, when used as substitute of steel, can generally reduce the weight of automotive parts by 30~40%, In fact, with every 10% reduction in weight comes a 3.8% improvement in fuel efficiency and a 5% reduction in exhaust gas emissions. Hyundai Mobis applied aluminum materials to the structural parts (chassis subframe, knuckle & carrier, and damper fork) that have traditionally been made from steel, to achieve 20~30% reduction in weight. We are exploring ways to expand the application of aluminum on an on-going basis.

Developing Eco-friendly Materials

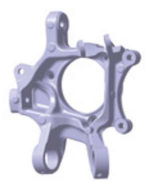
Hyundai Mobis developed eco-friendly bioplastic materials using plant-based resources through the convergence of bio and chemical technology, and is applying these materials to interior parts. Isosorbide extracted from corn starch was used as the material for plastic polymerization and was applied to the AVN front cover, and this alternative proved equivalent to conventional parts in terms of performance. We also plan to leverage biomass materials such as wood powder and cellulose to raise the proportion of bioplastics. Furthermore, work is underway to adopt eco-friendly materials contain 20% or more recycled plastic than conventional fossil fuel-based plastics to mitigate carbon emissions while proactively responding to tightening plastic recycling regulations. We will gradually expand the application of these materials from cockpit to large-sized plastic parts such as lamps and bumpers to eventually cover all our parts, including airbags, electrification, and electronic parts.

Parts Made with Lightweight and Eco-friendly Materials

Subframe

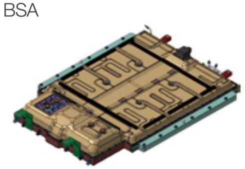
Knuckle

Carrier



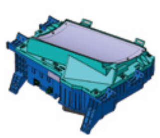
Airbag

BSA

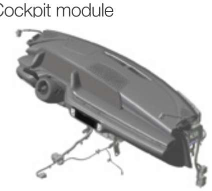


Display

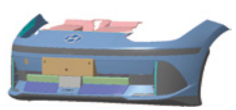
HUD



Cockpit module



Bumper



FEM

Eco-friendly Parts Supply Management

Hyundai Mobis includes an eco-friendly parts supply protocol within the parts supply contract to motivate suppliers to engage in eco-friendly activities. The protocol demands that suppliers rigorously comply with external environmental laws and regulations and Hyundai Mobis' internal guidelines, and specifically bans the use of four heavy metals (lead, mercury, cadmium, hexavalent chromium). In so doing, we emphasize the importance of the commitment on the part of suppliers and joint efforts to establish an eco-friendly system so that parts supplied to Hyundai Mobis are designed, manufactured, packaged, and shipped in an eco-friendly manner.

Net-Zero Implementation

Link to the UN SDGs

2022 Key Performance

7.3%

Usage/Conversion of renewable energy

Future Plan

100% renewable energy conversion by 2040

2022 Key Performance

KRW 9.7 trillion

of electrification product sales

Future Plan

Reach 14% in CAGR of total electrification parts sales by 2031 (based on annual estimates made in 2022)

Oju Kwon, Senior Manager — Green Strategy Team

How a company responds to climate change is considered a key factor for stakeholders in assessing its corporate value. Hyundai Mobis publicly committed to Green Transformation to 2045 Net-Zero, and is implementing a phased strategy to achieve net zero emissions. Specifically, the RE100 guides Hyundai Mobis to transition to renewable energy to meet our needs for electricity which accounts for a majority of our energy consumption, and will help reduce our Scope 2 emissions from business operations. To this end, we are working to find ways to procure renewable energy in a way that suits our specific conditions, through the installation of PV generators or the purchase of RECs. We will also implement the K-EV100 and embrace new reduction technology to mitigate our Scope 1 emissions while working with suppliers to manage Scope 3 emissions across our supply chains, turning the climate crisis into an opportunity and taking a preemptive approach along the way.

Keun Seo Park, Senior Manager — E-Powertrain Business Planning Team

The Electrification BU remains focused on the development and mass-production of eco-friendly parts towards a sustainable future while working actively to position Hyundai Mobis as a first mover leading the market. Our electrification products mounted on EVs, hydrogen-fueled vehicles, and hybrid vehicles are capable of significantly reducing GHG emissions when compared to their conventional internal combustion engine counterparts, which play a pivotal role in achieving net zero emissions. Furthermore, these products draw much attention as a key enabler for tapping into sustainable future mobility markets including fuel cell power packs and AAM[1]. Our electrification-exclusive locations will expand beyond Daegu and Ulsan in Korea to North America, and we will make doubly sure that our electrification business seizes the opportunity to unleash its full competitive potential on the global mobility market.

1) AAM (Advanced Air Mobility): Aviation system for the transport of passengers and goods in regions with little or no access to flight services

Net-Zero

Green Transformation to 2045 Net-Zero

Hyundai Mobis Declaration of Net-Zero by 2045

As the new climate regime was initiated through the adoption of the Paris Agreement in 2015, the international community is making all-out efforts to limit global temperature rises to 1.5°C by 2100 from those of pre-industrialization levels. Major countries made their 2050 net zero commitments, and the Korean government raised its national reduction target and legislated its national reduction goal as the 14th country in the world to do so, substantially progressing towards net zero.
Recognizing the climate change issue as both a risk and an opportunity, we at Hyundai Mobis established our net zero implementation strategy in line with our vision ‘Green Transformation to 2045 Net-Zero’ in December 2021 to preemptively address this challenge. Our mid/long-term vision, goal, implementation measures, and future plans to become net-zero were reported to the Corporate Sustainability Management Committee, and were publicly announced.

▶ Net-Zero Report

Joining the SBTi and global campaigns

In October 2021, Hyundai Mobis became the first in Korea’s automotive industry to join the SBTi[1]. In so doing, we globally vowed to set our objective net zero goals in line with the 1.5°C global warming scenario, and will have our reduction goals verified. We are also an active participant in global net zero campaigns including ‘Business Ambition for 1.5°C’ and ‘Race to Zero’, and are bolstering our disclosure transparency through our participation in the CDP[2].

1) SBTi: Science Based Targets initiative
2) CDP: Carbon Disclosure Project

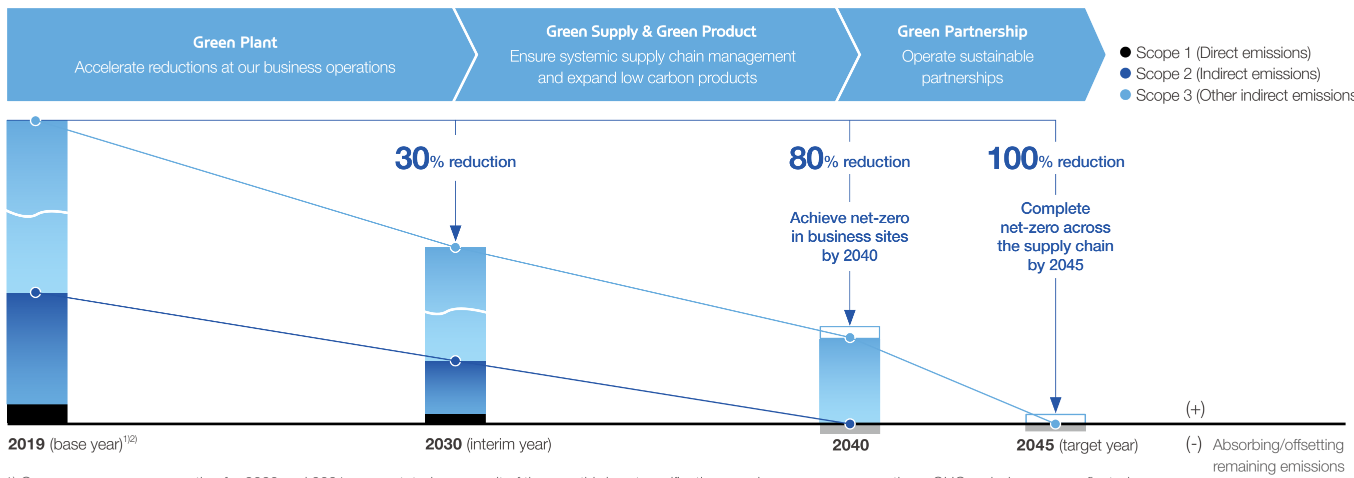
Net Zero Implementation Strategy

Hyundai Mobis’ net zero implementation strategy aims to ‘achieve net zero at business operations by 2040 and across the entire supply chains by 2045’. To this end, we set four strategic pillars and eight action plans, and will attain our net zero goal through phased implementation. The four strategic pillars are Green Plant, Green Supply, Green Product, and Green Partnership, and gradually extend from our own operations to supply chains and the product value chain, and out to communities.

Vision and Goal	4 Strategic Pillars			
Green Transformation to 2045 Net-Zero Achieve net zero at business operations by 2040 and across the entire supply chains by 2045	**GREEN PLANT** Accelerate operational reductions through energy transition and efficiency improvements	**GREEN SUPPLY** Promote systemic supply chain management to reduce Scope 3 emissions	**GREEN PRODUCT** Expand low carbon products in line with the shifting industry paradigm	**GREEN PARTNERSHIP** Operate sustainable partnerships to create a green ecosystem

2045 Net-Zero Roadmap

Hyundai Mobis established the 2045 Net-Zero Roadmap to reduce GHG emissions by 30% by 2030 from 2019 levels and to achieve net-zero emissions at all our domestic and overseas operations (Scope 1 & 2 emissions) by 2040 and across our entire supply chains (Scope 3 emissions) by 2045.



1) Overseas energy consumption for 2020 and 2021 was restated as a result of the new third-party verifications made on overseas operations, GHG emissions were reflected on a consolidated basis (Hyundai Mobis’ operations and 5 subsidiaries), and more Scope 3 categories were added.
· Scope 1: 50,000 tCO_2eq (direct emissions from the consumption of energy aside from electricity and steam at both domestic and overseas operations)
· Scope 2: 330,000 tCO_2eq (indirect emissions from the consumption of electricity and steam at both domestic and overseas operations)
· Scope 3: For detailed emissions by category, see page114
2) Goal-setting year: 2021

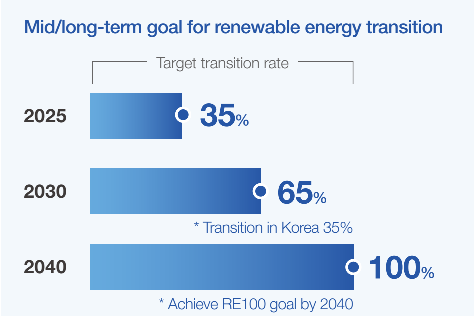
Pursuing the RE100 Initiative

2040 RE100 Implementation Strategy

To transition to low carbon energy to meet the energy needs of our business operations as a key implementation tool to progress towards net zero, Hyundai Mobis set our mid/long-term goal of transitioning to 35% renewable energy by 2025, 65% by 2030 and 100% by 2040. As the first step for renewable energy transition, we defined our RE100 Roadmap which specifies the transition timeline by country and business site and operational plans. We aim to fully shift to renewables by 2030 in the US, the Czech Republic, and other countries where the renewables market is active, and to achieve 35% transition by 2030 in Korea in consideration of the nation's renewable energy supply expansion plan. In 2023, renewable energy transition rates were added to the KPIs of respective business units and were aligned with the performance assessment of individual organizations and top management to create momentum for the upcoming implementation.

▶ RE100 Roadmap Report

RE100 Roadmap



Plan for Renewable Energy consumption in 2023 : 487TJ (50.7GWh)

Mid/long-term goal for renewable energy transition

Category	Progress Made
2022 renewable energy consumption and transition plan[1]	404 TJ (42 GWh)
2022 total renewable energy consumption and transition status	386 TJ
2022 renewable energy consumption and transition target attainment	95.6%
Total renewable energy consumption and transition[2]	7.3%

1) The 2022 target number was restated as the renewable energy data for the base year against which we set internal renewable energy consumption and transition targets changed following the new third-party verifications made on overseas operations which resulted in change in our 2020 and 2021 overseas energy consumption.
2) Total renewable energy consumption and transition/total electricity consumption as of 2022
* Total electricity consumption: Non-renewable energy (electricity) consumption and renewable energy (electricity) consumption and transition

Joining the RE100 Initiative

In April 2022, Hyundai Mobis joined the RE100 (Renewable Energy 100%) as the first to do so in the Korean automotive industry. The RE100 initiative is a global campaign to commit businesses to transition to 100% renewable energy for their power consumption, and was officially launched at the UN Climate Summit in September 2014. Considering Hyundai Mobis consumes an especially high proportion of electricity, the RE100 serves as a key enabler for us in reaching net zero emissions. Out of Hyundai Mobis' energy mix, electricity accounts for at least 84% of our energy consumption, and most of our GHG emissions stem from the use of electricity generated through fossil fuels.
We have included RE100 implementation as one of our KPIs since 2023, and ESG personnel at the Planning Team of respective BUs and divisions submitted their BU/division-level plans to add traction to our implementation efforts.

RE100 CLIMATE GROUP | CDP

5) RE100 (Renewable Electricity 100%)

Renewable Energy Transition Activities

To successfully transition to renewables, Hyundai Mobis is developing detailed strategies by prioritizing different renewable energy procurement options. We look into regional renewable energy policies and trends, and build our transition portfolio by including direct investment in renewables, and procurement options among others, to ensure effective energy transition. In so doing, we attained our internal target by reaching 386TJ in renewable energy consumption in 2022, which is translated into 7.3% in total renewable energy transition. Our goal for 2023 is to achieve 487TJ in our renewable energy consumption.

Installing Photovoltaic Generators

We made KRW 7.37 billion in investments in photovoltaic (PV) power generators to install self-generation PV facilities at four key manufacturing sites in Korea (Ulsan, Daegu, Gimcheon, and Changwon Plants), which served to pursue effective renewable transition. PV power generation also produces the benefits of reducing 1,519tCO_2eq in GHG emissions per year. Starting with domestic operations, we will select global sites available for PV installation and expand our investment in self-generation PV facilities in the upcoming years.

PV generators installed at the parking lot of the Ulsan Electrification Plant

Signing PPAs, Purchasing Certificates and Joining the Green Pricing Program

We pursue transition to renewables at our business sites in Slovakia, Germany, and Turkey by purchasing renewable energy certificates (REC[1], iREC[2], GO[3]) and joining the green pricing program. We will also sign PPAs[4] to further boost our transition to renewables.

1) REC: Renewable Energy Certificate
2) iREC: International Renewable Energy Certificate
3) GO: Guarantee of Origin
4) PPA: Power Purchase Agreement

MSK Renewable energy certificate	MPE(Germany) Green pricing program	MPE(Sweden) Green pricing program	MPE(Belgium) Green pricing program	MTR Renewable energy certificate
100%	100%	100%	100%	91.4%

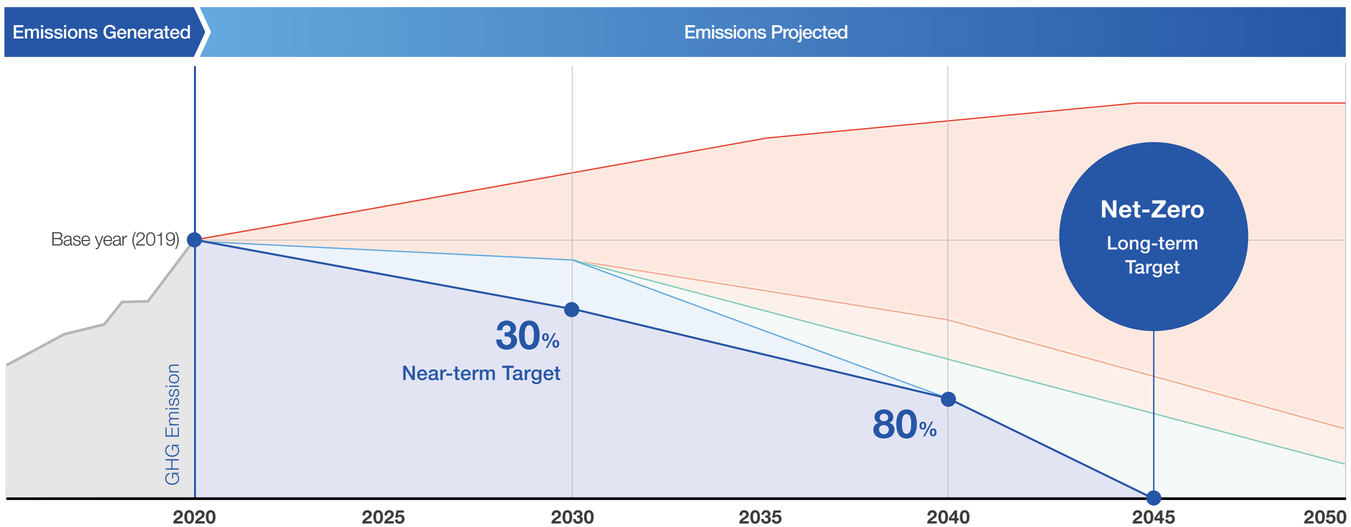
Climate Change Response

Climate-related Risk and Opportunity Management

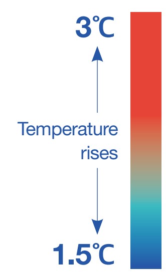
Climate Change Scenarios Analysis

Hyundai Mobis analyzed a range of climate change scenarios by identifying the characteristics of GHG emissions and reflecting factors that may greatly affect emissions. This enabled us to project a wide array of possible futures, from the maintenance of current levels in reduction policies, to a scheme based on nationally-determined contributions (NDC) and the 1.5°C scenario. It also helped us identify transitional and physical risks and opportunities that could potentially affect Hyundai Mobis while developing response strategies. We also continue to monitor such risks and opportunities and advance our response strategies to bolster our capabilities for climate change response.

Hyundai Mobis' Climate Change Scenario



Transition Scenario	Physical Scenario
Maintain current levels of reduction policies	Average temperature rises above 2°C
Maintain average global temperature rises at 2°C and below	Average temperature rises at 2°C or below
Reflect Nationally Determined Contribution (NDC) in planning	
"Delayed" Green Transformation to 2045 Net-Zero	Average temperature rises at 1.5°C or below
"Green Transformation to 2045 Net-Zero" Hyundai Mobis' 2045 Net-Zero scenario to achieve net zero at domestic and overseas operations by 2040 and across the entire supply chains by 2045	



Climate Change Risk Management System

To ensure systematic climate change risk management, Hyundai Mobis aligned the climate change risk management process with our company-wide risk management system and raised the bar on climate change risk management. Our management approach consists of the top-down approach through which the ESG Promotion Secretariat reviews risks and implements strategies and the bottom-up approach that allows each business division to independently identify risks and undertake relevant tasks. We plan to further bolster our management system to respond to climate change risks at all levels.

Risk Management Process

	Top-down	Bottom-up
Risk identification	The ESG Promotion Secretariat monitors internal/external risk change risks and develops management strategies.	Relevant departments engaged in year-round status monitoring to identify annual tasks and incorporate them into business plans.
Plan assessment	The ESG Council Meeting serves to assess tasks for their fit and appropriateness.	Qualitative and quantitative assessments are made in line with company-wide task assessment guides and joint assessments are made by the heads of supervising departments and management divisions.
Management and monitoring	The ESG Promotion Secretariat performs interim/final assessments and manages performance.	
Company-wide policy integration	Climate change response tasks are integrated into the company-wide performance management system for management and assessment.	The CRO is briefed through the ESG Promotion Secretariat and key issues are proposed to the CEO and the Corporate Sustainability Management Committee.

Climate-related Risk and Opportunity

As climate change increasingly brings significant impact on the business landscape, we identify a range of climate-related risks and opportunities and reflect them in our business strategy.
Hyundai Mobis assesses such risks and opportunities for their likelihood of occurrence and business impact in the short, mid, and long-term and develops response strategies through the analysis of diverse scenarios.

Identifying Climate-related Risk and Opportunity

Type	Category		Timeline	Risk/Opportunity	Our Response	Financial Impact
Transition risk	Regulation/ policy	Existing	◔	Purchase of carbon credits in line with increasing GHG emissions	Develop GHG emissions reduction plans by calculating current and projected GHG emissions	Cost increase
				Penalties, product recalls, and manufacturing suspension for non-compliance with fuel efficiency regulations	Continue to monitor country-specific fuel efficiency regulations	
		New	◑	Tightening global regulations (e.g., Carbon Border Adjustment Mechanism)	Preemptively identify risks and develop response strategies by continuously monitoring domestic/ international trends and regulations	
	Law		◑	Collective lawsuits raised by stakeholders due to the lack of climate change action	Regularly monitor legal claims raised in the automotive industry and expand stakeholder communication	
	Technology		◔	Infrastructure and personnel expansion to develop technology generating less carbon	Increase R&D investment in low-emission technology	
	Market		◑	Adjustment in the business portfolio in line with the growing demand for eco-friendly vehicles	Advance technology innovation and mass-production capacity for eco-friendly products	Sales decrease
				Increasing customer requirements (e.g., transition to renewable energy)	Endeavor to transition to renewable energy	Cost increase
				Increasing fluctuations in national electricity costs and interest rates	Regularly monitor factors for fluctuations and the current status	
	Reputation		●	Negative customer feedback based on media and corporate assessments	Swiftly develop and implement a climate-related risk response strategy [e.g., global initiative activities (CDP, RE100, SBTi, etc.)]	
				Turnover due to degrading reputation and difficulties in creating a specialized environmental organization	Facilitate internal/external communication and promote ESG activities	
Physical risk	Acute		◔	Damages to assets (facilities, buildings) caused by abnormal weather events such as cyclones and floods	Reinforce the natural disaster risk management system (develop manuals, analyze scenarios, and preemptively take action against abnormal weather conditions)	Asset losses
				Addition of facilities to ensure production reliability		Cost increase
	Chronic		●	Asset losses due to rising sea levels	Enroll in insurance plans in preparation for asset losses	
				Increasing supply chain risk due to rises in average temperatures and change in precipitation	Advance the inventory management process and engage in preemptive supply chain monitoring	
Opportunity	Products and services		◑	Growing demand for low-carbon and/or carbon negative products and services	Present the electrification portfolio and roadmap	Sales increase
				Expanding and diversifying eco-friendly business operations		
	Resilience		◔	Boosting competitiveness in product technology and pricing based on the early review of supply chain diversification	Identify and review potential suppliers	
	Energy source		●	Reduced exposure to the risk of increasing prices of fossil fuels through renewable energy transition	Implement the RE100 implementation strategy	Cost savings
	Resource efficiency		◔	Boosting production capacity through smart factory transition	Implement manufacturing innovation tasks through the standardization of the Ulsan electrification pilot plant	Cost savings
			◑	Proceeds from the sale of excess carbon credits and reduced credit purchase costs through GHG emissions mitigation	Implement GHG emissions reduction strategy across the board and review its progress	Sales increase
	Market		◑	Expanding global OE orders in relation to new businesses	Raise the proportion of eco-friendly product sales	
				Attracting new investments associated with eco-friendly business	Issue green bonds	
				Increasing stakeholder expectations based on improvements in ESG performance	Make improvements in line with ESG assessments (e.g., Net zero, RE100, and TCFD commitments, etc.)	

* ◔ Short-term: Within 2 years, ◑ Mid-term: 2~5 years, ● Long-term: More than 5 years

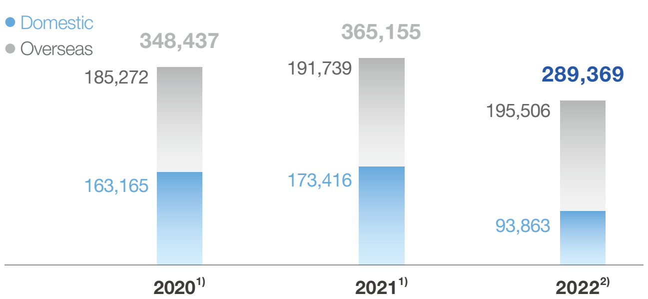
Greenhouse Gas Management

Scope 1 & 2 Greenhouse Gas Management

GHG Management Activity in Business Sites

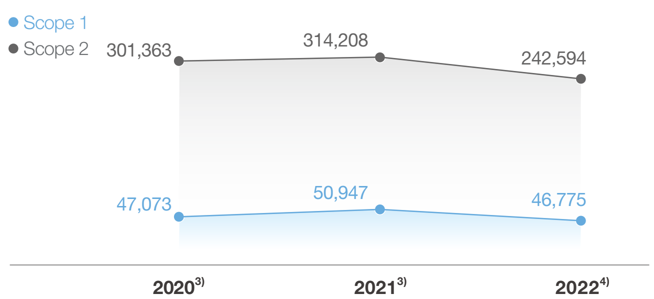
Hyundai Mobis systematically manages GHG emissions across all our business operations. The Mobis Greenhouse-gas Management System (MGMS) allows us to collect data on energy consumption across our domestic and overseas operations on a monthly basis to calculate GHG emissions and monitor GHG emissions at the business site level. We also set company-wide GHG emissions reduction goals and manage our progress towards these goals. Once a year, each business division sets reduction goals, and has their progress towards the goals assessed; attained goals are then rewarded through additional points on organizational performance assessments. This helps raise awareness on GHG emissions mitigation on the part of personnel at the business site while facilitating working-level GHG emissions reduction activities. In 2022, our GHG emissions from domestic and overseas operations declined year-over-year when excluding emissions from subsidiaries specialized in manufacturing that were newly established. We set our GHG emissions reduction goal for 2022 at 6.7% of the estimated emissions of 293,740 tCO_2eq for the year, and worked to cut down on our emissions from business operations. At domestic operations, we switched to EVs for corporate fleet vehicles, replaced old cooling/heating equipment, and installed LED lights to reduce our energy consumption in the workplace. While our overseas operations experienced increases in energy consumption in line with the expansion of production manufacturing lines, GHG emissions were reduced by 5,955 tCO_2eq through the purchase of carbon credits and other renewable transition efforts. The sum of these activities resulted in 4,371 tCO_2eq reduction of GHG emissions against the projected 2022 emissions.

Total GHG Emissions (Scope 1 & 2) at Domestic and Overseas Operations (Unit: tCO_2eq)

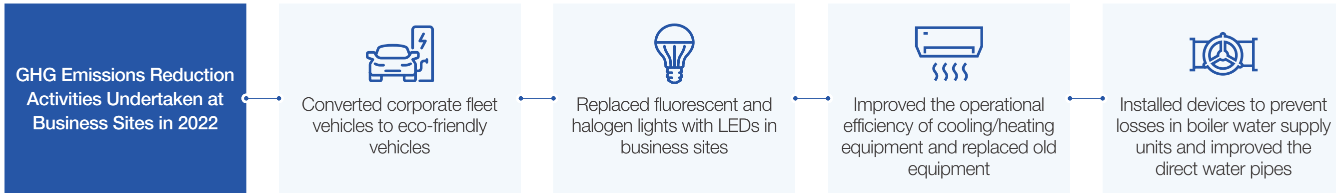


1) 2020 and 2021 emissions from overseas operations were changed in accordance with third-party audits
2) Excluding emissions from Unitus and Motras due to the establishment of subsidiaries specialized in manufacturing in 2022

GHG Emissions (Scope 1 & 2) by Scope at Domestic and Overseas Operations (Unit: tCO_2eq)



3) 2020 and 2021 emissions from overseas operations were changed in accordance with third-party audits
4) Excluding emissions from Unitus and Motras due to the establishment of subsidiaries specialized in manufacturing in 2022



Implementing Domestic GHG Emissions Trading Scheme

Hyundai Mobis actively responds to the GHG emissions management policy implemented by the Korean government for domestic business sites. We are subject to the government's National Greenhouse Gas and Energy Target Management System and Emissions Trading System, and have received annual third-party verification on our GHG emissions since 2016 to report our emissions data to the Ministry of Environment. In 2023, our 2022 GHG emissions from our domestic operations were verified, which were then reported to the Ministry of Environment for certification. We will continue our commitment to fulfilling our governmental policy obligations by ensuring we meet the set allowances and submit the allowances that correspond to our emissions to the Ministry of Environment to comply with our obligation under the Emissions Trading System.

Participating in the K-EV100 Campaign

Hyundai Mobis participates in the K-EV100 campaign, the Korean version of the EV100 initiative to encourage businesses to switch to EVs or hydrogen fuel cell vehicles for their owned or leased corporate fleet vehicles. In April 2021, we announced our transition plan by attending the first K-EV100 declaration ceremony. We have set the goal of achieving 30% transition by 2025, 70% transition by 2028, and finally 100% by 2030. To make zero-emission vehicles more widely available, we developed a phased in plan to build charging infrastructure, and installed 27 EV chargers and adopted 21 zero-emissions vehicles in line with this plan. We plan to install a total of 200 chargers including 12 fast chargers installed at our business sites by 2030 to expand our efforts to reduce carbon emissions in the workplace.

Category	Unit	2022 (Domestic&Overseas)	2022 (Domestic)
Zero-emission vehicles out of owned/leased corporate fleet vehicles	Vehicles	57	21
Proportion of owned/leased zero-emission vehicles	%	6.3	18.6

Energy Management

Scope 3 Greenhouse Gas Management

Hyundai Mobis calculates GHG emissions by Scope 3 category to ensure systemic GHG emissions management across the entire value chain. We are building a relevant database and gradually extending the scope of calculations in accordance with the Corporate Value Chain (Scope 3) Accounting and Reporting Standard of the GHG Protocol[1)]

1) Greenhouse Gas Protocol: Internationally recognized framework operated by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI) for calculating and reporting GHG emissions

Scope 3 Calculation Category

We make calculations and disclosures in the seven Scope 3 categories that correspond to Hyundai Mobis.

Purchased goods and services	Waste generated in operations	Business travel
Employee commuting	Upstream leased assets	Use of sold products
End-of-life treatment of sold products		

Investigation on Supply Chain GHG Emissions

We recognize the importance of managing supply chain GHG emissions which account for a significant part of our value chain GHG emissions, and work to promote their systemic management. In 2022, we collected GHG emissions data from domestic tier-1 suppliers on the ESG platform that we use for supply chain assessment, and nearly 86% of our suppliers directly submitted their GHG emissions data. We will continue to manage the proportion of suppliers who submit their data to improve data consistency.

Supply Chain GHG Emissions Reduction Strategy

Leveraging the supplier-level GHG emissions data collected and calculated on our ESG platform, we will work with suppliers to develop GHG emissions reduction strategy and engage in relevant activities. We aim to identify and group the characteristics of GHG emissions by supplier and establish GHG emissions management plans appropriate for each group to effectively mitigate GHG emissions along our supply chains.

Supply Chain GHG Emissions Management Process

Build an IT-based system

Collect energy data from suppliers
- Supplier: Input their consumption by energy source
- Hyundai Mobis: Collect data on consumption by energy source, provide training to personnel

Calculate GHG emissions
- Calculate supply chain GHG emissions
- Analyze emission characteristics

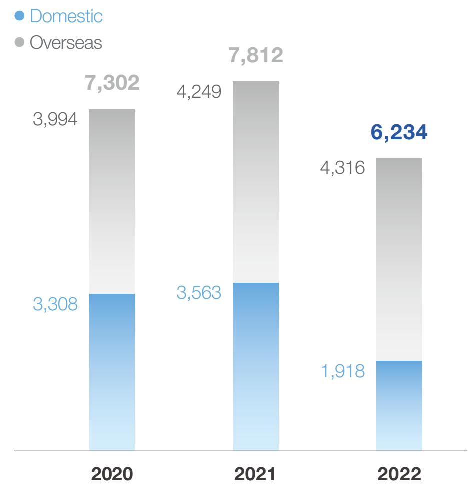
Select and group target suppliers for management
- Develop and implement GHG emissions management plans in consideration of group-specific characteristics
- Support suppliers with their reduction activities

Workplace Energy Management

Energy Consumption Management

Hyundai Mobis established the Global Mobis Energy Management System (GMEMS) at our major domestic and overseas operations and are inspecting all equipment for real-time energy consumption so that we can break down our company-wide energy consumption for monitoring. We also manage the status and quality of energy supply as well as country-specific consumption expenses, and continuously update the system to support efficient management through time-series comparison and analysis. Our total energy consumption was 6,234TJ in 2022: the establishment of new subsidiaries specialized in manufacturing reduced our domestic energy consumption by 1,645TJ from 2021. We engage in a host of activities to reduce our energy consumption and GHG emissions. For instance, we switched to LED lighting in the workplace, controlled the barrels of our multi-color injection molding machines and the temperatures of cooling/heating equipment to improve the efficiency of power consumption. We also assessed any leaks during the operation of compressors and improved the operational method of adsorption dryers to prevent the waste of electricity.

Total Energy Consumption at Domestic/Overseas business sites (Unit: TJ)



Smart Factory Operation

We set the goal to ‘build a smart, self-operating, uninterrupted production plant’ by 2025 and are moving towards this goal in a phased in manner to establish Hyundai Mobis’ standard smart factory model. In 2022, we advanced the technology development and system management of our Ulsan Electrification Plant to lay the foundation for our smart factory initiative, and are developing smart element technologies customized for manufacturing and operation to build plants based on data analysis. Specifically, we established a BPA (Battery Pack Assembly) line manufacturing operation information integration and control system to improve work efficiency. We also applied smart logistics technology to our warehouse operations to automate parts supply as part of our continuous efforts to develop production systems that support efficient plant operations. Furthermore, we have established a data-based product and manufacturing process system to preemptively detect battery fires and mitigate such risks.

Developing Electrification Products

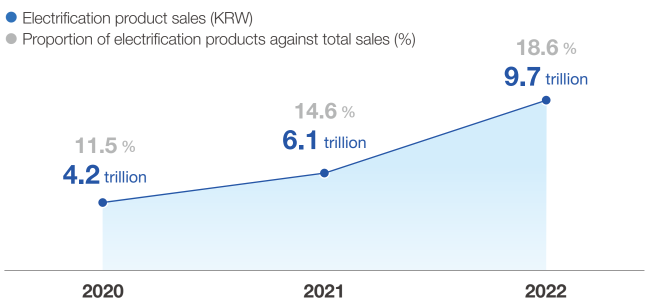
Developing Electrification Products

Developing Electrification Products

Hyundai Mobis defines electrification products as eco-friendly, high-value added key parts, and aims to focus our capabilities on developing technology and advancing mass-production capacity to evolve into a leader in this emerging field. To this end, we established a core parts portfolio spanning the full spectrum of the production (fuel cell), storage (battery), conversion (inverter), and driving (motor) of electricity energy to fuel hybrid and electric vehicles while working to commercialize this portfolio. Going forward, we will continue to expand our electrification business.

In 2022, electrification parts sales amounted to KRW 9.7 trillion to account for 18.6% of total sales, continuing its constant upward trend in alignment with our management approach at Hyundai Mobis. Our electrification product sales goal for 2031 is to achieve an CAGR of 14% in total electrification product sales (based on the annual estimates produced in 2022), and we are proactively moving forward this goal in line with the three directions of bolstering our cost competitiveness, technology competitiveness, and manufacturing competitiveness.

Electrification Product Sales



Electrification Product Development Strategy

Electrification Parts Portfolio

Fuel cell | Motor | Battery | Inverter

2031 Sales Goal

Total sales of electrification parts

14% of CAGR[1]

(Based on the annual estimated produced in 2022)

1) CAGR: Compound Annual Growth Rate

Core Technology Under Development

Core Parts Portfolio	Proportion of Sales (Proportion of Electrification Sales)		Core Technology Development Goal
Driving system	29%		**PE (Power Electric) system** • Develop a motor-inverter-decelerator-integrated driving system for mass-production
			**In-wheel motor (direct drive)** • Develop an in-wheel motor system for multi-purpose vehicles • Develop a direct-drive rear wheel in-wheel system
Power conversion system			**Integrated Charging Control Unit (ICCU)** • Develop a charger-inverter-integrated control unit with V2X capabilities • Perform functional safety designs and AUTOSAR platform designs
Battery system	67%		**Battery System Assembly (BSA)** • Develop a AUTOSAR (Automotive open system architecture)-compliant battery system for EVs, PHEVs, MHEVs, and HEVs
Fuel cell	4%		**Membrane Electrode Assembly (MEA)** • Develop high-power MEA applicable to various types of mobility • Develop high-efficiency MEA applicable to buildings/power generation systems

Case

Core Technology Applications

PSC-EX (Power System Complete-EX, hydrogen fuel cell power system for excavators)

Hyundai Mobis, Hyundai Motor Company, and Hyundai Construction Equipment teamed up to develop a hydrogen- powered excavator. This hydrogen-powered excavator is equipped with a fuel cell system developed by Hyundai Mobis, and is the first such system of its kind in the construction machinery of Korea.

FCPP-50 (Fuel Cell Power Pack -50, 50 kW fuel cell power pack for forklifts)

Hyundai Mobis became Korea's first to achieve KC[1] in the mobile fuel cell area (forklifts). In so doing, we successfully met the qualifications to undertake hydrogen-related demonstration projects, and will proactively participate in demonstrating hydrogen-powered forklifts and expanding their distribution.

1) KC (Korea Certification): Statutory certification system that applies to safety, health, the environment, and quality among others

PE System for Niro (SG2) EVs (160 kW capacity)

Hyundai Mobis developed a PE system optimized to single housing through the integration of motor, inverter, and decelerator functions, and initiated its mass-production for Niro (SG2) EVs in Q1 of 2022. Harnessing our independent wiring technology, we increased power density to reduce the size and weight of the motor by up to 30%. This system also gained comparative advantage by improving its operational efficiency through the application of oil cooling and lubrication solutions.

In-Wheel System Development

Hyundai Mobis succeeded in developing an in-wheel system that enables independent control of all four wheels through embedding motors inside the EV wheels. This reduces the number of driving-related parts to improve power performance, and independently controls wheels to bring over 20% efficiency gains while steering through turns to elevate driving performance. Specifically, this system serves as foundational technology to enable special maneuverability such as Zero Turn[1] or Crab Driving[2], garnering attention for its innovative potential for future mobility.

1) Zero Turn: Ability to turn 360-degrees back to car's initial starting position
2) Crab Driving: Special maneuverability enabling sideways movement of a vehicle

Contributing to Reducing GHG Emissions

Hybrid vehicles and plug-in hybrid vehicles whose core parts are supplied by Hyundai Mobis are capable of reducing GHG emissions by 96.2g/km and 27.2g/km respectively, compared to 143.5g/km emitted by a single internal combustion engine vehicle on average. EVs and hydrogen-powered vehicles generate zero carbon emissions themselves. When converted based on annual sales, these eco-friendly vehicles are expected to reduce 1,095,609tCO_2eq in GHG emissions in total. We also help cut down on raw materials consumption and improve fuel efficiency through lightweight modules and parts made possible through changing raw materials, reducing the number of parts, and simplifying the structure, doing our part in mitigating GHG emissions.

Making nearly 1,015 future mobility patent applications for autonomous driving, electrification, connectivity, semiconductors, and robotics

In 2022, Hyundai Mobis made a total of 2,941 new global intellectual property right applications: 1,015 of them were associated with future mobility technology (autonomous driving, eco-friendliness, connectivity, semiconductors, robots), and 210 of them were eco-friendly ones related to electrification and fuel cells. Furthermore, we proactively share our owned patents with suppliers to establish an eco-friendly ecosystem.

Electrification Patent Applications Made in 2022

* Excluding country-specific duplicates

210 applications

Battery system	Cylindrical cell-applied, cell-to-pack structured battery system
	Battery pack able to safely function on thermal runaways
Driving system	Stator core cross lamination and cooling coolants
	Anti-corona shaft voltage reduction structure
Power conversion	Driving motor temperature sensing inverter circuit design
	PWM[1] automatic control output calibration method
Fuel cell	Fuel cell MEA degradation verification method
	Fuel cell thermal management system fail-safe mode

1) PWM(Pulse Width Modulation): Leverage digital power for digital-to-analog circuit control

Expanding Electrification Investments

Investment Performance and Plans

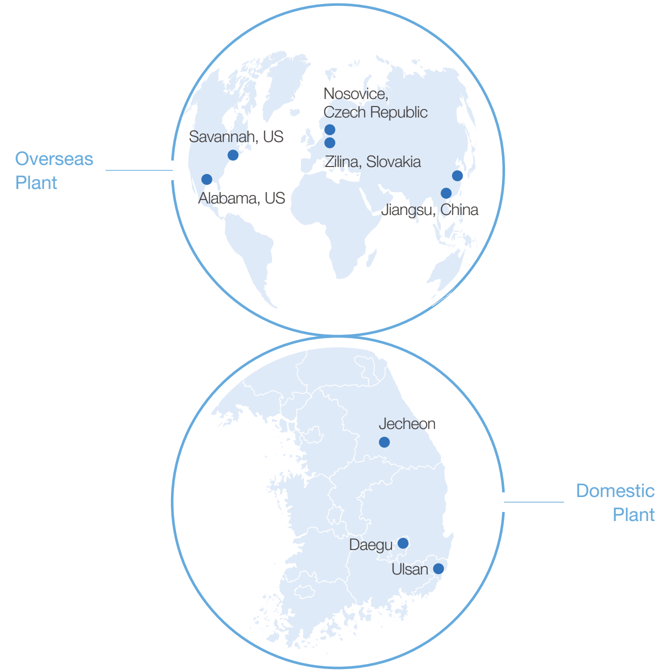
Hyundai Mobis continues to expand our investment in electrification parts to help shift to an eco-friendly industrial structure even in the face of unpredictable business conditions in Korea and overseas. This will surely enable us to develop globally competitive products and ensure their reliable mass-production and supply. In 2022, we invested an additional KRW 247.8 billion in expanding new equipment, which went to our Ulsan Electrification Plant to produce 210,000 units of BSA per year and our Daegu Electrification Plant 460,000 units of PE system per year respectively. Furthermore, we will invest USD 1.3 billion (nearly KRW 1.8 trillion) between 2023 and 2030 in completing EV-exclusive parts plants in two locations in North America by 2025. For R&D, we invested over KRW 120.6 billion in expanding R&D equipment and developing new products and technology to secure mid/long-term growth drivers, focusing on advancing our capabilities in so doing.

Electrification Investment Outcomes and Plans (Unit: KRW)

2022	2023 (Planned)
KRW **368.4** billion	KRW **1.12** trillion

Issuing ESG Bonds

In July 2021, Hyundai Mobis issued our first ESG bonds (green bonds) worth KRW 350 billion with 3-year, 5-year, and 7-year maturity in compliance with the principles of the International Capital Market Association for the purpose of making investments associated with our electrification business. The issuance was a great success as orders more than quadrupled the issuance amounts to reach KRW 1.08 trillion. These bonds were awarded Green 1, the highest assessment rating granted to any green bonds by NICE Investors Service, which also demonstrates that they comply with the green bond guidelines of the ICMA and the Ministry of Environment. The funds raised as such went to build a new research building for the R&D integrated R&D Center in Euiwang, expand the plant and add production lines for EV-exclusive parts manufacturing, and make equity investments in relation to electrification business. As of the end of December 2022, KRW 230 billion for equipment funds and KRW 120 billion for the acquisition of other companies was used from the KRW 350 billion raised through the issuance of ESG bonds.



Production Scale of Electrification Products

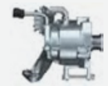
Domestic	Type of Product	Production Scale
Ulsan	Battery	210,000 units/year
Daegu	PE system ICCU[1]	460,000 units/year based on PE systems
Jecheon	Battery	120,000 units/year
Overseas	**Type of Product**	**Production Scale**
Jiangsu, China	Battery	85,000 units/year
Nosovice, Czech Republic	Battery	250,000 units/year
Zilina, Slovakia	48V Battery	260,000 units/year based on 48V batteries
Savannah, US (Planned)	Battery	310,000 units
Savannah, US (Planned)	PE system	300,000 units
Alabama, US (Planned)	Battery	100,000 units

1) ICCU: Integrated Charging Control Unit

Hyundai Mobis' Electrification Parts | Technology Internalization

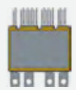
Driving System

PE System
Power Electric System
Under mass-production



HSG
Hybrid Start & Generator
Under mass-production

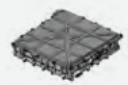
PCU
Power Control Unit
Under mass-production



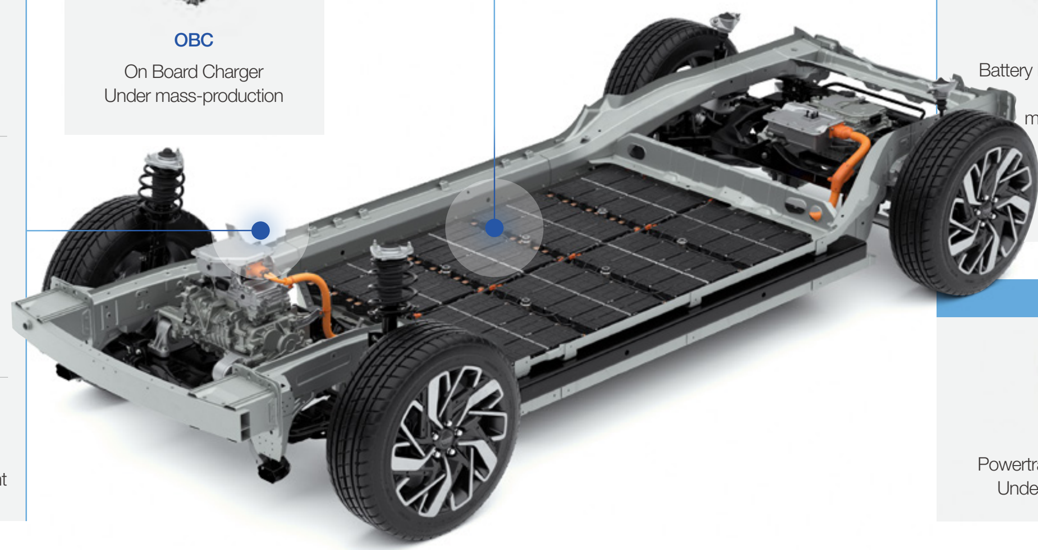
Power module
Power Module
Under mass-production

In-wheel motor
In-Wheel Motor
Under advanced development

Power Conversion System



OBC
On Board Charger
Under mass-production



Battery System

BMS
Battery Management System
Under
mass-production

48V LDC-integrated type

EV (P)HEV

BSA
Battery System Assembly
Under mass-production

Fuel Cell System

PFC
Powertrain Fuelcell Complete
Under mass-production

MEA
Membrane Electrode Assembly
Under mass-production

Parts Mounted on Eco-friendly Vehicles

- Hybrid vehicle driving system, battery system
- EV driving system, battery system, charger
- Hydrogen fuel cell vehicle driving system, battery system, fuel cell system

GHG Emissions Reduced

CO_2 Emissions per Vehicle[1]	143.5 g/km	96.2 g/km	27.2 g/km	0 g/km	GHG Emissions Reduced through Application of Eco-friendly Vehicle Parts in 2022	1,095,609 tCO_2eq
	Internal Combustion Engine Vehicle	Hybrid Vehicle (HEV)	Plug-in Hybrid Vehicle (PHEV)	Electric Vehicle (EV) / Fuel Cell Electric Vehicle (FCEV)		

1) CO_2 emissions per vehicle
· Calculated for domestic and overseas eco-friendly vehicle models and their corresponding internal combustion engine vehicle models
· CO_2 Emissions from internal combustion engine vehicles: Corresponding internal combustion engine vehicles (Average emissions by model x total production quantities by model) / (total production quantities of corresponding internal combustion engine vehicles)
· Formula for CO_2 Emissions from HEVs, PHEVs, EVs, and FCEVs: By type (Sum of 'Average emissions by vehicle model x total production quantities by vehicle model') / (Total production quantities of each type)

Note: Source of CO_2 emissions by vehicle model - Official websites of Hyundai Motor Company/Kia Motors
Source for annual average mileage - Statistics on Automobile Mileage, 2021, Korea Transportation Safety Authority

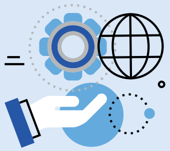
2) Formula for GHG reduction effect: Sum of CO_2 emissions avoided by vehicle model (average reduction effects x mileage)
* Average reduction effect: (Mean of maximum and minimum emissions by corresponding internal combustion engine vehicle model) - (mean of maximum and minimum emissions by eco-friendly vehicle model)

Strengthening Product Quality and Customer Satisfaction

2022 Key Performance

Achieved 100% of quality management system certification

(IATF 16949/ISO 9001)



2022 Key Performance

Reached USD 4.65 billion in global orders

Future Plan

Reach USD 5.36 billion in global orders in 2023

Il doo Park, Senior Manager — Quality Planning Team

As the quality of automotive parts is directly related to the safety of vehicle occupants, ensuring the quality of products should be ranked a top priority. In recognition of the importance of building a data-based system, we are analyzing our processes through data linkages. We are particularly focused on increasing the accuracy of our quality management on our accumulated system knowledge while identifying key factors affecting quality issues, exploring ways to ensure their optimal management, and employing them for process improvement. We also develop emergency plans to promptly respond to quality incidents at the plant level: this helps set alternative methods in advance to prepare for any suspension in production line operations and organize key review items to prevent the shipment of defective products so that we can take necessary action immediately. We will deliver top-tier quality products through rigorous management and build trust with customers in so doing.

Hwan Lee, Senior Manager — Business Facilitating Team

Hyundai Mobis achieved USD 4.65 billion (nearly KRW 5.7 trillion) in key parts orders awarded by overseas OEM customers in 2022. This was a record-setting event since we began earnestly in early 2000 to secure orders in overseas markets. Not only did we surpass the initial target we set at the dawn of the year, we nearly doubled our orders from the previous year. This remarkable achievement was made possible as we reached out ever closer to markets through exhibitions, engaged in marketing activities by holding numerous technical meetings with specific customers, creating dedicated organizations to serve key customers in respective locations, directly collecting candid feedback from customers and tailoring our order-winning initiatives accordingly. We will continue with our strategic efforts to improve customer satisfaction and continue to increase our orders.

Strengthening Product Quality and Safety

Hyundai Mobis' Quality Policy

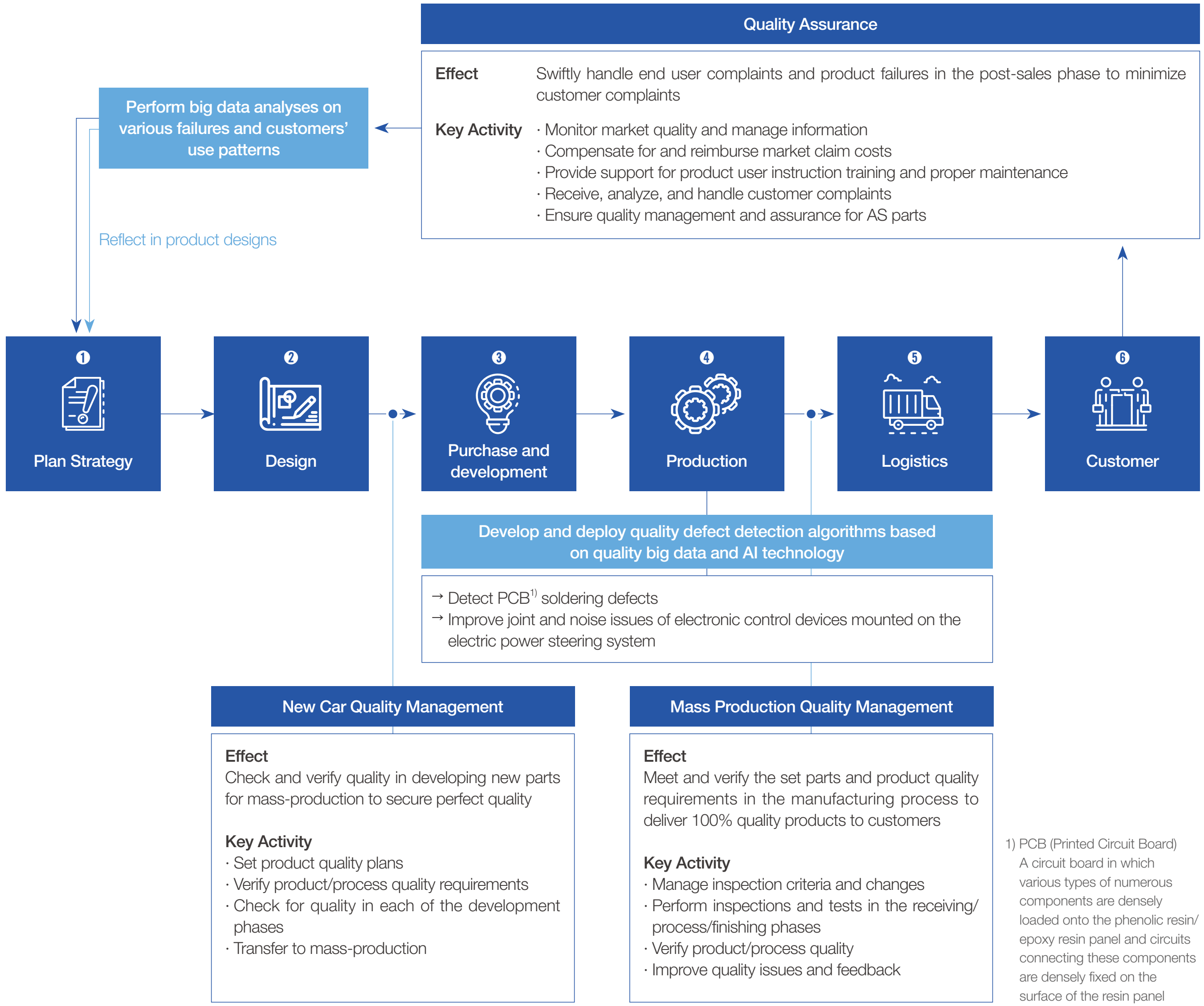
We establish a quality assurance system, effectively apply it across all business areas, and consequently maintain the highest competitiveness. We realize "customer delight" based on reliable quality beyond attractive quality by forming consensus with one another and through individual immersion.

Quality Safety Management System

Hyundai Mobis commits to rigorous quality management to deliver the value of 'customer safety' through innovative product development and reliable manufacturing operation. The QMS2.0 (Quality Management System), is our internal quality management system, and assumes a host of functions in quality adherence for new cars, mass-production, and market management processes. We manage quality defects that occur at respective business sites in Korea and overseas, as well as by item, in accordance with the quality metrics measured up to the prescribed period. Furthermore, quality metrics are managed and their status is shared with individual suppliers, as well as our own operations, to encourage our suppliers to establish their quality system.

Meanwhile, we established 12 reliability-based product development processes to ensure quality early from the product development phase. Such processes were first piloted on SG2 EV driving motors, and are being extended to cover a wider range of vehicle models and products. From the organizational viewpoint, we created the New Product Quality Team in July 2022 to bolster the comprehensive company-wide management of new product quality risks and the preemptive verification of any variations that occur. In 2023, we established the Customer Safety & Environment Quality Team as part of our continued efforts to engage in preventive activities for product safety and to promptly take necessary action. We work to implement quality management more effectively by advancing data-based quality management and establishing a global quality system to respond to the shifting landscape of the future.

Quality Management Process



1) PCB (Printed Circuit Board)
A circuit board in which various types of numerous components are densely loaded onto the phenolic resin/epoxy resin panel and circuits connecting these components are densely fixed on the surface of the resin panel

Quality Management System Certification

Starting with our achievement of the ISO/TS16949 quality management certification for the automotive industry in 2002, we have since laid the foundation to deliver process-based, zero-defect quality. Timely for the renewal of the IATF 16949[1] quality management system at the end of 2016, our manufacturing sites – four in Korea and 15 overseas – fully achieved, transitioned, or renewed their certification as of December 2022, and our parts centers also achieved ISO 9001[2] as well. To meet the quality requirements of European Car OEMs, we operate a global quality system designed for automotive parts manufacturing in accordance with VDA 6.3[3], and conduct rigorous tests and quality assurance to ensure vehicles perform optimally for the entire length of their service life.

1) IAFT 16949: Standard established to ensure a systemic response to the requirements specific to automotive industry customers in accordance with ISO 9001 (quality management system)
2) ISO 9001: Quality management system standard
3) VDA(Verband Der Automobilindustrie) 6.3: Process audit standard established by the Verband Der Automobilindustrie (VDA), the German Association of the Automotive Industry

Quality Management System Certification Achieved

* As of Dec. 2022 (Unit: Business sites)

Category		Business Site Subject to Certification	IATF 16946 Certification	Certification Rate (%)
Domestic	Manufacturing[4]	4	4	100
Overseas	Manufacturing[5]	15	15	100
Total		19	19	100
Category		**Business Site Subject to Certification**	**ISO 9001 Certification**	**Certification Rate (%)**
Domestic	Parts centers[6]	32	32	100
Total		32	32	100

4) The target business sites were restated in line with the establishment of new subsidiaries specialized in manufacturing in November 2022
5) Sites which suspended manufacturing operations (MCQ, MRU) and new sites (MUA) are excluded, and joint ventures and sites not operated (before mass-production) are not subject to certification.
6) Headquarters (1), parts centers (23), distribution centers (5), regions (3)

Certification Status by Business Site

Category		Business Site Subject to Certification	IATF 16946 /ISO 9001 Achieved
Domestic	Manufacturing	Jincheon	○
		Changwon	○
		Ulsan Electrification	○
		Daegu Electrification	○
	Parts Centers	Service Centers (32)	○
Overseas	China	MBJ	○
		MJS	○
		MWX	○
		MTJ	○
		MCQ	N/A
		MCJ	○
	US	MAL	○
		MAL-GA	○
		MNA	○
		MUA	N/A
	Brazil	MBR	○
	Mexico	MMX	○
	Europe	MSK	○
		MCZ Module/Lamp	○
		MRU	N/A
	India	MIN	○
		MIA	○
	Turkey	MTR	○

AI-enabled, Data-based Quality Management

Hyundai Mobis is working to establish a 'data-based preventive quality system' operated through the convergence of quality data and AI technology. We continue to nurture experts to secure our independent data analytics system, and optimize our process management standards by pairing field experiences with data analytics skills. In 2022, we pursued process improvements through data systemization and machine learning to establish data-based quality improvement activities. QFD[7] was applied to our PE system for EV models to identify 308 NVH[8] factors, which enriched our integrated analytics server with the functionality to collect necessary data to enable 24/7 analytics capabilities. This forms the basis of our efforts in performing correlation analyses among processes using machine learning, helping us to identify targeted factors that highly impact quality, and present optimal management standards to improve processes. In addition, we developed a system to leverage AI technology to upgrade our electronic parts quality inspection methodology. If a field claim, meaning a claim within the warranty window of a purchased vehicle, is raised for specific automotive parts, our quality personnel input the parts data into the system, which recommends the AI model optimized for product characteristics. The AI model then analyzes a variety of process-related variables along with claim data to produce solutions.

Over the long-haul, we plan to integrate and connect quality data across the design, development, mass-production, and actual use phases and to establish models to optimize process factors in real time to further advance our quality management system.

7) QFD (Quality Function Deployment): Translating customer requirements into actionable functions
8) NVH: Noise, Vibration and Harshness

Response to Quality Emergencies in the Event of Irregular Operations

We established plant/line-specific response manuals in preparation for any unexpected disruption to regular plant operations that could adversely affect product quality, preventing the production and release of non-conformant products in so doing. If equipment ever fails, we are prepared to carry on uninterrupted with alternative equipment and manual assembly, and organize essential check items in advance that may cause quality defects so that workers could immediately check and identify defects.

Quality Safety Program

Regular Monitoring

Hyundai Mobis regularly monitors quality costs through our internal system. Each year, quality cost goals are set for each business division and cost handling is managed to check and share the attainment of the set goals on an on-going basis. Details of incurred expenditures are listed by item and business sites and on a monthly basis to identify vulnerable items and to develop corresponding strategies and plans.

Response to Quality Issues Raised by Customers

Hyundai Mobis operates a customer quality response system, such as acquiring 5 stars in quality, to guarantee the quality of each business site and satisfy the quality needs of customers. We make on-site reviews to ensure quality is managed in accordance with the set work procedures and guidelines, while immediately taking necessary actions when any non-conformities occur, and follow up on these issues by sharing the results internally and with customers. We continue to monitor the receiving and claim information provided by our customers to identify relevant performance and make improvements. To satisfy the quality criteria desired by consumers, we define our quality policy, goal, and responsibility and move forward with our quality management activities for quality management and improvement.

Quality Training for Employees

To improve our employees' awareness on quality management, we provide regular quality training each year and also host a variety of events to encourage our employees to take interest and participate in quality management. Our VDA 6.3 training has been up and running since 2021 at the company-wide level to accommodate the increasing orders we land from global OEMs, and our quality personnel are provided with in-depth and detailed electronics and training related to electrification to elevate their expertise so that we preemptively address the shifting technology landscape of future mobility. To internalize the reliability work process essential to secure advanced quality and to nurture internal experts, we support our employees in obtaining their CRE (Certified Reliability Engineer) and CQE (Certified Quality Engineer) licenses. In 2022, a total of 55 employees obtained their international licenses.

Quality Safety Programs Provided

Program	Target	Program Topic	2022 Performance
Introduction to VDA 6.3 (Content Distribution)	Employees	Improve all employees' understanding of the certifications required by European customers	1,448 persons
Quality management practice (By Topic)	Quality Division Staff	Support quality capacity-building for future core parts and S/W of the vehicle	403 persons
Support in international license acquisition	Quality Division Staff	CRE, CQE, iNARTE ESD	81 persons (55 persons acquired licenses)

Supplier Quality Assessment (MQRS)

Hyundai Mobis operates the Mobis Quality Rating System (MQRS) as our internal supplier quality assessment system to assist our suppliers in bolstering their quality management capabilities and to establish our parts quality assurance system. This system applies to our domestic and overseas tier-1 suppliers, and comprehensive assessments are made in the areas of outsourcing management, process management, production and maintenance management, finished product management, and quality competency. New suppliers with ratings below the set standard could be subject to penalties, including restrictions we place on transactions with them. Adjustments to the subsequent assessment cycle are based on rating results and this ensures our rigorous management of high-risk suppliers.

Product Warranty

Hyundai Mobis sets the amount of provisions by estimating the cost expected to incur for sold products to handle quality issues, exchanges and refunds, repairs for defects, and after-sales services based on such factors as the warranty period and past records. When an issue is detected through our internal inspection or through customer reports, we immediately recall the product to put customer safety first. In 2022, no forced recalls were made, and voluntary recalls were made for airbag defects on approximately 1.04 million K3 and Soul cars.

Recalls Made by Year

(Unit: Vehicles)

Category	2020	2021	2022
Vehicles recalled	1,549,892	15,437	1,044,483

Recalls and Warranty Provisions Reflected

(Unit: KRW million, based on consolidated accounting)

Category	2022
Provision for product warranties set at the beginning of the period	1,217,987
Expenditures/Cost for product warranties during period	343,342

Customer Response

Stable supply of A/S Parts

A/S Parts Supply Network

Hyundai Mobis harnesses our parts supply network that spans many regions of the world to ensure prompt and accurate supply of A/S parts that are mounted on finished vehicles. In Korea, we operate four distribution centers and 22 parts centers to supply parts across the nation.

As of the end of 2022, we supplied A/S parts to over 59.07 million Hyundai Motor Company and Kia Motors' vehicles operating in Korea and abroad, and we deal with nearly 2.58 million parts to serve approximately 194 models, including discontinued ones. Pursuant to Korea's consumer protection and motor vehicle management regulations, we must supply the parts for discontinued models for an eight-year period, which makes our responsibility of supplying A/S parts even more critical. We align our customer service system (MINDS) with our parts operation system (SMART) so that customers who request parts that are unavailable in their area are provided with parts through whichever business site is nearest to their location. We also invested in new integrated distribution infrastructure serving the Youngnam region and opened a large-scale distribution center in Gyeongju to facilitate the swift supply of parts through an ever-broadening network.

Domestic A/S Parts Network (Unit: Locations)

Category	Parts Centers	Distribution Centers	Parts Teams	Distributors	MRC[1]
Domestic	22	4	40	1,098	1

Overseas A/S Parts Network (Unit: Locations)

Category	Parts Corpora-tions	Parts Centers (PDC[2])	Distri-bution Centers (RDC[3])	MRC	Branch	Distrib-utors	Dealer-ships
Overseas	13[4]	57	2	4	1	475	11,572

1) MRC: Multimedia Remanufacturing Center
2) PDC: Parts Distribution Center, including those operated by JVs
3) RDC: Redistribution Center
4) Including composite corporations and JVs

Advancing A/S Parts Demand Forecasting and Improving Logistics Efficiency

To ensure the timely supply of numerous A/S parts, we operate an AI-enabled next-generation demand forecast system and a logistics standard system to increase the accuracy of our demand forecasts and the efficiency of our distribution system. Specifically, we adopted an intelligence warehouse system for our distribution centers to use barcodes to manage all receiving and outgoing items in real time. Going forward, we will advance our demand forecast system based on actual demand and big data analytics to provide our customers with optimal services.

Building Eco-friendly, Automated, Integrated Distribution Centers

We invested KRW 94.8 billion in building a new integrated distribution center in the Yeongnam region to reinforce our customer service capabilities in the shifting future automotive landscape. The newly-built distribution center will be made fully operable in 2024 and will serve to receive parts from 270 automotive parts makers and supply them nationwide, with a focus on the Yeongnam region, to improve the efficiency of our A/S parts supply. To accommodate the growing demand for eco-friendly vehicles, we will also arrange a dedicated site for eco-friendly vehicle parts within this distribution center, and install a PV generation system on the rooftop of the business site as the first Korean company to do so. We will also deploy automation technology through the use of AMR[1] for logistics purposes, and will expand the application of robotic technology beyond product transport to receiving, storage, sorting, and outgoing operations.

1) AMR: Autonomous Mobile Robot

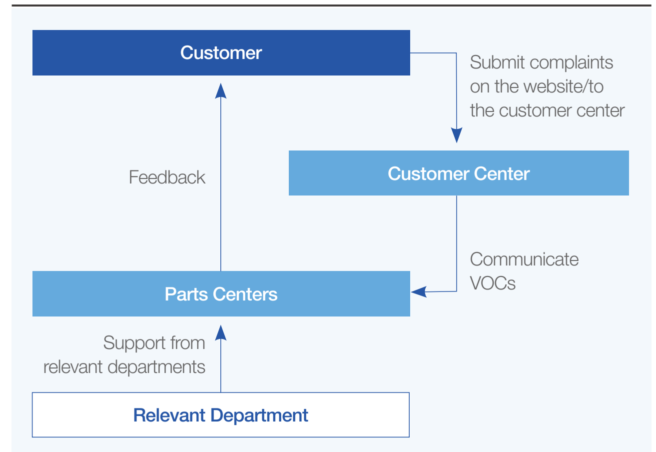
* Aerial view of Hyundai Mobis' integrated distribution center to be built in the Myeonggye 3 Industrial Complex, Gyeongju

VOC Management

We operate a dedicated website for A/S parts and supplies to assist customers in directly searching and accessing information including detailed parts information or sales locations. Our customer center (+82-2-1588-7278) is available 24/7 to make it easier for customers to make inquiries and submit their complaints. Complaints received are communicated to respective parts centers and relevant departments to provide feedback and make necessary improvements.

▶ Website for A/S parts and supplies

VOC Response Process



Support for Distributors to Bolster Their Competency

We value our domestic/overseas distributors and dealerships who purchase our parts as well as OEMs as our important customers and partners who work together with us in improving the quality of consumer services. As such, we assist distributors and dealerships in improving their store operational environment while providing a range of trainings to help strengthen their service capabilities and facilitate their business operations. Amid COVID-19, we have further activated our virtual communication programs since 2020, which allowed us to create a virtuous cycle to create even greater value.

Distributor Seminar Program

Program	Description	Unit	2022 Performance
Seminar for Good Distributors	Share our domestic business policy approaches and strengthen communication	Persons	202
Seminar for Distributors in the Second Half of the Year	Review performance for the year and share future ways forward	Distributors	1,241
Seminar for Executives of the National Association of Distributors	Examine difficulties and develop improvement measures through sharing and discussion of key pending issues of distributors	Persons	15

Distributor Operational Environment Improvement Program

Program	Description	Unit	2022 Performance
Win-win funds	Raised and operated win-win funds (KRW 20 billion) to provide loans at low interest rates for distributors planning to take out loans from financial institutions. This helped them make large-scale investments in environmental improvements to help them address financing hardships.	KRW 100 million	1
Management consulting	Send Hyundai Mobis employees who are qualified management consultants to distributors to help assess issues and identify improvement tasks with their overall dealer operations, from organizational operation to sales & marketing and inventory & logistics	Distributors	15
Support for environmental Improvements	Provide a fixed quantity of parts discounts as part of the distributor investment expenses to encourage distributors with substandard parts storage conditions to improve their warehouse environment	Distributors	12
Inventory integrity management	Help pay for a portion of the expenses that go to dispose of unusable parts that are generated during the storage or distribution process to help distributors reduce management costs and improve distribution quality	KRW 100 million	23
Support for operating system expenses	Support pay for maintenance costs of the integrated distributor operational system	KRW 100 million	10
Support for supplies	Provide necessary operational supplies – uniforms, signboards, image walls, and vehicle stickers – in accordance with store environment standardization to provide high-quality services to customers	KRW 100 million	2

Creating Customer Value through CS Training

Hyundai Mobis engages in a variety of CS capacity building activities to live by our value of putting customers first. We provide standard manuals and basic customer response training to help employees working at the contact point of wholesale/retail customers improve their customer service approach. We also support customer response personnel with emotional management to help relieve their stress to bring change in awareness on the part of customers along with improving our employees' customer service mindset. Going forward, we will conduct CS training with more diverse concepts to bolster communication and collaboration among employees and to ultimately create a corporate culture that delivers a truly impressive customer experience.

CS Training Program

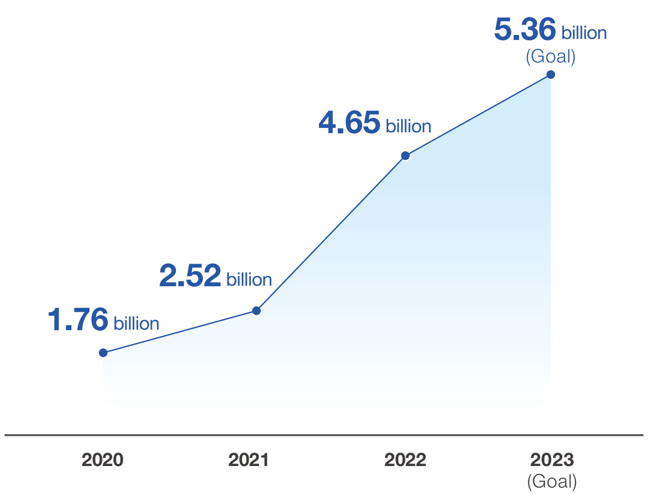
Program	Target	Description
CS training for employees at customer contact points	Employees at customer contact points	Improve response to out-of-stock products and VOCs
On-site leadership training	Team managers at retail contact points	Leadership training for customer management
Customer response training	Newly-hired at retail contact points	Service manual and basic customer response training provided on an on-going basis to newly-hired employees working at customer contact points
CS training	Accounting/Clerical staff	Mindset training to understand standardized response procedures and the CS mindset
Introductory training for on-site staff	New hires on-site staff	Promote personal growth through understanding the latest trends as well as mutual understanding and communication through color therapy
Training for team managers	Heads of divisions and teams at the HQ and business sites	Communication training to improve the CS mindset and facilitate communication among organizational members
Training to activate communication among team members	Team members at the HQ and business sites	Communication training to improve the CS mindset and facilitate communication among team members
Training on emotional care for Gen Zs and millennials at domestic operations	Contract workers	Emotional care training to help alleviate stress and strengthen organizational communication

Reinforcing the Global Competitiveness of Core Parts

Expanding Global Orders

We proactively reach out to our customers to land orders for high value-added core parts, including ADAS and electrification parts, across North America, Europe, and China. In 2022, our global orders surged by 85% year-on-year to reach over USD 4.65 billion, and we set the goal of achieving USD 5.36 billion in overseas orders in 2023.

Total Global Orders Awarded (Order Amounts) (Unit: USD)



Establishing the Key Account Management System

We believe in the potential of future mobility as a key business opportunity, and are bolstering our sales strategy that is tailormade to respective local markets. We established KAM[1] organizations across the five key global regions of Europe, North America, China, Japan, and India, and brought in nearly 10 executive-level local experts (KAE[2]) to head our order-winning activities customized for local customers.
We also significantly expanded our research workforce dedicated to tailormade local customer responses at our overseas technical centers to run parallel to the pursuit of localizing our R&D operations. This will enable us to continue with local sales activities right at customer contact points and build a more cohesive in-person network to deliver differentiated services.

1) KAM: Key Account Management
2) KAE: Key Account Executive

Strengthening the CSR Management Process for Global OE Customers

CSRs[3] refer to additional specific activities required by customers in alignment with IATF16949, and have a significant impact in the order screening process. To proactively respond to CSRs, Hyundai Mobis analyzed the CSR documents of major global car OEMs and developed MCSR[4] manuals that could apply to our daily business routines. In so doing, we provide CSR guidance to domestic employees and overseas corporations working with the input of global OE orders and bolster our responsing capability.

3) CSR: Customer Specific Requirement
4) MSCR (Mobis CSR): Hyundai Mobis' global CSR analysis manuals

Reinforcing Global Marketing Operations

To publicize our future vision and new technology among global OEMs, we attend such renowned global exhibitions as the CES and the NAIAS[5] in North America, IZB[6] in Germany, and the International Auto Show in China to focus on local marketing activities. Recently, we hosted Tech Day for French customers which included demonstrations with actual vehicles on a local racetrack. We were honored with the Innovation Award at the CES 2023, the PACE Award, and the iF Design Award, receiving positive feedback from global customers.

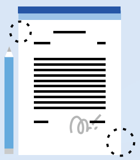
5) NAIAS (North American International Auto Show): International auto show hosted in the city of Detroit, the US, each year
6) IZB (International Suppliers Fair): International parts exhibition hosted by Volkswagen of Germany

Tech Day in Europe

Europe, along with North America, accounts for a large share of our total overseas orders, and orders from this region have more than doubled each year for the past three years. We hosted Tech Day as an exclusive event to our European market in Paris, France, in June 2022 to recruit new customers in Europe and continue our upward trend in overseas orders. At this specially-planned event, we showcased our 27 new select technologies to cater to the needs of European customers who are highly interested in quality requirements and eco-friendly mobility.
This event was attended by key executives and working-level personnel from European car OEMs who experienced Hyundai Mobis' differentiated technology for extended periods of time. To showcase the potential of our diverse, mass-producible new technologies through actual cars, we demoed our capabilities to attendants at JP Beltoise Circuite, a private racetrack we leased just for the occasion.

Sustainable Supply Chain

Link to the UN SDGs



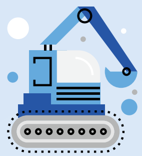
2022 Key Performance

Completed supply chain ESG risk assessments as well as on-site due diligence for high-risk suppliers

(367 domestic suppliers assessed)

Future Plan

Assess all overseas corporations by 2026



2022 Key Performance

Established a responsible minerals sourcing policy and published the Responsible Minerals Report

Future Plan

Continue to reinforce conflict minerals management and responsible minerals sourcing

Kwan Seob Song, Senior Manager — Head of the EU Procurement Center

A host of trade regulations are being proposed along with ESG directives in Europe, and this naturally imposes increasingly stringent restrictions on businesses. In response, Hyundai Mobis is amending our basic contract template based on the analyses of potential impact, and will prepare a letter of intent requesting compliance with the supply chain due diligence regulation to take effect in 2024 in partnership with our Legal Affairs Team while performing on-site reviews and making improvements. In 2023, we are preparing to conduct human rights and environmental due diligence, and are extending the scope of risk analysis and systematically looking for countermeasures in line with the discussions progressing in relation to regulations governing carbon emissions and raw materials. As we are addressing the critical challenge of laying the basis for sustainable supply chains, we are keenly aware of the need to develop carefully-designed plans, which naturally justifies support provided to nurture professionals among others. We will do our utmost to elevate our employees' ESG-related awareness and establish a proper response system through company-wide collaboration.

Sung Woo Ha, Senior Manager — Win-Win Collaboration Team

ESG management is extending its scope across the whole of the value chain. This means that the ESG management capabilities of companies who comprise a company's supply chain are directly linked with the company's competitive edge. Our new and incumbent suppliers regularly receive assessments on their quality, delivery, technology, and win-win partnerships in accordance with our internal regulations, along with annual ESG risk management. Suppliers identified as high-risk suppliers were subject to on-site assessments and corrective measures, and consulting was provided to all our mid/small-sized suppliers to strengthen our support to help suppliers improve their sustainability management capabilities. We are progressing towards our goal of extending the scope of assessments to include overseas corporations by 2026. As such, we will continue with our efforts to ensure systemic supply chain management and preemptive supplier risk management.

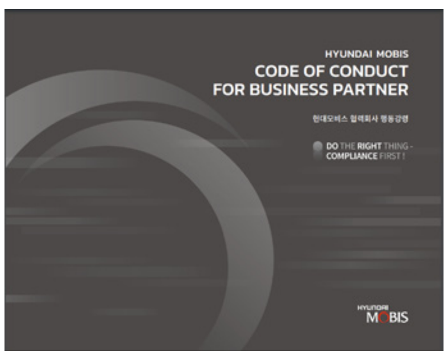
Supply Chain Management

Supply Chain Management System

Supply Chain Management Policy

As a partner for shared growth, Hyundai Mobis implements our supply chain management policy to help suppliers boost their competitiveness and reduce ESG risks. We select suppliers in accordance with the fair process based on their quality, delivery, technology, and development capabilities, and regularly assess selected suppliers for risk management. We also continue with customized supplier management to help them bolster their quality competitiveness and ESG capabilities.

The Hyundai Mobis' Code of Conduct for Business Partners spans six areas (human rights & labor, health & safety, environment, ethics, responsible sourcing, and management system). For domestic suppliers, it is specified depending on size whether their CEO signs the pledge to comply with the Code of Conduct or they honor the Code of Conduct as stipulated in the parts supply contract. We also request overseas suppliers to abide by the Code of Conduct as specified in the standard contract. Furthermore, we perform annual ESG assessments on tier-1 and key tier-2 suppliers to encourage them to take corrective action when identifying risks. We provide regular training to raise awareness on the importance of supply chain ESG management for employees working in the procurement division while sharing information on our current supply chain ESG management practices and assessment results.



▶ Code of Conduct for Business Partners

ESG Management Areas under the Code of Conduct for Business Partners

Supply Chain ESG Management Areas

Human Rights ·Labor	Safety·Health	Environment	Ethics	Responsible Sourcing	Management System
· Human rights policy · Compliance with labor relations laws · Non-discrimination	· Industrial safety · Emergency Response · Prevention of occupational injuries/ illnesses · Health management	· Compliance with environmental regulations · Prevention of pollution / resources and energy conservation · Management of substances with environmental impact	· Anti-corruption · Prevention of conflicts of interest · Fair trade · Information security · Prevention of counterfeit parts · Compliance with export controls	· Conflict minerals	· Commitment to compliance · Appointment of persons in charge · Regulatory and customer requirements · Risk assessment and management · Improvement goal · Education and communication · Employee feedback and improvement · Documentation and records · Operation of grievance mechanisms · Supplier management · Compliance with the Code of Conduct

Supply Chain Management Process

Awareness → **Guidance & Monitoring** → **Action**

Global guidelines/norms
- UNGC Principles
- OECD MNE Guidelines
- UN Guiding Principles on Business and Human Rights

Stakeholder channels
- Annual stakeholder surveys
- Business partner discussions
- Business partner surveys

Internal risk management
- Consideration of economic, social, environmental, and safety aspects

→ **SCM Risk Profile** →

Policy
- Procurement guidelines
- Code of Conduct for Business Partners

Monitoring
- Pre-registration and assessment of suppliers
- Contractual provisions
- Assessment
- Screening

→ **Corrective action** / **Termination of transaction**

Supply Chain Overview

As of the end of December 2022, Hyundai Mobis has been engaging in mass production transactions and development operations with 614 tier-1 suppliers out of 1,320 domestic parts suppliers. For those suppliers we make mass-production transactions with, operating structure deliberation meetings are held on an on-going basis to discuss and review the addition of new suppliers to our operating structure in consideration of their technology and the likelihood of substitution. In the event that serious ESG non-compliance or quality issues occur, disciplinary action deliberation meetings are held to impose restrictions on the concerned supplier as part of our efforts for continuous supplier screening and management. We also manage tier-1 and core tier-2 suppliers defined based on the transaction of key business group items. For suppliers at or below tier-2, we continue to help them develop the quality management system that meets our standards through the MSQ (Mobis Supplier Quality) and SQ (Supplier Quality) certification systems. Our supplier information management system allows us to manage the ISO certification data of all suppliers in the areas of quality, safety, and the environment, among others.

Supplier Classification

* As of Dec. 2022

Category	Classification Criteria	Suppliers (Companies)
Total tier-1 suppliers	Suppliers engaging in direct development	614
Major tier-1 suppliers[1]	Supplier screening (operating structure)	399
Core tier-1 suppliers	Suppliers involved in our core business operating structure	54
Major tier-2 suppliers	Suppliers of core tier-1 suppliers who signed individual contracts	27
Total major suppliers	Major tier-1 suppliers and tier-2 suppliers	426

1) Percentage of purchases made from major tier-1 suppliers: 47% of the total purchases made from tier-1 suppliers (100%)

Purchases Made in 2022 by Item

Mass-production	A/S	Supplies/packaging	Overseas corporations	Others
KRW 23,891.8 billion	KRW 3,064.6 billion	KRW 269.2 billion	KRW 16,029.6 billion	KRW 587.1 billion

Supply Chain Purchases

Category		Unit	2022 Performance	Note
Domestic	Parts suppliers	Companies	1,320	Tier-1 parts suppliers of the HQ (mass production, A/S, supplies/packaging)
	Parts purchases	KRW 100 million	272,257	Tier-1 parts suppliers of the HQ (mass production, A/S, supplies/packaging)
	Other suppliers	Companies	1,677	General, facility, raw/subsidiary material suppliers of the HQ
	Other purchases	KRW 100 million	5,871	General, facility, raw/subsidiary material suppliers of the HQ
Overseas	Locally-based suppliers	Companies	685	Suppliers of overseas corporations (direct development)
	Locally-sourced purchases	KRW 100 million	160,296	Purchases by overseas corporations

Supply Chain Communication

We regularly visit suppliers each year to lend an ear to their candid feedback, and operate multiple communication channels to identify their needs and resolve grievances. We vow to do our utmost to pursue mutual growth with suppliers through continuous exchange and support, so that together, we generate even greater synergy.

▶ Anonymous grievance report center for suppliers

Key Communication Channels

Category	Description	2022 Performance
PARTNERS DAY and executive meetings	• Host seminars to share the 2021 activity results and 2022 plans from the General Meeting of Suppliers • Review outcomes, communicate on the status of progress achieved, and explore ways to develop the Meeting	On/offline seminar
Discussions with tier-2 supplier CEOs	• Operate discussion meetings attended by supplier CEOs to help understand Hyundai Mobis' diverse supplier support programs and resolve grievances that occur between tier-1 and tier-2 suppliers	Not implemented due to quarantine protocols
Committees operated (by business type)	• Operate committees by type of business each year to share trends on the automotive industry, technology, and shared growth	Online virtual meetings in H1/H2
Rewards for top-performing suppliers	• Select and reward top-forming suppliers each year in recognition for their contributions	Partners Day rewards
Online anonymous grievance report center for suppliers	• Implement an anonymous reporting channel for suppliers and their employees to raise grievances and make policy improvement proposals	Year-round
Fair trade counseling/whistleblowing channels	• Operate year-round inquiry/whistleblowing channels in relation to fair trade and subcontracting between Hyundai Mobis and suppliers	Year-round

Supplier Assessment

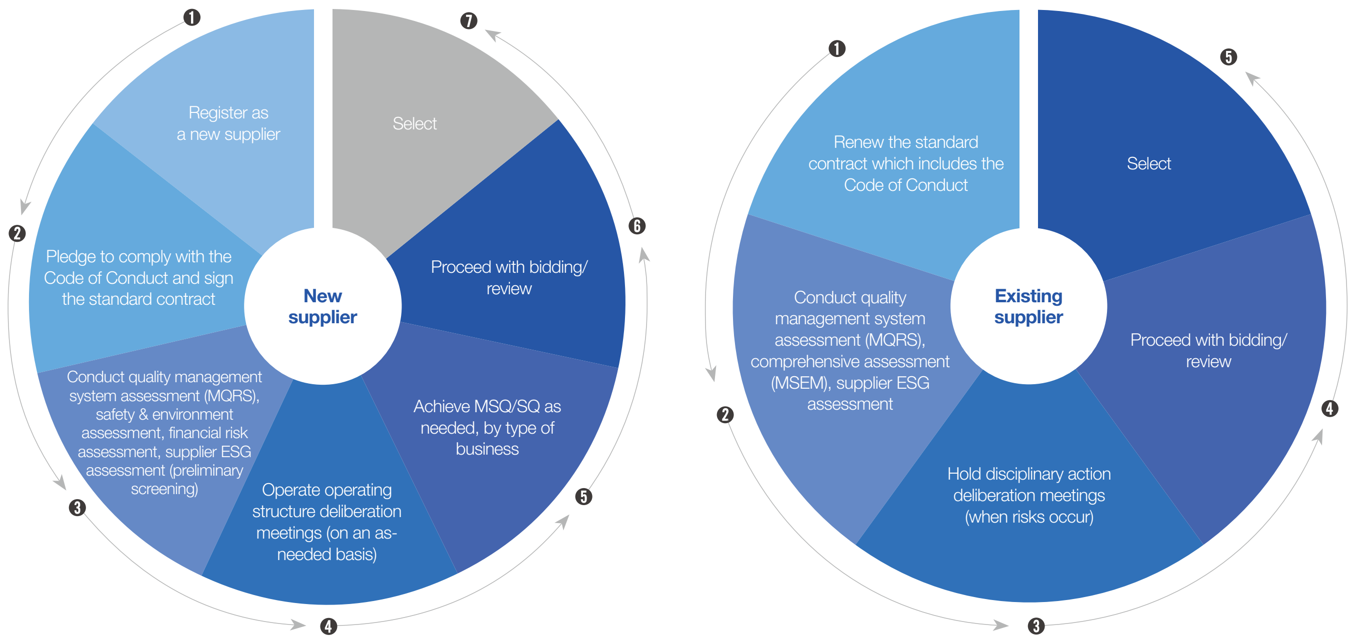
Supplier Assessment and Selection

We implement a fair and reasonable supplier selection process in line with the Mobis Procurement Operation System (MPOS). In selecting new suppliers, we assess their quality management system, safety & environment practices, and financial risk to review relevant risks in advance. Our standard contract includes provisions on the 'compliance with the Code of Conduct' to request suppliers to understand and abide by our supply chain ESG policy. Meanwhile, any newly-registered suppliers working to obtain orders must score 70 or more points out of the 100 presented in the supplier ESG assessment to be deemed eligible in advance.

For existing suppliers, comprehensive evaluations are made, including ones made through the Mobis Quality Rating System (MQRS), to ensure sustainable competitiveness in terms of quality, delivery, and technology. MQRS assessments are made every three years, and assessments are made each year to rate suppliers through the Mobis Supplier Evaluation and Management system (MSEM). Assessment scores are reflected in selecting suppliers, who are given incentives or penalties depending on their rating. Suppliers with high ratings are entitled to rewards while those with low ratings could be excluded in participating in new projects. We also conduct annual ESG assessments (self-assessment and on-site assessments), and hold disciplinary action deliberation meetings when risks occur to determine whether to put restrictions on transactions.

Throughout the entire process of signing contracts and conducting business with tier-2 and tier-3 suppliers, we assess tier-1 suppliers for their compliance with our Code of Conduct for Business Partners in doing business with tier-2 and tier-3 suppliers, and request that they make improvements concerning any non-compliance or risk. We also perform supply chain ESG assessments on core tier-2 suppliers to ensure the quality of our overall supply chain management.

Supply Chain Assessment/Supplier Selection System



Supplier Assessment Items

Key Management Items

Quality	Delivery
Receiving defect rates under the quality management system	Compliance with the out-of-stock policy
Technology	**Win-win partnerships**
Basic/future competence and execution capabilities	Payment conditions

ESG Perspective

Safety/Environment	Ethics
Risk management On-site safety management Prohibition of hazardous substances Environment management	Win-win collaboration Support for transparent management

Supplier Sustainability Risk Assessment

To assess environmental management risks and overall ESG risks in the areas of human rights and labor conditions, we conduct annual supplier ESG assessments on tier-1 suppliers for the Headquarters, core tier-2 suppliers, and all new suppliers. In 2022, we systematized the assessment process through our ESG management platform to manage data on a cumulative basis and analyze assessment results more systematically. We also continued to upgrade the assessment questionnaire and further provided regulations and relevant materials for suppliers to refer to when filling out the questionnaire so that suppliers better understand ESG assessment items and improve the accuracy of our assessment.

Risk Assessment Process

Suppliers' self-assessment
Conduct written assessment

Identify suppliers in need of on-site assessment
Perform on-site assessment when identifying risks as follows
❶ High-risk supplier: Self-assessment scores below 70 points
❷ Suppliers identified for acts of serious non-conformance (risk identified in the categories of 'forced labor' and/or 'child labor' in self-assessments)
❸ Suppliers with above average self-assessment scores (90 and above) but who failed to provide detailed supporting data, thereby undermining the credibility of the results

On-site assessment
Conduct on-site assessments on high-risk suppliers (identified through on-site assessment)
Performed third-party on-site assessments on small/mid-sized companies (2022-2023)

Corrective action
Submit corrective action plans within 2 weeks and implement short-term (within 3 months) and long-term (6 months-1 year) tasks
(possible to grant exemptions to the implementation period following individual consultations with suppliers depending on the details of corrective action and surrounding circumstances)

Check the results of corrective action
Conduct another on-site assessment for the following year when the results of corrective action fail to be submitted

As a result of written assessments, 12 suppliers were identified as high-risk suppliers for their failure to meet the set self-assessment score, and we visited all of these suppliers to conduct on-site assessments, identify necessary improvements, and receive corrective action plans. These plans are categorized into short/long-term tasks and separate reviews are made on the actual implementation of improvement measures. Aside from high-risk suppliers, we conduct on-site assessment and consulting on all our small/mid-sized suppliers whom we do business with for the period of two years. In 2022, we visited 80 such suppliers to identify areas in need of support and made relevant proposals to aid in their sustainability management. Overall plans and achievements including supplier risk assessment and corrective action are reported to top management through the ESG Council Meeting. In addition to our Headquarters' suppliers, we will gradually extend the scope of risk management to include the suppliers of our corporations in Europe in 2023 and our corporations in the Americas in 2024 to establish a more rigorous risk management system.

Supplier ESG Assessments in 2022

(On-site assessment period: Aug. 2, 2022 ~ Jan. 10, 2023)

Category	Tier-1 Supplier		Tier-2 Supplier	
	Suppliers	Proportion (%)	Suppliers	Proportion (%)
Self-assessment[1]	342/373	91.7	25/26	96.2
High-risk suppliers	10	2.9	2	8
On-site assessment on high-risk suppliers	10[2]	100	2	100

1) Number of suppliers subject to ESG assessment: (tier-1) 373 suppliers out of 395 suppliers involved in the operating structure as of the start of the year, excluding those which did not have any transactions and distributors, (tier-2) 26 suppliers out of a total of 44 tier-2 suppliers of tier-1 suppliers who are involved in core business groups, direct development worth KRW 1 billion or more, or in individual contract, excluding those which had no transactions or discontinued their business
2) On-site assessments were made on two suppliers in January 2023.

Assessment results

Corrective action: 182 cases / Recommendation: 2 cases

184 cases

Submission rate of improvement action plans

100 %

Suppliers which eliminated their negative impact (improved ESG performance)

100 %

Major KPIs and Goals for Supplier ESG Risk Assessment

Major KPI	2020 Performance	2021 Performance	2022 Performance	2023 Plan	2025 Goal
Completion of on-site assessments conducted on 'high-risk suppliers' identified through supplier ESG self-assessment	100%	100%	100%	100%	100%
Reception of corrective action plans for the necessary improvements (findings) identified through on-site assessment	100%	100%	100%	90%	90%
Completion of deliberations on disciplinary action for suppliers whose non-compliance with the Code of Conduct resulted in media coverage of the issues	100%	100%	100%	100%	100%

3) Not occurred and noted as 100%

Key Corrective Actions Taken

Issue	Action
Necessity for the paystubs of foreign workers to be made available in their native language	Prepared and issued paystubs in the native language of the respective foreign workers
Confirmation and consent process for overtime work/allowances for each worker * Overtime work data is managed and retained	Established the confirmation and consent process for overtime work and allowances for respective workers
Need to establish and operate grievance mechanisms for human rights/labor issues	Established regulations/procedures in relation to grievance mechanism operations and relevant work
Exercises for fires and other high-risk situations * While response manuals (including the R&Rs) were established for respective emergencies, trainings have not been conducted since 2019.	Conducted and documented regular exercises /drills for fires and other emergencies

Supplier Support

Support for ESG Capacity Building

ESG Training for Suppliers

Hyundai Mobis provides ESG training to CEOs and top management of its suppliers through PARTNERS DAY events and committee discussions, held by business type, to assist suppliers in bolstering their sustainability management. Our portal system of the Procurement Division accessible by all suppliers serves to offer training on the importance of sustainability management, guidelines to comply with respective provisions of the Code of Conduct for Business Partners, Hyundai Mobis' supply chain ESG management system, ESG metric-specific review and improvement guidelines, and ESG best practices.

Supplier ESG Training Provided

Category	Overview	2022 Performance
PARTNERS DAY	Hyundai Mobis' supply chain ESG management system (Code of Conduct for Business Partners, shared growth programs, ESG risk review), supply chain GHG management plan, conflict mineral management, etc.	190 companies

Safety and Health Support for Suppliers

We continue with our wide-ranging efforts and support to provide a safe and pleasant work environment for suppliers and create a self-reinforcing system of product manufacturing and supply efficiency in so doing. In 2022, we performed free-of-charge safety inspections for 74 suppliers, and shared the results and provided relevant safety guides to fully assist our suppliers with safety and health improvement activities.

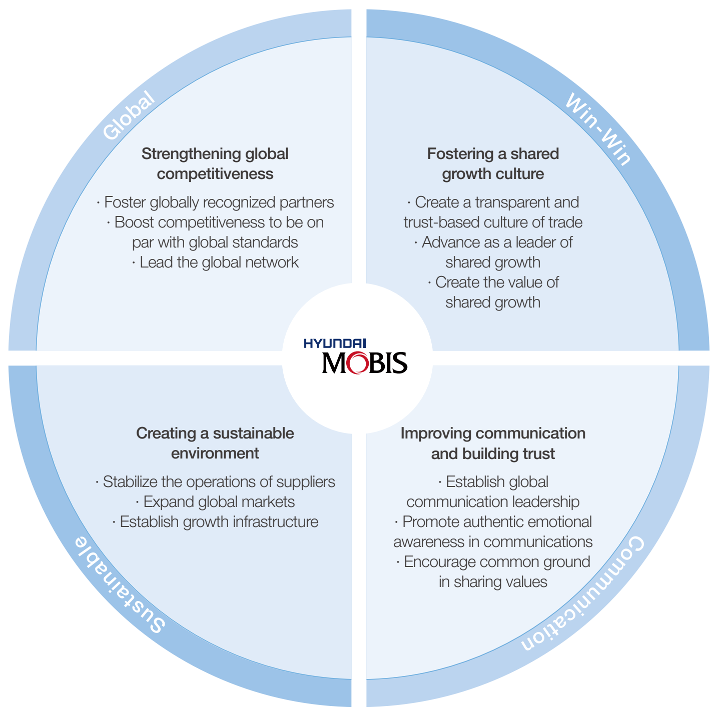
Safety and Health Support Activities for Suppliers

Name of Program	Program Overview	2022 Performance
Conduct safety inspections for suppliers	Assist small/mid-sized suppliers in conducting free-of-charge safety inspections and manage their continuous improvement to comply with applicable laws and prevent injuries	74 companies (Period: Apr. 2022~ Sep. 2022, 25 weeks)
Establish a safety training system for suppliers	Host safety and environment seminars on the topics of 'establishing a safety management system to prevent serious accidents at suppliers' and '2022 supplier safety inspection result briefing and sharing of key risk factors'	185 companies in H1, 173 companies in H2 (on a semi-annual basis)

Support for Shared Growth

Hyundai Mobis pursues win-win partnerships with suppliers in line with the four pillars of our shared growth strategy: strengthening global competitiveness, fostering a shared growth culture, creating a sustainable environment, and improving communication and trust. To this end, we announced the Seven Beautiful Promises and established a detailed policy to extend our support to tier-2 and tier-3 suppliers. We operate a host of win-win collaboration support programs based on the spirit of fair trade and advance shared growth initiatives in the sincerest possible way. In the 2021 Shared Growth Index Assessment conducted in 2022, we were rated 'Best' for four consecutive years in recognition of our efforts.

Support for Shared Growth



Seven Beautiful Promises

❶ **Funding support**
Cash payments / Lump-sum payments for molding costs / Low-interest rate loans / Win-win cooperation funds

❷ **R&D cooperation**
Royalty-free patents / Test equipment / Joint technology development / Technology escrow system

❸ **Support for tier-2 and tier-3 suppliers**
Fair trade agreement / Funding support for tier-2 suppliers / Improvement for cash payments

❹ **Training support**
On-site guidance / Quality and technical training / Management consulting

❺ **Strengthening communication**
Operating the General Meeting of Suppliers / Operating seminars / Improving supplier grievances / Supplier rewards

❻ **Fair trade and ethical management**
Operating subcontracting regulations / Operating ethics regulations / Operating compliance regulations / Whistleblowing channels

❼ **Other support**
Support for overseas market development / Performance sharing program / Win-win payment products / Supporting recruitment / Joint CSR activities

Providing Funding Support and Improving Payment Conditions for Suppliers

We operate a range of funding support programs and improve our payment conditions to help our suppliers resolve their financing difficulties and secure liquidity. Along with win-win growth funds, we also provide win-win collaboration loans, future growth funds, and many other funding support programs for suppliers to take out loans at low interest rates to meet their equipment/operational funding needs. Specifically for mold development, which requires significantly lofty investments in the new parts development process, we make lump-sum payments before mass-production to help small/mid-sized suppliers cover their costs and relieve their burden of up-front investments, supporting them with uninterrupted cash flow. Our win-win payment system, designed to improve payment conditions by providing discounts on payments based on Hyundai Mobis' credit so that suppliers can quickly cash in their payments without the risk of insolvency, was extended to tier-2 and tier-3 suppliers.

R&D Cooperation to Enhance Suppliers' Self-sufficiency

We make our patents available for suppliers and support their technology development to help our suppliers strengthen their R&D capabilities. Not only do we provide suppliers with access to our certified test centers so that they reduce the financial burden of testing and analysis expenses and facilitate their parts development, we also financially assist them in purchasing testing equipment, paying for test fees, calibrating testing equipment, and acquiring necessary licenses. Our guest engineering program makes our research spaces and equipment freely available for suppliers, and we also work together with suppliers in developing technology and making patent applications to promote mutual growth in technology development.

Operating Support Programs for Tier-2 and Tier-3 Suppliers

We provide tier-1 suppliers who signed the fair trade agreement with subcontract training, fair trade consulting, and tier-2 supplier support programs while working to disseminate a culture of win-win collaboration by encouraging our suppliers to sign the fair trade agreement between tier-1 and 2 suppliers and between tier-2 and 3 suppliers. Under our shared growth stimulus program, tier-1 suppliers providing cash payments to tier-2 suppliers are offered incentives proportionate to the cash payments, which increases the propensity to pay in cash. We also operate the No.5 win-win growth funds exclusively for tier-2 suppliers to help them take out loans at low interest rates to meet their financing needs. The GPC[1] serves as our dedicated supplier training facility to support suppliers with their employees' capacity building. Such initiatives promote a beneficial domino effect for all parties, and help sustain a reliable supply chain infrastructure.

1) GPC: Global Partnership Center

Molding development costs	Win-win growth funds	Payments made under the win-win payment system
Amount paid in lump sum: KRW 70.5 billion	Amount raised: KRW 271.5 billion	Hyundai Mobis to tier-1 suppliers: KRW 6,676.1 billion
	Amount spent: KRW 197.1 billion	Tier-1 suppliers to tier-2 suppliers: KRW 172.3 billion

Patents made freely available	Patent transfers	New product/ New technology developments
Patents made freely available: 421 patents	Patent transfers: 30 cases	Amount provided to support development: KRW 63.4 billion

Fair trade agreement signed	Financial support provided to tier-2 suppliers only
Signed between tier-1 and tier-2 suppliers: 229 tier-2 suppliers	Amount in deposit: KRW 3 billion
Signed between tier-2 and tier-3 suppliers: 69 tier-3 suppliers	Amount provided: KRW 1.8 billion

Management Support for Productivity Improvement

We support suppliers with their smart factory efforts to help improve productivity, and share with them the latest technology information, quality improvement plans, and regulatory trends each year, along with relevant training provided to supplier employees. Our trainings are designed to meet the needs of different job positions spanning working-level, quality, and technology operations so that increased employee competency is directly translated into quality improvements for our suppliers. Furthermore, we provide suppliers with resident guidance and consulting for overall management. Technical experts engage in direct, on-site instructions to help resolve difficulties on the shop floor, share their process-specific knowledge to reduce defects while improving processes, and offer consulting on overall management. The Foundation for the Promotion of Korea's Automotive Parts Industry provides this guidance as an outside agency, which helps ensure the professionalism and practicality of such assistance.

Program	Overview
Smart factory development	Support tier-1 and tier-2 suppliers with production automation, including initial/interim/final inspection[1] test equipment and with productivity improvement including ERP building
Resident technical guidance	Provide consulting on quality issue improvements with the help of resident experts
Resident management advisory	Provide consulting to help suppliers strengthen their capacity for overall management including strategy, finance, marketing, and organization
Technology/Quality School	Provide tier-1 and tier-2 suppliers with technology and quality training

1) Initial inspection, interim inspection, final inspection

Providing Suppliers with Resident Guidance and Consulting

To help suppliers improve their quality management capabilities, technical experts are sent to offer on-site instructions to help resolve difficulties on the shop floor and improve quality competitiveness. These experts remain permanently on-site with our suppliers to share their process-specific knowledge to reduce defects while improving processes and providing consulting on overall operations, including manufacturing technology and quality management. The Foundation for the Promotion of Korea's Automotive Parts Industry provides this guidance as an outside agency, which helps ensure the professionalism and practicality of such assistance.

Performance Sharing and Other Support

Our performance sharing agreement system aims to ensure the fair distribution of outcomes generated through our joint efforts with suppliers for development, cost savings, and productivity gains and to facilitate relevant proposals and developments. To support suppliers with recruiting top talent, we collaborated with Hyundai Motor Group to hold annual job fairs to help resolve labor shortages. Our online employment center for suppliers has been up and running since 2019 on the iONE-JOB website in partnership with the Industrial Bank of Korea. This site helps small/mid-sized companies fill open positions, while providing first-time job seekers with employment opportunities.

Program	Overview
Performance sharing program	Signed the performance sharing agreement to distribute the outcomes generated while jointly working with suppliers for cost saving and productivity gains among others
Recruitment support	Collaborated with Hyundai Motor Group to host job fairs to support suppliers in recruiting top talent and operate the online employment center for suppliers on the iONE-JOB website

Effects of Win-Win Programs

Support entering overseas market	Assist suppliers in attending overseas automotive parts exhibitions to help small/mid-sized suppliers tap into overseas markets, and provide free-of-charge assistance throughout the entire process, from matching suppliers with overseas buyers, to buyer counseling	Non-disclosure agreements (NDA) signed with and request for quote (RFQ) received from overseas buyers KRW 38.29 billion
Improve productivity	Provide small/mid-sized suppliers lacking basic technology with resident expert guidance, by business, type to support productivity improvements	Cost saved KRW 21.71 billion
	Provide small/mid-sized suppliers with smart factory deployment support to assist their productivity improvement in such areas as manufacturing and management	Productivity gained KRW 4.62 billion
Reduce cost	Support suppliers working with Hyundai Mobis in the Chinese market in reducing manufactured parts test/analysis costs	Cost saved KRW 140 million
	Provide A/S parts sales and inventory data to suppliers and share the savings generated in inventory management cost to help reduce costs	Cost saved KRW 230 million
	Support suppliers with test equipment purchase/calibration and test fee payments to help reduce costs	Cost saved KRW 120 million

Responsible Minerals Management

Conflict Minerals Management System

Responsible Sourcing Policy for Minerals

Hyundai Mobis prohibits the use of conflict minerals (tin, tantalum, tungsten, gold, 3TG hereinafter) mined in conflict areas[1] in our manufacturing operations. We pursue responsible minerals management to eliminate human rights violations and/or environmental destruction that may arise during the mining process and protect the safety of workers. To this end, we have stablished our management process governing conflict minerals and cobalt, among others, in accordance with the OECD Guidelines, SEC[2]'s requirements for companies pursuant to the US Doff-Frank Act, and EU's Conflict Minerals Regulation. We also communicate our Code of Conduct to suppliers to encourage them to do business with RMAP[3]-conformant refiners and smelters. Hyundai Mobis will duly fulfill the duties stipulated by relevant laws and stakeholders and continue to improve its conflict minerals management system to minimize any negative impact on society and the environment.

1) Conflict areas: Ten African countries of the Democratic Republic of the Congo, Central African Republic, South Sudan, Uganda, Rwanda, Burundi, Tanzania, Zambia, and Angola
2) SEC (Securities and Exchange Commission): A quasi-judicial body that oversees the U.S. stock market
3) RMAP: Responsible Minerals Assurance Process

Conflict Minerals Management Process

Hyundai Mobis is teaming up with our suppliers to establish a sustainable, robust supply chain system that bans the use of conflict minerals across all our supply chains. We stipulated our Responsible Sourcing Policy of Minerals within our Hyundai Mobis Code of Conduct and Code of Conduct for Business Partners and make this policy available on our website while reflecting on our conflict mineral assessment in our annual 'ESG sustainability risk self-assessment'. For companies supplying us with EV parts and/or items for global car OEMs, we collect data on their use of conflict minerals and cobalt and on refiners and smelters who operate along our supply chains through the use of the CMRT (Conflict Minerals Reporting Template) and the EMRT (Extended Minerals Reporting Template) provided by the RMI[4]. If any transactions with non-RMAP-conformant refiners and/or smelters are identified within our supply chains, we demand corrective action and monitor the progress and outcome therein. To keep pace with the market trend of shifting from internal combustion engine cars to eco-friendly cars, we will gradually expand the scope of our surveys with a focus on eco-friendly vehicles to ensure rigorous risk management.

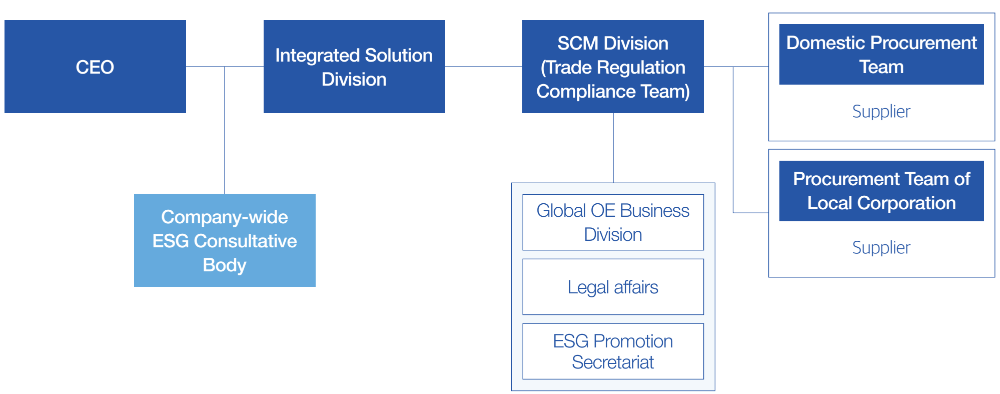
4) RMI (Responsible Minerals Initiative): A global initiative to advance responsible minerals sourcing

▶ Responsible Sourcing Policy of Minerals

Conflict Mineral Management Governance

The Trade Regulation Compliance Team is in charge of the conflict minerals management, engages in conflict minerals risk management in partnership with respective procurement teams, and closely cooperates with respective relevant divisions.

Conflict Minerals Management Governance

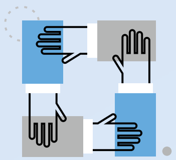


Conflict Minerals Management Process

▶ Responsible Minerals Reports

Human-centric Workplace

Link to the UN SDGs



2022 Key Performance

100% completion of human rights risk assessment rate

(Domestic&Overseas manufacturing sites)

Future Plan

100% completion of human rights risk assessment rate at domestic and overseas manufacturing sites

2022 Key Performance

360 employees recruited in SW-new technology positions

Future Plan

Continue to recruit talents for SW/new technology positions

Do Yeon Kim, Senior Manager — Compliance Team

At Hyundai Mobis, human rights management aims to respect major international human rights norms and principles in business conduct to protect and uphold stakeholder rights. Following the adoption of the UN Guiding Principles on Business and Human Rights(UNGPs), countries around the world have stipulated laws and regulations in relation to human rights management, and stakeholders increasingly demand that we abide by applicable international standards. Any failure to properly manage human rights risks as a company could create an adverse impact on trade and investment and even tarnish a company's reputation to eventually undermine corporate sustainability. This is why we at Hyundai Mobis continue our efforts to establish a human rights management organization and system and to operate effective due diligence and remedy processes with an aim to prevent human rights violations in our business conduct and mitigate relevant risks. As respect for human rights becomes an ever-increasing expectation assigned to corporate responsibility, we request and encourage our entire staff to genuinely and proactively participate in initiatives to this end so that an effective human rights management system is up and running to respect human rights at Hyundai Mobis.

Seung Young Rho, Assistant Manager — Recruitment Branding Team

In 2022, we focused on three terms: 'fair recruitment', 'applicant-friendly' and 'recruitment of people with disabilities, patriots and veterans related' in our hiring process. As unfair recruitment practices such as the request for unjustified favors have recently made headlines, we are doubly reminded of the importance of 'fair recruitment'. At Hyundai Mobis, all our hiring managers fully understand our recruitment guidebook and complete the relevant legal training to abide by our rigorous recruitment standards and procedures. All our interviewers receive interviewer training and are required to sign the fair recruitment pledge and to confirm professionalism/impartiality between the interviewee and interviewer. Taking into account that millennial and Gen Z applicants may tend to share more about their recruitment experience on social networks, we implement an applicant-friendly recruitment process: we operate an official hiring social network channel to share hiring information, and expedite the hiring lead time while providing prompt feedback to applicants to improve their convenience. We also expand our recruitment of people with disabilities, patriots and veterans related, and assign job advisors to new hires with disabilities to facilitate their onboarding at Hyundai Mobis, working to hiring socially underprivileged groups.

Protection of Basic Rights

Respect for Human Rights

Human Rights Management System

Hyundai Mobis advances human rights management to respect the human rights of all our stakeholders as well as our own employees and to eliminate any potential human rights risk. We have established an internal management system to identify, prevent, and mitigate negative human rights impacts and risks that may arise in the course of our business conduct, and share implementation results with internal/external stakeholders. With the Compliance Team playing a central role as a human rights management organization, we implement human rights management according to principles of good faith, and regularly review our human rights management procedures and methods and amend our management system in full reflection of emerging social trends.

Human Rights Management System

Establish and declare human rights policy

Engage in human rights risk prevention activities
(Training, assignment of professionals, etc.)

Conduct human rights risk assessments and reviews
+ Operate whistleblowing channels

Solve human rights risks

Disclose our progress
in implementing human rights management

Human Rights Policy

Hyundai Mobis declared our human rights policy to prevent human rights violations and mitigate risks associated with business operations while actively practicing human rights management. Our human rights management complies with human rights and labor-related international standards and guidelines - including but not limited to the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the ILO Constitution, and the OECD Due Diligence Guidance for Responsible Business Conduct. The primary compliance scope for our human rights policy covers employees of Hyundai Mobis (including temporary workers), and this includes the employees at our domestic and overseas manufacturing and sales corporations, subsidiaries & sub-subsidiaries, and joint ventures. In addition, we encourage all our stakeholders doing business with us, including suppliers and sales & service organizations, to abide by our human rights policy. If our human rights policy runs counter to the local laws and regulations of the countries in which we operate, the local laws and regulations will prevail. Our human rights policy is amendable to reflect the local regulations and industrial characteristics of respective countries, and separate detailed policies can be established when deemed necessary. Unless there are special provisions in the laws and regulations of respective countries, in the Articles of Association, or in internal regulations, all Hyundai Mobis employees should conduct business in conformity with our human rights policy.

▶ Human Right Policy

Basic Principles of Hyundai Mobis' Human Rights Policy

Article 1 Prohibition of discrimination	Article 2 Compliance with working conditions
Article 3 Humane treatment	Article 4 Guarantee of freedom of association and collective bargaining
Article 5 Prohibition of forced labor and child labor	Article 6 Guarantee of occupational safety
Article 7 Protection of the human rights of local residents	Article 8 Protection of the human rights of customers

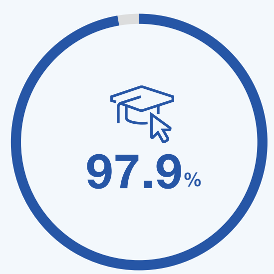
Human Rights Risk Management

Prevention of Human Rights Risks

To minimize the possibility of any human rights risks within and among organizations, we provide all our employees (in Korea, including contract and dispatched workers) with annual human rights training to raise their awareness on human rights. For overseas corporations, CPOs (Compliance Officers) are assigned as compliance experts across our global operations in the US, Central and Latin America, Europe, and Asia Pacific, and bimonthly CPO consultative meetings and the Global Legal Conference[1] are held to review our current status and discuss key issues. In 2022, compliance training that also addressed human rights issues was conducted, with the help of CPOs, to elevate human rights awareness among local employees and prevent human rights risks.
Hyundai Mobis takes human rights issue seriously across our supply chains and all our business operations, as well as inside the Company. In entering into a contract with new suppliers, we have them sign the pledge to abide by our human rights and labor guidelines in accordance with our Code of Conduct for Business Partners. All partners who do business with Hyundai Mobis are obligated to respect and protect the human rights of their members and stakeholders and to prohibit any unfair discrimination.

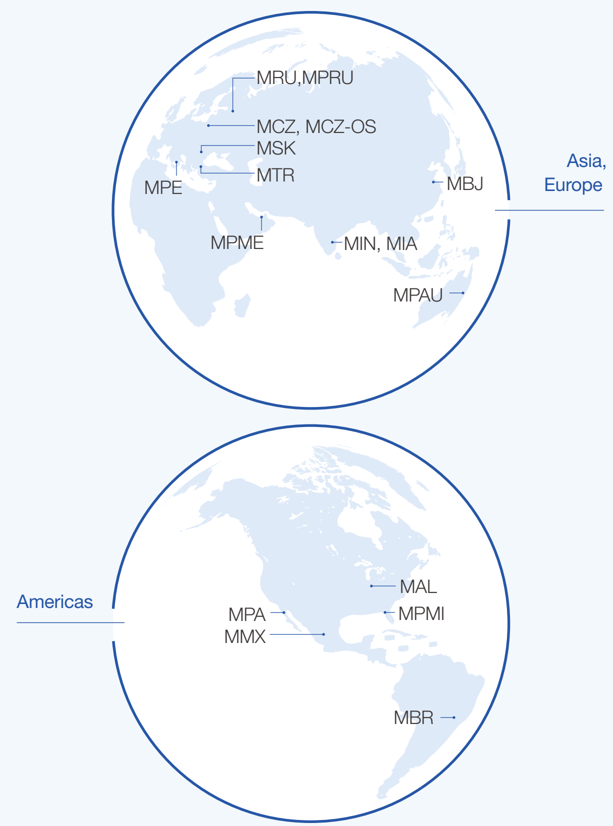
1) Not held in 2020 due to COVID-19 restrictions, and held annually since 2021

Human Rights Training Completed in 2022



* Company-wide compliance training in 2022 (Human rights management module)

CPOs Assigned at Overseas Business Sites



China	Asia Pacific
MBJ (Manages all corporations in China)	MIN, MIA, MPME, MPAU

Americas	Europe
MAL, MPA, MMX, MBR, MPMI	MSK, MCZ, MCZ-OS, MPE, MTR, MRU, MPRU

Human Rights Risk Review and Improvement

Hyundai Mobis operates a human rights risk review and improvement system in relation to human rights, labor, ethics, and safety items that may pose actual or potential impacts on our employees, including foreign workers. In 2022, we newly initiated ESG business site assessments to span human rights and other ESG areas to review individual business sites for their human rights risks. The assessment sheet was developed in consideration of domestic and overseas regulations and guidelines, and was used for business sites to perform self-directed written assessments. Overseas business sites, identified as high-risk sites through such assessments according to geographical risk and other internal criteria, received on-site inspections. This helped us identify these human rights risks, and the total inspection results including these risks were reported to the CEO and were shared among relevant divisions and business sites. Going forward, we will further advance our human rights review process to minimize relevant risks.

Human Rights Risk Review Process

Develop a global ESG assessment sheet → Perform written assessments → Perform on-site due diligence

Perform written assessments:
- Provide preliminary briefings and trainings
- Conduct assessments
- Analyze results
- Evaluate and feedback

Perform on-site due diligence:
- Analyze the results of written assessments
- Identify risks and perform on-site assessments
- Analyze results and provide feedback
- Develop mitigation plans

Human Rights Risk Review Results in 2022

Written assessments 100%

On-site assessments 100%

* Four locations in Korea, 15 locations overseas (Sites which suspended manufacturing operations (MCQ, MRU) and new sites (MUA) are excluded (not applicable), and joint ventures and sites that were not yet operational (before mass-production) are not subject to assessment.

Whistleblowing and Handling of Human Rights Violations

Hyundai Mobis operates the 'Compliance Helpline' as an integrated management channel for raising concerns, seeking counseling, and blowing the whistle on all types of human rights violations and grievances. To protect whistleblowers, we go through independent professional service providers that uses a security technology that makes IP addresses untraceable. In addressing whistleblowing reports on human rights violations, including discrimination, we operate our investigation and handling process that includes protection for victims. If a human rights violation is substantiated through detailed investigations, strict measures, including HR decisions, are taken through the Disciplinary Committee. Handling results are managed by the responsible personnel only according to the set process, and are managed accordingly. For cases that could severely impact the freedom and rights of the victim or cause a reputational risk against the Company, committee meetings attended by relevant decision-makers or management meetings are held to discuss remedy and improvement measures. We also engage in human rights trainings and corporate culture improvement activities to prevent human rights violations and their reoccurrence.

Grievance Handling Process

Report/Receive (Compliance Helpline (Third-party anonymous channel), or Hello, HR)

Verify the details/take action (Department in charge)

Handle the case (HR measures, etc.)

Feedback

Implement measures to prevent reoccurrences, and monitor the subsequent results

Potential Human Rights Issues

Category	Vulnerable Groups in the Value Chain	Our Response
Prohibition of forced and child labor	Employees, Suppliers	• Prohibit the signing of contracts that run counter to the Labor Standards Act • Review suppliers for their ESG risks
Compliance with working conditions	Employees, Suppliers	• Sign the work agreement • Manage the actual hours worked on an on-going basis through the PC-Off program among others • Operate a range of benefit programs • Review suppliers for their ESG risks
Humane treatment	Employees	• Set cultural ground rules • Operate channels to receive employee grievances and provide counseling
Prohibition of discrimination and harassment	Employees	• Provide training to prevent sexual harassment/bullying in the workplace and to improve perceptions on disability • Receive employee grievances and provide counseling
Guarantee of freedom of association	Employees	• Comply with country-specific labor relations laws • Operate labor unions and sign collective agreements through collective bargaining • Engage in labor-management consultations
Safety and health	Employees, Suppliers	• Implement the mid/long-term safety and health strategy • Operate the Occupational Safety and Health Committee (composed of an equal number of labor and management representatives) • Certify domestic/overseas operations to ISO 45001 and conduct 365-day Joint Patrol and other third-party audits • Provide regular health check-ups for employees • Review suppliers for their ESG risks
Environmental protection	Local residents	• Reduce GHG emissions, facilitate the circular economy • Raise the bar on the management of pollutants and harmful substances (meet the set legal threshold and develop alternatives)
Protection of human rights for local residents	Local residents	• Embed a human rights-driven mindset among employees through relevant training • Reach out to communities through CSV activities at the business site level
Protection of human rights for customers	Customers (Distributors, Consumers)	• Operate the customer center year-round • Receive and handle grievances through the customer counseling system (MINDS)
Data privacy	Employees, Customers (Consumers)	• Operate the data privacy management system (disclose regulations and guidelines on the security portal and operate trainings, etc.)

Diversity and Inclusion

Diversity and Inclusion Policy

Hyundai Mobis stipulated our Diversity & Inclusion (D&I) policy to create a corporate culture that inspires our employees to think creatively and rise to challenges and to do our part in making our society more inclusive. It is clearly stated in our D&I policy, as well as in our Code of Conduct for employees and human rights policy, that we do not tolerate any unfair discrimination on the grounds of gender, race, ethnicity, nationality, cultural background, disability, age, individual sexual identity, political/religious beliefs, or social status without any justifiable reason.

▶ D&I Policy

Promoting Diversity and Inclusion

We selected the expansion of employees' diversity and inclusion as a key mid/long-term ESG task, and are preferentially promoting the expansion of gender diversity. We faithfully worked to attain our detailed mid/long-term goal that we set to increase the recruitment of women in Korea in consideration of the current employment practices in our industry. We successfully reached our annual short-term goal in 2022. We also added diversity metrics in our corporate culture assessment to monitor our employees' awareness in all diversity areas including race and generational differences, as well as gender. Our multi-faceted efforts to create a fair working environment that guarantees equal opportunity and treatment for both men and women enabled us to be certified as a family-friendly business by the Ministry of Gender Equality and Family back in 2014, and we have remained certified since that time. In 2022, we increased our employment of people with disabilities through consulting provided by the Korea Employment Agency for Persons with Disabilities. We developed employee manuals and provided counseling to help resolve workplace-related grievances with an aim to assist newly-hired individuals with disabilities in their onboarding process.

Employee Diversity Program

We encourage the operation of Employee Resource Groups (ERG) and mentoring so that employees from diverse backgrounds can connect and find common ground in regards to diversity and inclusion. This empowers our employees to become better team players and participate in diversity-driven outreach activities, including cultural exchanges and community activities, which will positively impact the wider community.

Group	Activity	Target
MOBIS TEAM BUILDING @MOBIS Alabama	Support millennial employees with self-development and career growth to help recruit talent and long-term employment retention	Millennials
Public Interest Female Committee @ MBJ	Support female employees to develop their career in the manufacturing industry through the distribution of legal knowledge on the protection of women's rights and interests and through special lectures on psychological wellbeing	Women resource groups
Job training and counseling for employees with disabilities	Support employees with disabilities in their communications and job training to help them adjust to their work environment and broaden overall awareness on disability	Employees with disabilities

Gender Pay

Hyundai Mobis provides equal pay to employees working in the same position irrespective of gender. Identical performance appraisal results yield identical compensation, regardless of job level and/or gender. The discrepancies in wage averages between men and women are due to the higher proportion and the longer service periods of the male employees. Over time, such wage discrepancies will naturally lessen with the rising proportion of female managers and increases in the service period of female employees.

Labor Relations

Labor Relations Policy

We operate our labor relations policy in conformity with the local labor relations laws and regulations of countries where we operate, and respect the voluntary choice of our employees to work according to their own free will. We guarantee employees' freedom of association and the right to collective bargaining, and strictly prohibit any unfair treatment for joining, organizing or engaging in labor unions. Furthermore, our collective agreement specifies that we sufficiently consult with labor unions concerning any important change in our business operations to ensure stable employment for employees.

Operating the Labor-Management Consultation Channel

There are three labor unions operating at Hyundai Mobis, which run according to the characteristics of locations, business sites, and the work performed. We engage in collective bargaining with each of these labor unions each year. We also hold joint briefings and Labor-Management Council meetings to promote labor-management communication, promoting solidarity and building trust-based relationships in so doing. We also collect employee feedback and communicate the results of Council meetings through discussions held by job level and division, communities, and the intranet.

Labor-Management Consultations by Channel

Collective bargaining	Labor-management consultations	Management briefings
Consultations on the agendas requested through collective bargaining	Share the pending issues of business sites and engage in consultations	Share the Company's business performance, conditions, and plans
49 times	10 times	3 times

Employee Value Expansion

Recruitment

Operating a Fair HR System

At Hyundai Mobis, a total of 33,125 employees are working in Korea and abroad in the areas of R&D, procurement, manufacturing, logistics, and sales. We abide by domestic and international labor laws and operate a fair HR system to ensure employees from diverse backgrounds work together and at their fullest potential.

Recruiting Talents

We strive to recruit exceptional talent with convergence thinking capabilities in line with the core values of Hyundai Motor Group. We set up interviews with our current employees, made available through wide-ranging promotion channels, including our recruitment website and our official YouTube channel, and proactively operate virtual recruitment processes. This helps applicants better understand their application areas, our products and significantly facilitates the overall process. We promote transparency and fairness in our recruitment process and leverage a variety of opportunities made available through job fairs, the SW Academy, and through invitations to outstanding individuals to increase our recruitment of top talent. In the post-recruitment phase, we provide a wide range of onboarding activities, including mentoring, to assist new hires in adapting to their new workplace.

▶ Recruitment website

HR System

Recruitment

- Recruit based on job competency, regardless of gender or background
- Provide a range of options, including year-round open recruitment, SW Academy, and employee referral in emerging technology areas

Training and Assignment

- Support capacity building through IDPs (Individual Development Programs)
- Leverage talent by operating Career Market as an in-house open position relocation program

Appraisal and Promotion

- Prohibit gender-based disadvantages/discrimination in the appraisal and promotion review process

Compensation

- Operate a non-discriminatory compensation system based on the labor contract

<Mobis JOBterview>

Our official YouTube channel <Mobis Live> uploads diverse content to help viewers better understand what we do and what we manufacture in an easy-to-understand format to reach out closer to job applicants. In particular, our <Mobis JOBterview> video series addresses any practical questions raised by job candidates on respective research areas and job functions. Especially popular ones are Hackterview videos in which applicants can be the ones to address questions to our current employees working in such fields as software, cyber security, and other areas they are not familiar with as well as Drawingterview videos in which our current employees can engage in time-bound interviews in which they visually draw pictures to answer questions.

▶ Mobis Live

Recruiting Key Mobility Talent

We developed our recruiting strategy to secure talent tailormade to meet our future mobility software development needs. Unlike other positions that are filled through year-round recruitment by business division, we proactively pursue large-scale, integrated recruitment for software positions to efficiently recruit outstanding professionals under the slogan ‘All Together Recruiting’, and we are exploring multiple ways to bring in exceptional individuals.

SW Academy Aligned with Recruitment

SW Academy represents our novel recruitment program designed to bring in top-tier software talent for our autonomous driving, infotainment, and electrification business. We provide mobility-customized software training in collaboration with third-party software education institutions, and recruit those who complete such training through final interviews. We place priority on an applicants’ level of software competency during training so that our hiring matches our distinctive needs.

Employee Referral

We seek referrals from our current employees in filling experienced positions in order to secure top talents in future strategic technology areas such as electrification, AAM, robotics, and software. Employee referrals help us verify the job expertise of the recommended applicants, and the candidates are better able to adapt to our organization as they already have an established rapport with the employee who referred them.

Operating an Undergraduate Track

We signed an MOU with Sungkyunkwan University to create the Hyundai Mobis Future Mobility Recruitment Alignment Track (Hyundai Mobis Track)’. This talent development program provides undergraduates wishing to become a future mobility expert, with systemic educational courses encompassing on-site training, industry-academia research project undertaking and research support, and field-focused project experience, along with curriculum courses on key technology. A total of 100 undergraduates, roughly 20 per year, will be recruited over the next five years starting in 2023. These students will receive full scholarships and guaranteed R&D positions, along with MA scholarships for select candidates. We also introduced the Capstone Design program to provide such added benefits of internship program participation, 1:1 mentoring from current researchers, and overseas field trips and to provide an opportunity to experience the entire process from planning and design to manufacturing, in place of preparing a graduation thesis by reinforcing the operation of industry-academia projects with a focus on talent development. Hyundai Mobis will continue with our commitment to recruit talented professionals who will thrive in specializing in future automotive development and expedite our efforts to improve our fundamentals to evolve into a mobility software company.

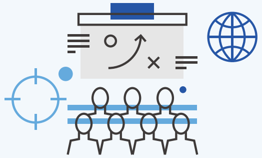
* MOU ceremony to establish the Hyundai Mobis Future Mobility Recruitment Alignment Track

SW Algorithm Competition

We have hosted the SW Algorithm Competition for our employees since 2019 to create a software-driven R&D culture. This has been extended to include external stakeholders interested in SW development since 2021, and the competition was split into the student and public categories in 2022. Contestants can use four types of computer programming languages to solve the problems within the set time limit and submit their source code. The preliminary round was attended by nearly 4,000 people, and those who ranked highest were exempted from the paper-based screening and received other perks in the recruitment process. This is just another example of how committed we are to exploring a wide range of possible options so that we can hire the best possible people that will help us succeed in our future software development.

Case

GRAB Program



At the CES 2023, where participants compete to showcase their future technology, Hyundai Mobis operated a separate ‘HR Zone’ within the exhibition booth to invite global top talent, promote the Company, and seize an opportunity to recruit such outstanding individuals. The HR Zone was equipped with kiosks to inform visitors about Hyundai Mobis, our business areas, and career opportunities and to implement the GRAB (Global Recruiting And Branding) program through which our HR personnel engage in counseling and interviews with Korean students who enrolled in master’s or doctoral degree courses at local prestigious universities and are interested in landing a job at Hyundai Mobis. Going forward, we will diversify our window of talent recruitment to bring in tailormade talent so that we further advance our recruiting strategy.

Employee Growth Management

Talent Development Strategy

Hyundai Mobis offers a broad array of learning options for employees to seek growth at their own pace with an aim to build future growth drivers and set the trend as an industry leader. To this end, we established our training system upon the three directions for talent development: fostering future entrepreneur leaders, providing employee experience for engagement and capacity building, and nurturing experts to produce business performance.

Talent Development Program

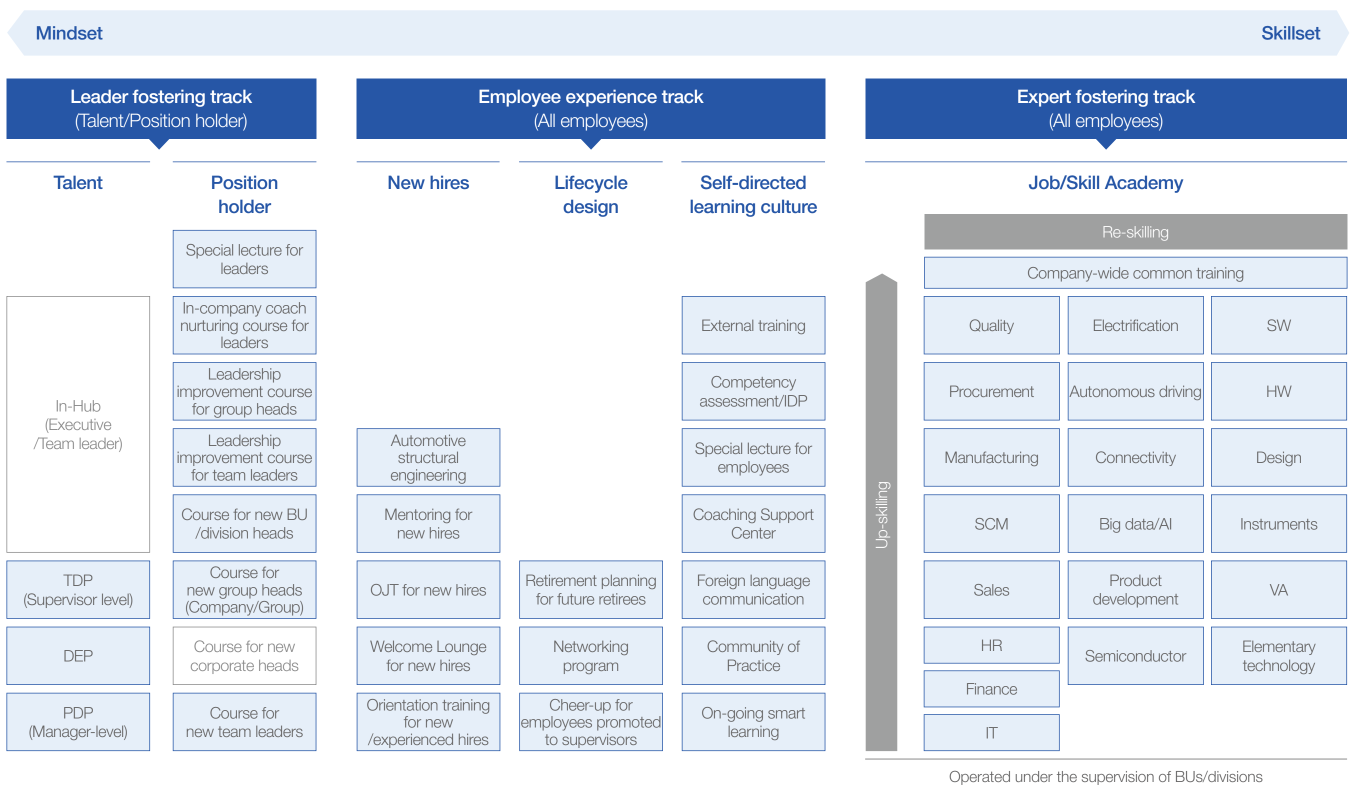
Strengthening Job Competency

Hyundai Mobis defined our training framework in line with our talent development strategy, and established a training system aligned with respective tracks with a focus on leadership, experience, and competency to support all our employees, including contract workers, to engage in self-directed learning while developing and operating standard career maps and learning maps in reflection of the characteristics of respective job positions. We develop new job training courses each year to help our employees strengthen their job competency, and implement our in-company nurturing program for trainers to provide more practical and effective training based on real-world work experience. In 2022, 66 in-company trainers operated 170 sessions of job training courses, and we leverage these trainers to pursue up-skilling at the company level. Furthermore, we operate re-skilling courses for self-initiated career development to provide intensive refresher training on future core technology areas and build our organizational capabilities in the process.

Talent Development Goals

Learning Map

Company training Group training



Leader Development Training

We set our course for nurturing leaders to help us navigate the shifting business landscape and support personalized leadership development in alignment with our HR strategic directions with an aim to bolster leadership capabilities. In particular, newly-appointed group heads and team leaders are provided with timely leadership solutions aligned with their performance management cycle to promote their continuous growth. We also support leadership resilience so that leaders play a pivotal role in boosting our organizational resilience and improve our competency and performance at the employee and organizational levels even in the dynamic and unpredictable business landscape. Furthermore, we operate basic coaching courses and assist in acquiring coaching licenses to disseminate a culture of coaching leadership. We also provide employees with self-understanding and one-on-one coaching courses from leaders who were nurtured as in-company coaches through our Coaching Support Center.

Assignment/Promotion Onboarding System

+2 Weeks	1-3 Months	-3 Months
Congratulatory greetings	Group coaching or 1:1 coaching	Roundtable meeting on leadership philosophy
Congratulatory package for new leaders (Distribute gifts and books recommended for leaders)	Coaching support	Roundtable meeting on leadership philosophy (Communication with group/sector members)

100 Days (Regular coaching) regular coaching support center

Coaching Support Center

	Jan.–Feb.	Mar.–May	Jun.–Jul	Aug.–Oct.	Nov.–Dec.
	Goal setting and sharing	Regular coaching	Competency assessment	Feedback	Achievement assessment

Role of organization heads
- Set team-level performance goals
- Share team-level strategic tasks and goals
- Assign roles for each team member and agree on their goals
- Provide team members with IDP development coaching /interviews

- Regular coaching & feedback (MOTIVE)
- Regularly review the progress made by each team member
- Assess the competency of team members
- Provide 360-degree competency assessment feedback

- Perform evaluations following assessment interviews
- Engage in group discussions in the calibration session
- Provide members with feedback on assessment results

Coaching Support Center
- Goal sharing workshop FT (facilitation) skills clinic
- Fostering coaching/interview skills clinic

- Regular performance feedback coaching
- Dialogue/communication training coaching

- Strength development/engagement coaching
- Assessment interview coaching

1:1 coaching by external experts (Advisory service)

In-company coach development course (License acquisition)

Bolstering Future Technology Capabilities

We provide a wide range of support to help our employees strengthen their software R&D competency required for autonomous driving, connectivity, and other future automotive technologies and to boost our company-wide SW technology capabilities. As part of such efforts, we operate the 'Mobility SW Learning Platform' to assist all our employees with their SW competency development. This platform supports regular online learning in the areas of automotive SW and architecture, programming, cloud, and other mobility SW. In 2023, a total of 2,490 employees received training for three sessions. Employees aspiring to relocate to SW positions and who completed this training can join our re-skilling program designed to provide advanced training upon passing our admission test. We also operate the Mobis SW Academy for researchers. The Mobis SW Academy opens and conducts training courses on convergence software specialized in sensing, perception, decision-making, control, and other areas of autonomous driving. It also covers mechanical structural engineering, which goes over the operating principles of self-driving cars. In 2022, 2,101 employees completed SW Academy courses to further bolster their job competency.

Advancing Training Infrastructure

To support our employees with a culture of systemic learning, we created in-house learning portal in 2018 and have since continued to upgrade this system. We secure new content made available on an on-going basis and provide customized curation services to allow employees to make use of content that readily meets their learning needs. In 2023, we will undertake an upgrade project to ensure this learning platform enables employees to share knowledge through both text and video.

We also introduced Ubob as a new learning platform under the existing learning portal to provide limitless e-learning services in terms of duration, session, or the number of courses. This will assist our employees in broadening their learning experience in the areas of job training, self-development, IT, OA, and language skills on an on-going basis.

Support for License Acquisition

Hyundai Mobis operates the license acquisition support program to encourage employees to engage in self-initiated learning and offer an opportunity to gain specialized job knowledge. We support 50% of the total expenses required to obtain licenses, ranging from tuition expenses to the purchase of learning materials and test application fees. This program covers nearly 200 licenses associated with our business areas, including A-SPICE examiner and certified labor consultant licenses. In addition, they are given training credits in reflection of their preparation time required to obtain licenses along with their level of difficulty, which motivates our employees to pursue self-directed learning and growth. Such conditions result in more and more employees acquiring licenses each year, and we will continue to encourage them to become licensed experts in even broader areas.

Operating the Community of Practice

Hyundai Mobis supports the Community of Practice (CoP) program to help create a culture of self-initiated learning and ensure our employees keep current with research trends, learn new technology, and acquire licenses to bolster their job competency. CoPs can be initiated by any group of three or more employees, and we cover a portion of activity expenses and also help pay for inviting external experts for lectures. A year-end contest is held each year to recognize and award top-performing CoPs. In 2022, a metaverse-themed CoP promotional event was launched for the first time, which provided wide-ranging CoPs with a unique opportunity to publicly recruit their members through their promotion booth installed in the virtual environment. As of the end of 2022, 1,218 employees joined a total of 156 CoPs to further reinforce their competency by expanding their learning across such diverse areas of robotic technology, Python, and English language skills.

Offering an Opportunity for Job Rotation (Open Position)

Hyundai Mobis operates the Career Market job rotation program to ensure our employees are more effectively assigned to their desired positions so that they can fully unleash their potential. This starts with an organization with staffing needs to post required competencies and necessary qualifications on our in-house recruitment board, and employees wishing to fill such open positions directly prepare and submit their applications. Under this program, employees are given the opportunity to leverage their expertise gained in their previous organization to build new competency in their desired position. Nearly 180 employees transferred to the position of their choice through Career Market over the past three years, which created synergy in sharing and understanding job experiences beyond organizational silos.

In addition, our Re-skilling program serves to conduct intensive training on future core technology areas, and offers employees who completed training and met the set criteria, an opportunity to transfer to SW positions. In 2022, nine employees relocated to SW organizations through this program. Such open position programs allow our employees to broaden their horizons through diversified job experiences and unlock their full potential with renewed enthusiasm.

Fostering Global Experts

Hyundai Mobis provides our top talent with an opportunity to work at our corporations worldwide and develop global competitiveness in so doing. We establish a pool of diverse job experts across the Americas, Europe, China, and Asia Pacific and assign such experts as expatriates, and provide them with training to learn business communication skills as well as local languages and cultures while assisting them in assimilating to their new work environment. Since 2021, we have conducted training on ESG and sustainability, including human rights, workplace safety, and business ethics, to focus on elevating understanding on these increasingly important topics among our expatriates.

We also hold workshops for the families of expatriates to help them understand different cultures and global etiquette and to arrange exchange gatherings with the families of returning expatriates.

Retirement Support

As our society transitions into a super-aging society and we continue to enjoy greater longevity, we operate wide-ranging programs to assist our employees. These include help in designing their retirement life through change management, lifecycle design, financial planning, and career exploration. Our retirement support programs mainly cover topics that are highly critical at retirement, such as reducing one's tax burden on pension funds and real-estate investments, retirement administration, and reemployment.

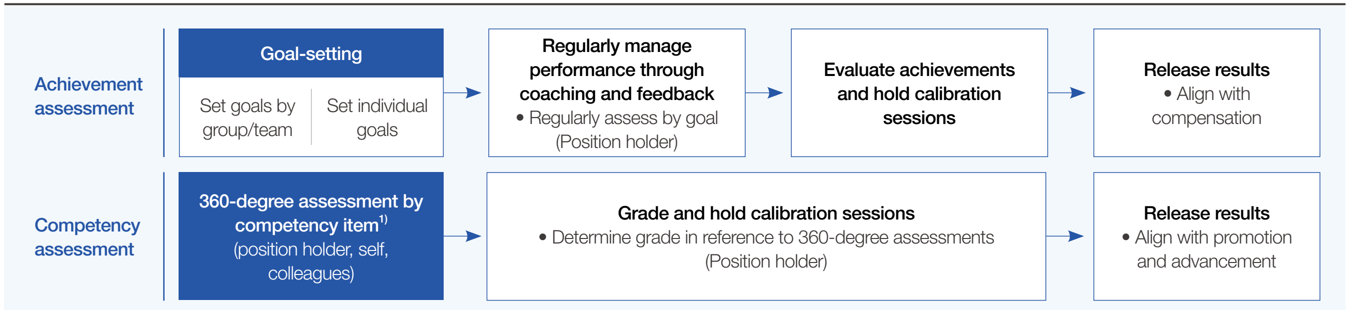
Employees who retire in the pertinent year receive career design training (2-days, 16-hours) to set the course for their retirement life and develop detailed action plans, and employees who will retire the following year are provided with lifecycle design training (1-day, 8-hour) based on exploring one' unique identity to relieve any anxiety regarding retirement and reflect on the meaning of work and life. In addition, programs customized for different positions (office positions/on-site positions) to provide useful information to participants.

Performance Appraisal and Compensation

Performance Assessment System

Hyundai Mobis' systemic, goal-based performance appraisal system aims to nurture and motivate employees mainly through coaching and feedback in generating performance together. This system is categorized into achievement assessments and competency assessments, each aligned with compensation and promotion and with advancement respectively.

Performance Appraisal Process



1) Competency item: Hyundai Mobi's Identity (challenge/cooperation), work expertise, and leadership

Performance Appraisals Conducted in 2022

Category	Baseline Employees (Persons)	Employees Subject to Appraisals (Persons)	Employees Assessed (Persons)	Proportion of Employees Assessed against Employees Subject to Appraisals (%)
MBO-based assessments	29,459	22,094	19,872	89.9
360-degree assessments[1]	11,635	9,016[2]	9,016	100
Compensation based on relative assessments[1]	11,635	11,244[3]	5,458[4]	48.5

1) Domestic / 2) Excluding on-site workers, contract workers, dispatched workers, and basketball team members
3) Excluding contract workers, dispatched workers, and basketball team members / 4) For employees in positions of management office supervisor or higher, assessment results are linked with compensation.

Performance Compensation System

Hyundai Mobis established a non-discriminatory, fair compensation system and provide compensation which consists of base pay and incentives. Wage increases are made appropriately and equally for both men and women in consideration of internal/external conditions, but differ in accordance with the individual appraisals made on MBOs, which reflect individual work goals and achievements. The Proud Mobis Employee Award serves to pay individual incentives by identifying best practices in the workplace. This event recognizes and awards the achievements made across wide-ranging areas in the organization category which spans technology, manufacturing & quality, and sales & procurement, and in the individual category which evaluates Hyundai Mobis' core value areas.

Employee Stock Ownership

Hyundai Mobis implements its employee stock ownership program pursuant to the Framework Act on Labor Welfare. Under this program, employees acquire and own employee shares to directly exercise their rights as shareholders. This not only helps them pursue their individual financial gains and motivation, but also allows us to promote labor-management cooperation and management transparency. In 2022, 16 vested shares per person were distributed and deposited to every participant in the program in accordance with the labor-management agreement reached in 2022. In addition, 18 shares were distributed per person to a total of 1,475 employees through the employee contributions made in December 2022. This was followed by year-end income deductions and dividend payments.

Employee Stock Ownership Data

* as of Dec. 31, 2022

Shares owned	Ownership
257,681 shares	0.27 %

Employees' Quality of Life

Work-Life Balance

Hyundai Mobis implemented selective work hours and the PC-Off program to enable employees to flexibly arrange their work schedule according to their individual and job-specific needs. This helps our employees better engage in their work and take the time to gain diverse experiences outside their work to support work-life balance. We also institutionalized the work-from-home model as a recognized mode of work, rather than merely a means of health measure quarantine, and provide 'hybrid work arrangements' to allow employees to choose and move between on-site work and remote work. We will continue to examine ways to improve work efficiency and tie in wide-ranging work collaboration tools to keep abreast with changing work environments.

Remote Office for Hybrid Work

In March 2023, we completed the pilot operation of our 'remote office' system to allow employees to choose where they work and best focus on their work in line with the shift to hybrid work, and officially launched this system in April 2023 in reflection of employee feedback. These new work arrangements aim to retain the strengths of on-site work while offsetting any vulnerabilities of the work-from-home model, and we created eight remote offices in the Seoul metropolitan area. We are also utilizing the vacant spaces within our building to establish on-site remote offices as part of our continued efforts to provide a more efficient work environment.

Benefit Support

We provide a broad spectrum of benefits for our employees so that they may work in the most optimal conditions and feel proud of being a member of Hyundai Mobis. We constantly identify their needs and explore programs that bring real-life benefits through surveys, proposals, and various meetings. In 2022, we published the 'management support guide' as our benefit information brochure, to help employees easily pinpoint and use the benefit programs that meet their imminent needs.

Benefits Program

Category		Details
Working hours	Flexible work hours	Enable employees to autonomously choose when to start and finish work within the 52 set weekly working hours, unhindered from the typical 8-hour/day, 40-hour/week work model
Childbirth/ Childcare support	Paid leave for prenatal exams	Recognize attendance when employees in supervisor and higher positions go to their regular pregnancy check-ups
	Fully pay for reduced work hours during pregnancy	Provide female employees before 12 weeks pregnant and after 36 weeks pregnant with reduced hours (2 hours either before or after regular hours) while paying them 100% of their pay
	Happy Travel for Children	Support employees who are expecting, or have given birth to their baby, to use five-star hotels
	Paid maternal leave	Provide expecting mothers with 90 days of leave before and after childbirth (120 days for multiple births), and fathers with a 10-day paid leave, which exceeds the limit set by the Labor Standards Act
	Parental leave	Provide up to 2 years of parental leave per child for employees with children 8 years old and younger or in grade 2 and below to meet their childcare needs
	Reduced work hours for parents	Provide reduced work hours of 2 hours/4 hours (either before or after regular work hours) for up to 2 years per child for employees with children 8 years old and younger or in grade 2 and below to meet their childcare needs
	Breastfeeding room/ lounge for pregnant women	Provide new mother necessities including breast pumps, recliners, refrigerators, and others (operated at our headquarters, Mabuk Research Center, and Jincheon Plant)
	In-house daycare center/outsourced childcare center	Yeoksam Seoul (36-person capacity), Yongin Gyeonggi-do (54-person capacity), Jincheon Chungcheongbuk-do (99-person capacity), Changwon Gyeongsangnam-do (provide outsourced childcare for eligible employees with children under age 5)
	Family leave	Provide up to 90 days of leave per year to meet family care needs in cases of disease, accident, or old-age challenges
	Other support for expecting mothers	Grant expecting mothers with a parking space, congratulatory flowers, and benefit points
Vacations	Summer vacation	Provide 5 days of summer vacation in addition to monthly and annual leave that can be used at the time of one's own choosing between June and November
	Refresh vacation	Provide a 2-week refresher leave for employees to take sufficient rest and recharge
	Step-Up vacation	Provide employees promoted to supervisor-level positions in the respective year with a long-term refresher leave
	Long-term employment award	Provide long-term employees with vacation, vacation pay, and souvenirs every five years starting at their 10th year and extending to their 35th

Category		Details
Vacations	All-season resort (condominium)	Provide member-price benefits at a total of 37 resorts
Healthcare	Healthy snacks	Provide healthy salads and low-sugar/sodium meals
	Regular health check-ups	Provide all employees with statutory general health check-ups every year (every two years at the headquarters) and additional check-ups (for stomach ultrasounds and dyslipidemia) upon detection. Provide additional check-ups (for blood tumor examinations and thyroid ultrasounds) for employees over age 40
	Comprehensive health check-ups	Provide all employees and their families (spouse, parents, and one of the spouse's parents) with annual comprehensive check-ups with attendance recognized Fully support comprehensive check-ups for employees aged 35 and older every three years
	Obgyn exams	Provide incumbent female employees with 5-item Obgyn exams per year
Life/ Convenience support	Congratulatory and condolatory benefits	Provide vacation and financial support for family events
	Child scholarships	Provide support to pay for childhood education and university tuition, and for child education expenses for children with disabilities
	Housing support fund/ settlement support fund for new hires	Increase the existing housing support funds and provide employees working 3 years or shorter with up to KRW 50 million
	Appointment and moving	Provide support for employees relocating to other work locations including relocation and moving expenses
	Company housing	Provide new recruits and (unmarried) experienced hires with housing depending on their short-term/dispatch assignment
	Vehicle discounts	Provide discounts on vehicle purchases and tires/parts/repairs in proportion to one's service years
	Points	Provide benefit points, cyber money, and self-development points redeemable at our employee shopping mall
	Personal pension	Provide KRW 20,000 personal pension support per month for incumbent employees only
	Retirement pension	Provide defined benefit pension plan support for incumbent employees only
	Partnership discounts, power sponsor	Provide partnership promotion benefits for weddings, bereavement, rental cars, and fitness
Cultural support	Hobby clubs	Support activity expenses each month
	Support for cultural performances	Provide discounts on cultural performances including musicals, dramas, concerts, and exhibitions (up to 80% discount)

Corporate Culture

Enhancing Corporate Culture

Hosting CEO Town Hall Meetings

Hyundai Mobis hosts town hall meetings with the CEO for horizontal communication between all employees and the CEO. In January 2023, the first offline meeting after COVID-19 was held on the theme of 'New Start' and our CEO directly shared our major achievements of the previous year, future management guidelines, and key priorities. The meeting also included panel discussions and a real-time Q&A session based on the Culture Survey performed in 2022. We will continue to increase opportunities to promote communication between top management and employees on an annual basis to create an open-minded corporate culture.

* CEO town hall meeting

Culture Agent

Culture Agents (CA) are appointed both at the company-wide and organizational levels to serve as windows of communication and to implement independent corporate culture activities in an aim to reflect the varied perspectives of our employees in our organizational operations. CAs regularly meet to plan working-level activities to improve our corporate culture, and pursue CA activities on our internal platform. In 2022, organization-level and individual corporate culture activities were planned and implemented with representative CAs playing a leading role, and various activities were undertaken to improve our corporate culture in alignment with the phrase 'MO:HAPPY', which embodies our cultural ground rules. In addition, our CEO directly awarded BUs and divisions that demonstrated excellent corporate culture activities at the year-end.

Cultural Ground Rules 'MO:HAPPY'

Hyundai Mobis sets and abides by our unique cultural ground rules. Under the name of MO:HAPPY, our employees reached consensus and vowed to abide by seven cultural ground rules to promote work with a sense of contentment, and these rules span the topics of free-flowing communication, sense of purpose, and collaborative synergy among others.

Our employees directly participate in setting these rules and creating slogans that can resonate widely, along with launching a range of events to embed these rules into the daily routines of all our employees, including the MO:HAPPY League, the Goal and Why campaign, the Let's Have Coffee Together campaign, and releasing new merchandise each month. In so doing, we ensure that our employees have a more flexible mindset, take up challenges and prepare what's coming rather than dwelling on their past mistake at the time of crisis, promoting mutual growth between our employees and the Company.

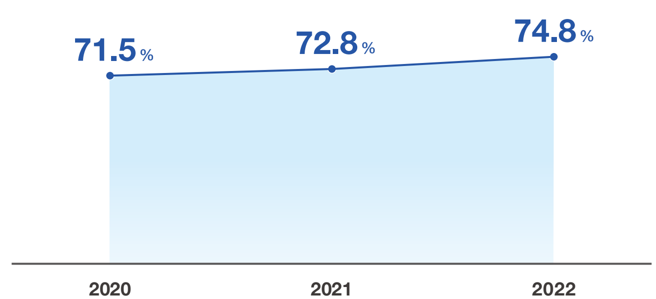
MO:HAPPY Culture Camp

We held a two-day MO:HAPPY culture camp for researchers and managers entering their 2nd year at Hyundai Mobis to facilitate collaboration, boost their sense of pride, and delve into our corporate and individual vision together. This came in tandem with a special lecture by the renowned YouTuber 'Syuka World', counseling from seasoned members, Mo:HAPPY Action Learning, a DJ performance, and a sports competition. This allowed junior researchers and managers, who had little opportunity to communicate in the wake of the pandemic, to network and embed MO:HAPPY into their daily routines.

Culture Survey

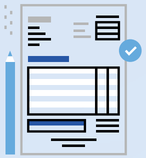
To take stock of our corporate culture and identify necessary improvements, Hyundai Mobis conducts annual company-wide Culture Surveys. The survey is conducted via email in the latter half of each year, with the help of third-party professional research companies to ensure the confidentiality of responses. The results provide us with a comprehensive view of our corporate culture in terms of our employees' work engagement, performance recognition (organizational effectiveness), and cultural awareness levels in the three aspects of business, people, and work. The Culture Index score was 74.8% in 2022, up 2%p from the previous year to continue with its continuous upward trend. We will identify business site-specific needs and implement diverse corporate culture improvement activities to further boost a sense of pride and work satisfaction among our employees.

Positive Responses from Culture Survey Results (Domestic&Overseas)



Creating Safe Workplace

Link to the UN SDGs



2022 Key Performance

Reached MSRS Lv.5

(MOBIS Safety Rating System)

Future Plan

Reach MSRS Lv.7 in 2025

Jeong Min An, Senior Manager — Safety Education & Culture Team

The value and importance of safety continues to increase both internally and externally, and this further highlights the role of businesses in creating a safe and healthy workplace. Hyundai Mobis is increasing investments in raising employees' safety awareness and building a safety-driven culture. We align our company-wide safety and health training system, and have opened and are operating the SH&E Academy training facility to provide specialized training and VR experience training that meet the needs of safety and health personnel at Hyundai Mobis and our suppliers. We also distribute content to elevate safety awareness, hold safety idea contests, and launch safety and health campaigns to build company-wide consensus on safety and to help build Hyundai Mobis' unique safety culture.

Sang Ku Kim, Senior Manager — Information Security Team

The recent growth in work-from-home models, remote offices, business travel, and other types of remote work arrangements clearly underscores the need for information security. This also requires that we build a network environment that keeps us safe from cyber attacks and malicious codes and prepare for risks accordingly. As such, work is underway at Hyundai Mobis to introduce SASE[1) as a cloud-based integrated security services capable of detecting harmful traffic in real time. We also deployed watermark solutions to prevent data breaches committed through the unauthorized recording, capturing or any other means of bypassing our security environment. We also installed EDR security solutions to beef up Group-level security operations and reinforce our security infrastructure in so doing. We will strive to boost the information security awareness and competency of our employees and suppliers to establish a robust information security system.

1) SASE (Secure Access Service Edge): Cloud-based business security functionality which merges networking with security services

Safety and Health

Safety and Health Management System

Safety and Health Management Policy

To create a safe and healthy workplace where our employees can feel comfortable, Hyundai Mobis established our management policy that puts safety and health first and considers safety and health as the top priority throughout our entire business operations. Specifically, we implement wide-ranging policies to provide a workplace that considers safety in every detail of its operations and promotes employee health.

Vision

Create a **safe and healthy workplace** where all can feel safe to work

▶ SHE Management Policy

Safety and Health Environment (SHE) Management Policy

First — we rigorously abide by SHE laws and regulations and communicate with stakeholders to elevate our corporate credibility.

Second — we strive to create a clean and healthy workplace by minimizing the discharge of environmental pollutants and promoting employees' healthcare.

Third — we build a 'safety-embedded culture' that is effortlessly integrated into our business routines to identify and improve hazards and risk factors through voluntary participation.

Jin Hwan Kim
Chief Safety & health Officer, Hyundai Mobis

Safety and Health Governance

In line with strengthening safety and health regulations in Korea and overseas including the nation's Serious Accidents Punishment Act, Hyundai Mobis integrated company-wide safety and health organizations into the SHE Division under the Chief Safety & health Officer (CSO) and continues to recruit and nurture safety and health professionals. The SHE Division, as our dedicated safety and health organization, is responsible for advancing safety and health management at Hyundai Mobis by ensuring fundamental safety across business sites, establishing a well-aligned management system, and building a unique safety culture. Such safety and health activity achievements and plans are reported to the Board of Directors twice a year for approval. The Occupational Safety and Health Committee also convenes to discuss key safety and health issues and make policy decisions with labor and management.

Corporate Sustainability Management Committee
Manage and oversee overall health and safety management (sustainability management) as a Board committee

Chief Safety & Health Officer (CSO)
Head safety and health operations

Safety & Health Division
- Develop a company-wide safety policy and head its management, perform safety assessments on domestic/overseas operations
- Operate the emergency response system, develop safety standards, implement safety and health management at overseas corporations, and promote health and the environment, etc.

Safety & Health Support Group

Safety & Health Operation Group

Safety & Health Team at business sites
Plan and operate safety and health activities at business sites

Safety and Health Implementation Strategy

Establish a risk-based safety management system
- Identify and analyze risks and develop and improve countermeasures
- Develop a risk management system for high-consequence injuries
- Strengthen safety assessments and safety technology support capabilities

Establish a safety-focused design and investment process
- Establish safety design standards for facilities, equipment, and installations
- Establish safety investment classification standards and streamline the process

Level-up the safety culture
- Operate level-specific safety training programs
- Develop and continuously promote diverse content

Meet global standards for our safety culture/system
Establish a safety culture on par with global standards to reduce high-consequence injuries and serious regulatory non-compliance to zero

Reinforce suppliers' safety capabilities
- Raise CEO's safety awareness
- Maintain an adequately staffed safety workforce and strengthen their expertise

Create an autonomous, healthy workplace (3UP)
- Boom Up for self-initiated healthcare
- Synergy Up for health management at business sites and the headquarters
- Jump Up for health management competency

Establish a response system to minimize environmental impact (3R)
- Zero Waste to Landfill validation (Recycle)
- Reduce the additional emission of air pollutants (Reduce)
- Reduce water consumption while increasing water reuse (Reuse)

Safety Enhancement Projects

Hyundai Mobis is advancing our safety management system to ensure all our business sites meet global standards in their safety management system and capabilities. Our safety system and culture are assessed through the methodologies used by global certification bodies, and risks and vulnerabilities are identified through diverse and objective methods to pursue fundamental improvements. We developed our independent safety system and culture assessment methodology (Mobis Safety Rating System, MSRS) which covers Korea's Serious Accidents Punishment Act and other SHE regulations, and are building upon this achievement to set our mid/long-term goals and operate a sustainable safety management system.

2022	2023	2025
Reached MSRS Lv.4	Reached MSRS Lv. 5	To reach MSRS Lv. 7
Complied with regulations	Amended SHE work standards	Integrate the operation of company-wide safety systems
Build a safety infrastructure and establish its management system (legal/regulatory system, etc.)	Perform work on a digital system (developed in 2022)	Perceive and manage risks, and pursue innovation in the workplace based on workplace safety

Safety and Health Management System Certification

As of December 2022, 33 domestic locations and 13 overseas manufacturing corporations were certified to the ISO 45001 international safety and health management system standard. In so doing, we established the safety and health management system at the business site level and regularly review and improve our safety and health operations.

Safety and Health Management System Certification Awarded

* As of Dec. 2022

Category		Business Sites Subject to Certification (Business sites)	Business Sites Certified to ISO 45001 (Business sites)	Certification Rate
Domestic	Manufacturing plant/site[1]	4	4	100
	Parts centers[2]	29	29	100
Overseas	Manufacturing corporation[3]	15	13	87
Total		48	46	96

1) The scope of business sites subject to certification was modified in line with the incorporation of subsidiaries specialized in manufacturing in November 2022
2) Including the headquarters, distribution centers (5), parts centers (22), and Cheonan Storage
3) Four locations in Korea, 15 locations overseas (Sites which suspended manufacturing operations (MCQ, MRU) and new sites (MUA) are excluded (not applicable), and joint ventures and sites that were not yet operational (before mass-production) are not subject to assessment.

Breakdown of Certification by Business Site

Category		Business Sites Subject to Certification	Certification Achieved
Domestic	Manufacturing plant/site	Jincheon	○
		Changwon	○
		Ulsan Electrification	○
		Daegu Electrification	○
	Parts center	Service (29 locations)	○
Overseas	China	MBJ	○
		MJS	○
		MWX	○
		MTJ	○
		MCQ	N/A
		MCJ	X
Overseas	US	MAL	○
		MAL-GA	○
		MNA	X
		MUA	N/A
	Brazil	MBR	○
	Mexico	MMX	○
	Europe	MSK	○
		MCZ Module/Lamp	○
		MRU	N/A
	India	MIN	○
		MIA	○
	Turkey	MTR	○

On-site Supplier Safety Management

Hyundai Mobis develops and implements safety and health action plans in conjunction with its suppliers to help improve their safety and health operations and pursue mutual development in the safety and health area. Each month, regular meetings are held with suppliers at respective business sites to share safety and health information and incidents while collecting proposals and making necessary improvements. In addition, 365 Joint Patrols and operational status checks are performed to bolster suppliers' self-initiated safety management capabilities and raise their safety awareness through training course development and assistance. We also support our suppliers to achieve the ISO 45001 international safety and health management system certification to pursue win-win collaboration in safety management system implementation, and operate the Safety Call Center to answer safety and health questions and share real-time information with our suppliers.

Fostering a Safety and Health Culture

Safety and Health Training

Hyundai Mobis established a company-wide safety and health training system and increased investments in training to raise safety awareness at all levels and prevent any potential accidents in the workplace. As part of such efforts, we opened the Hyundai Mobis SH&E Academy to provide specialized training to safety and health personnel at Hyundai Mobis and our key suppliers. The Academy develops safety training curricula and provides regular training to SHE personnel at respective business sites, management supervisors, and key supplier personnel to contribute to nurturing a safety-driven mindset and reinforce job competencies. In addition to offline training, the Academy will also develop SHE onboarding courses to expand the scope of training to include position holders, new hires, and expatriates. Furthermore, regular semi-annual safety leadership training is provided to senior management, including the CEO, to lay the practical foundation to advance safety-first management.

Opening the SH&E Academy as a Specialized Safety Training Facility

Our SH&E Academy is located in Cheonan, which is the center of our domestic manufacturing operations, and has provided specialized training courses since January 2023. In addition to statutory safety and health training, the Academy also develops and provides specialized, tailormade training curricula for safety and health personnel at Hyundai Mobis and our suppliers to contribute to nurturing a safety-driven mindset and strengthen job competencies. The Academy will also offer VR-enabled safety training to virtually experience safety incidents that may occur on the shop floor to raise overall safety preparedness.

Establishing a Safety Culture

To establish Hyundai Mobis' distinctive safety culture that motivates individual employees to become keenly aware of safety and take action accordingly, we explore and implement multifaceted measures. For instance, we set eight major safety rules for each major risk type and continue to launch joint labor-management promotions and campaigns. Meanwhile, we operate a range of safety culture programs that engage employees and include monthly theme-based workplace safety quizzes and safety slogan contests.

In 2022, we created the Safety Education & Culture Team to plan and circulate diverse content to help raise safety awareness. This included videos, webtoons, UCC contests, and campaigns to communicate information to keep our employees safe in their workplace and personal life in an intriguing and effective manner. The Safety Clip, which delivers workplace and everyday safety information through fun videos and webtoons, is especially helpful in developing a safety-first mindset among our employees in their daily lives as well in their work environment.

8 Major Safety Rules

01.

Do not use your phone while working or walking

02.

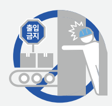
Smoke only in designated areas

03.

Always wear the appropriate PPE

04.

Do not arbitrarily dismantle the safety devices on any equipment

05.

Do not arbitrarily access facility operation zones and/or logistics work zones

06.


Observe the posted speed limits on company premises

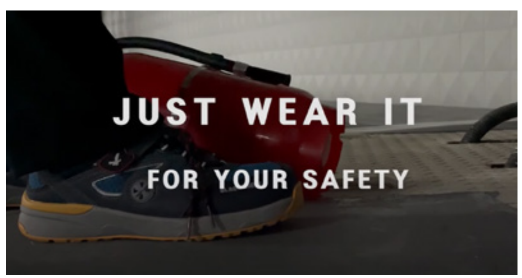
07.

Use sidewalks when walking

08.


Observe the safe work permit system

UCC contest



Content developed to elevate safety awareness

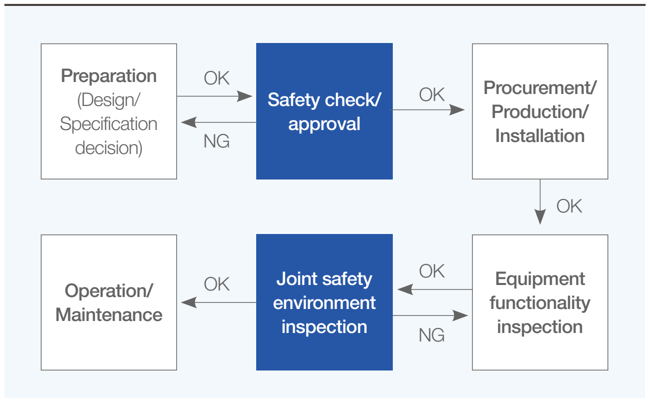
Workplace Safety Management

Safety Risk Inspection

Operating the Preemptive Safety Audit System

Our preemptive safety audit system aims to ensure the equipment and/or auxiliary facilities that we invest in meet pertinent domestic/international specifications. This helps us guarantee both the safety of our equipment and the facilities we operate. We also work to improve the safety of equipment under operation and conduct regular inspections on basic safety specifications to fundamentally reduce risk factors.

Preemptive Safety Audit System



Safety Environment Inspection

To establish safety and health on the shop floor and minimize the occurrence of high-consequence injuries, we created 365 Joint Patrol and the advisory committee attended by a third-party specialist organization (Korean Industrial Safety Association) and our safety personnel in 2021 and have since engaged in regular activities. intensive inspections on high-risk areas are mandated on a monthly basis to prevent high-consequence injuries through the selection of key focus management issues across the processes, operations, and facilities at respective business divisions, and inspections are made on items considered to be high-risk factors as monthly themes. Following the enforcement of the Serious Accidents Punishment Act, we provided intensive guidance and advice by management system including our safety and health management system, safety and health training system, and accident management system to upgrade and stabilize our safety and health management system. We will also seek advice to ensure the substantial establishment of our overall safety and health management system along with implementing the aforementioned Act.
In March 2023, we introduced the integrated SHE platform to conduct system-based safety and health inspections. We plan to launch mobile services to make this platform available at any given time and location to further bolster our safety management system.

Responding to Safety Accidents and Emergencies

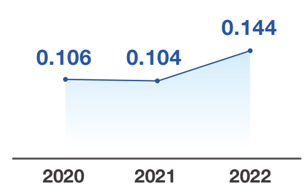
Hyundai Mobis operates our emergency response system to take immediate action when an accident occurs. We post emergency response manuals at all our business operations, and conduct regular annual emergency exercises to bolster our preparedness. We also produce and distribute emergency rescue supplies. In 2022, a total of 10 first aid training and exercise sessions (171 persons) were conducted for our personnel at the headquarters, and we will increase this to 20 sessions in 2023. Each of our business sites provides CPR training and other regular training to strengthen our emergency preparedness.
Major injuries that occur due to the inherent characteristics of our operations include being jammed in manufacturing equipment and accidents involving forklifts at warehouses, and we conduct intensive inspections on high-consequence injuries, pre-work inspections, inspections with third-party professionals, and worker trainings to prevent safety accidents. If and when such an incident occurs in spite of our best efforts, we take prompt action according to the set response manuals to minimize any resulting injuries. Any worker is entitled to suspend or refuse work at their own discretion in the presence of any urgent risk of injury . As we face the increased risk for large-scale disasters such as earthquakes and typhoons that threaten the safety of our operations, we are establishing an agile disaster response and recovery system and engage in disaster prevention activities to ensure safe business operations. This essentially aims to develop a situation/phase-specific emergency response system to respond to different types of emergencies and perform practical exercises to elevate our emergency preparedness.

Developing AI-enabled Video Analysis Algorithms to Prevent Safety Incidents

Hyundai Mobis independently developed an AI-enabled video analysis solution to detect the location and movement of operators in real time and prevent risks before they occur with an aim to prevent safety incidents in the manufacturing process. This was first applied to our Changwon Plant in October 2022. This newly-developed video analysis AI solution is capable of resolving the safety concerns that were not readily detected through conventional area sensors through real-time video processing, and is noted for its enhanced, thorough real-time safety management functionality made possible through the AI algorithms that perceive workers and perform posture estimation. Looking ahead, we will upgrade our deep learning model and data management system in addition to video analysis AI technology, and expand their application to broader manufacturing processes to take a more systemic approach to preventing safety accidents.

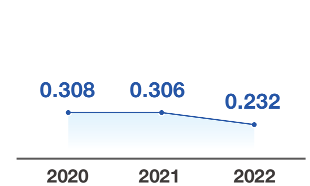
LTIFR (Lost Time Injury Frequency Rate) - Employees

For every 200,000 hours worked



LTIFR (Lost Time Injury Frequency Rate) - On-site Suppliers

For every 200,000 hours worked



Employee Health Management

Advancing Health Management

Measuring Health Management Performance

We conducted Enterprise Health Promotion (EHP) assessments to take stock of the potential health risks of our employees and prioritize health promotion activities. The health promotion index, calculated by dividing a worksite's activities (activity level) by potential health risks (requirement level), was factored in identifying vulnerable management items, and brain cardiovascular conditions, stress, and daily habits were chosen as three priority items. We are currently working to align these items with our health tasks to make improvements at all levels.

Health Integrated Management System (HIMS)

To establish employees' self-initiated healthcare practices, we installed a total of 85 InBody BMI (Body Mass Index) analysis devices while developing an HIMS (Health Integrated Management System) application and website and operating them in sync with InBody devices. The HIMS provides all workers, including on-site supplier employees, with wide-ranging health information in relation to the cumulative management of individual health check-up results, BMI analysis and change management, and daily routine management (workout, meals, etc.) to encourage workers to take their health awareness into their own hands and adopt healthier lifestyle practices.

Case

Self Healthcare Facilitation Program

Hyundai Mobis operates the Self Healthcare Facilitation Program paired with the HIMS to ensure its employees become more proactive and self-initiated in managing their health. This serves to incentivize positive behavior improvements, and nearly 99% of the program participants expressed their willingness to join in future programs. This clearly testifies the merits this program has in improving work engagement and quality of life issues.

Healthcare Program

Operating the Health Management Center and Psychological Consulting Center

Hyundai Mobis operates specialist organizations and health management centers at respective business sites as part of our diverse health promotion activities to assist our employees in leading a thriving career. Healing Sam, our in-house psychological counseling center, has been made available both on/offline since 2014 to promote the mental health of our employees. In addition to counseling and treatment provided by licensed counselors, we also run wide-ranging programs including online self-assessment service, video counseling for expatriates, and our monthly Healing Letter publication. Individual counseling sessions and their details are kept strictly confidential according to the counselors' code of ethics. The health management centers established at respective business sites are staffed with professional nurses, who engage in basic medical services such as the distribution of over-the-counter medications and wound dressings, along wit preventative counseling for disease prevention. We also leverage employees' health check-up data to preemptively identify high-risk groups and provide personalized healthcare services. Furthermore, we take a precautionary approach to identifying employees with specific medical conditions based on the employee health check-up data accumulated on our health management system to provide follow-up care so that we manage employee health on an on-going basis.

Support for Medical Expenses

Hyundai Mobis helps our employees pay for comprehensive health check-ups as well as statutory check-ups to lead a healthy life. We also make automatic settlements and payments for the hospital charges of our employees and their families to ensure they receive appropriate medical treatment.

Treatment expenses	Health check-ups
Help employees and their families pay for treatment expenses	Cover 50% of the comprehensive check-up costs for all employees (100% support every 3 years)

Cultivating CPR First Responder (Life Guardian)

To safeguard the life of our employees and to keep abreast with the government agencies' high-consequence injury prevention roadmap, Hyundai Mobis regularly provides specialized first aid training in partnership with the Korean Red cross. This helps employees at respective business sites take much-needed action (within the first 4 minutes) of any witnessed heart attack symptoms. Participating employees receive theoretical and practice training on how to perform emergency treatment for airway obstruction, how to do CPR, and how to use AEDs (Automated External Defibrillator). Upon completion of training, they are appointed as Life Guardians in their respective workplace to help keep their coworkers safe and healthy. In 2022, a total of 178 employees became certified life guardians, and we will follow up on trainings with regular events and further trainings to ensure swift response in the event of any acute cardiac arrest. We also installed 177 AEDs at our respective business sites, which are life-saving devices in the event of a heart attack, and continue with management and monitoring to strengthen our emergency management and response capabilities. In so doing, we will better respond to any incident of cardiac arrest and further focus on keeping our employees safe and healthy.

Case

Mobis Mental Health Healing Camp

As part of our efforts for employee stress management, we implemented the Mobis Healing Camp program. Participating employees had their brain and body stress levels measured through cutting-edge equipment, and were provided with solutions from a psychologically healing perspective and measurement feedback, which served for us to pay closer attention to their psychological health. We continue to extend the scope of eligible employees as well as the scope of management to include chronic fatigue and stress for employee health management.

Information Security

Information Security Management System

Information Security Policy

To protect critical information (technology and management information, personal data, etc.) from a wide array of security threats, we stipulated and implement company-wide information security policy and regulations, 19 guidelines, and 39 standard documents. The department heading our company-wide information security operations monitors the evolving information security landscape to regularly review areas where new policies or policy amendments are needed, and such policy enactments and amendments are first deliberated on at the company-wide Information Security Committee and then approved by the Chief Information Security Officer (CISO). Our information security regulations apply to all Hyundai Mobis employees, contractual parties, visitors, and anyone else associated with the Company, and cover all tangible and intangible information assets owned and operated by the Company.

▶ Information security disclosures

Protecting National Core Technology

As we own national core technology in the area of future mobility, we at Hyundai Mobis have established our national core technology management system by taking into account technology, assets, personnel, and other factor-specific characteristics, and abide by the Act on the Prevention of Divulgence and Protection of Industrial Technology. Employees handling such technology receive regular specialized training on the protection of core technology, and our core technology protection system is assessed each year for its appropriateness. We also engage in close consultations with relevant departments and ensure their expertise to do our utmost in keeping national core technology secure.

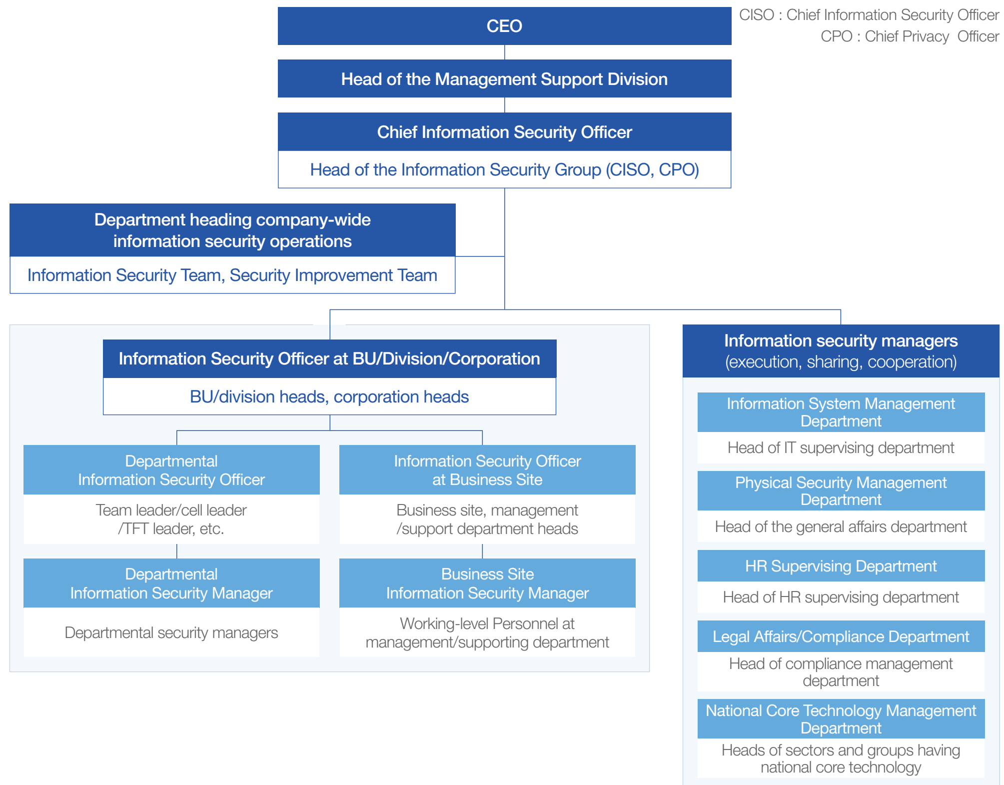
Data Privacy

The personal data of our customers and employees is one of our most critical information security targets. The Chief Privacy Officer and the department heading our information security operations are responsible for the oversight and control of the misuse and breach of personal data, and ensure such data is rigorously managed. Any department handling personal data should only use personal data for intended purposes and should only be handled by designated personnel and in accordance with the set principles and processes. All personal data collected should be used according to the consent given by the data subject and he/she must be clearly informed of the purpose of collection, the specific data collected, the retention period, and any provisions to third-parties. Such collected data are securely managed through wide-ranging technical protection measures, including encryption and anti-hacking tools, and the data subject has the right to request a change to or a deletion of their data at any given time through the department handling personal data.

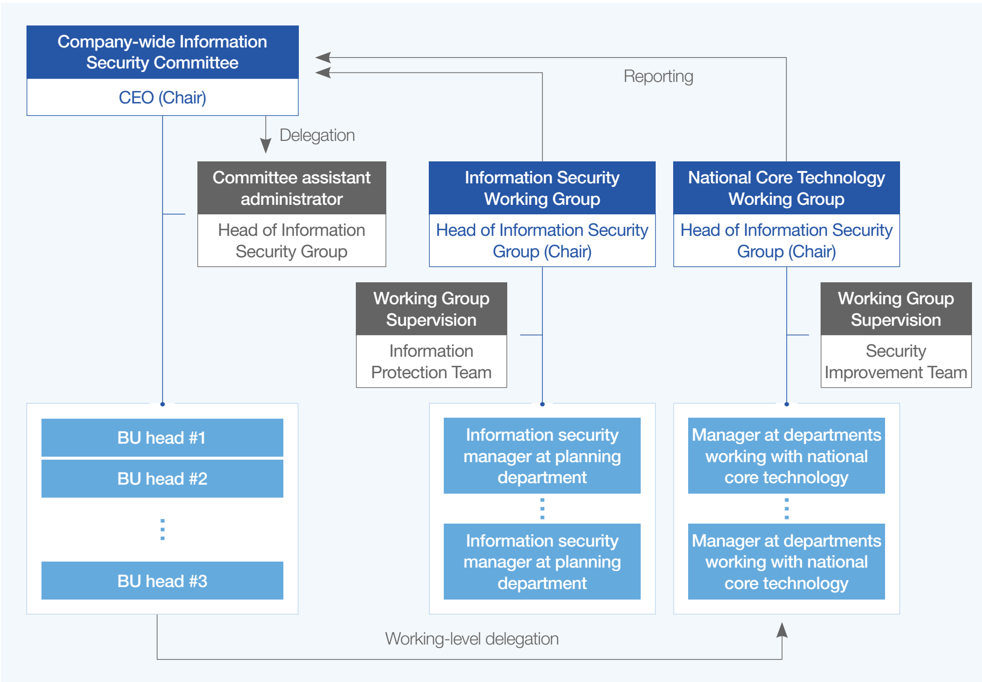
▶ Privacy Policy

Information Security Governance

Hyundai Mobis establishes dedicated security organizations at the company-wide and BU levels, and appoints the Chief Information Security Officer and the Chief Privacy Officer based on their expertise to head its domestic and overseas corporations for systemic information security management. We also operate the company-wide Information Security Committee to report the reviews made in accordance with our information security policy as well as issues that arise on a regular and as-needed basis. Pursuant to Article 13 of the Act on the Promotion of the Information Security Industry, Article 8 of the Enforcement Decree of this Act, and the Notification on Information Security Disclosure, we make all information concerning our investments and personnel among others fully available on the comprehensive information security disclosure portal.



Information Security Committee



Information Security Management Certification

Hyundai Mobis' key operations in Korea and overseas are certified to the ISO 27001 international information security management system standard and the TISAX (Trusted Information Security Assessment Exchange) certification granted by VDA, the German Association of the Automotive Industry, and other business sites also independently implement security measures that are equivalent to such certifications. In so doing, we have our information security management system and its activities, parts mounted on new cars, and vehicles that we developed verified for their appropriate security performance. We also receive regular re-audits to bolster the information security level of respective business sites.

ISO 27001
1 key R&D center in Korea

TISAX
11 key business sites in Korea and overseas

Efforts to Strengthen Information Security

Responding to Information Security Breaches and Emergencies

Responding to Security/IT Breaches

To respond to security and IT breaches, we define the type and scope of breaches and engage in proactive prevention activities and system operations to block anomalies early on. Each incident is graded in consideration of possible damage scenarios and its impact on our operations and recovery plans are developed accordingly. Regular drills are performed to strengthen our response capabilities. In the event that any damage or breach occurs in relation to our critical information assets through the leaks of trade secrets, core technology and personal data or the destruction of the information processing system, the incident response team is organized with the CISO playing a central role to take action to minimize the resulting damage and develop fundamental solutions to prevent their reoccurrence. Furthermore, group security control services are made available 24/7 to prevent penetrations committed through unauthorized external network traffic, and a security breach whistleblowing center is operated to prevent data breaches. In 2022, we deployed watermark solutions to prevent data leaks that may occur by bypassing our security environment through unauthorized recording, printouts, or captures amid work-from-home and remote work conditions, along with Group-level 'EDR[1)]' security solutions to further beef up our security infrastructure.

1) EDR (Endpoint Detection and Response): Identify abnormal behaviors and violations to immediately provide security solutions

Emergency Response System for Business Continuity

In preparation for natural disasters or other possible emergencies, we develop company-wide business continuity plans, and specify them in the 'MES emergency response system' that serves as our IT work standards and the disaster recovery guide. Information security risks that can potentially suspend our business operations are identified, and emergency plans are developed based on work priorities to ensure the continuous operation and recovery of our information system in the event of an emergency. This also includes the backup of critical data, the distributed storage of such data at an additional location, and full data recovery to its pre-disaster condition.

Information Security Activity

Regular Security Inspections

At Hyundai Mobis, routine and non-routine security inspections are made according to information security regulations under the supervision of the CISO. Such inspections include safety inspections on our operation system and infrastructure, simulation-based system hacking, personal data lifecycle (collection, disposal) operational appropriateness assessment, firewall rule inspection, network scanning, and production network security checks among others.
All matters concerning security inspections and audits follow the principle of independence and fairness, and any non-compliance is met with follow-up HR measures or work improvements, depending on the severity of the issue at hand.

Key Information Security Awareness Building Activities in 2022

Program	Program Overview
Communication security check	Block illegal wiretapping and/or unauthorized photography of key internal facilities
Simulation-based hacking on the internal operational system	Strengthen the prevention of data breach risks through the inspections made in accordance with the web application security guide standards of OWASP Top 10 and Hyundai Motor Group
Anti-ransomware drill	Bolster the prevention of malicious code infections for malicious emails received through the in-house email provider, deduct security points for those infected, and provide training to prevent their reoccurrence
Company-wide compliance training (information security module)	Meaning and importance of information security, protection of trade secrets, protection of personal data, and security precautions among different workstreams
Group information security training	Provide training on the prevention of unfair competition and the protection of trade secrets (for all employees)
Information security promotional activity and security quiz event	Information security trends, breaches, security principles, compliance with legal jurisdiction , security quiz, etc.
Rewards for top-performing security personnel	Reward reports made in relation to the prevention of ransomware (reported to the Information Security Team when considered a malicious email), report internal security vulnerabilities
Mock drill for handling malicious emails	Reinforce the prevention of and response capabilities of ransomware damages caused by malicious code infections, breaches of critical data, and payment fraud

Raising Employees' Security Awareness

To improve employees' security awareness and prevent security incidents, we engage in wide-ranging activities including security pledge-signing, regular training, and campaigns. With the goal of promoting autonomous compliance with security rules, we host Information Security Day to regularly review our physical work environment and varying security conditions while distributing internal information security regulations, daily rules, and other information security training materials to highlight the importance of complying with security rules at the department level. We also conduct regular malicious email drills for domestic and overseas employees to reinforce the prevention of and response to ransomware damages caused by malicious code infections, breaches of critical data, and payment fraud. Furthermore, we reward top-performing security personnel and launch security campaigns to encourage employees to take an interest and proactively participate in security awareness.

Information Security Training (information security modules as part of company-wide compliance training)	Advanced information security training by position/duty (Protection of trade secrets)	Malicious email drill (Quarterly)
Completed by 8,737 persons	Completed by 8,299 persons	Conducted 4 times

Strengthening Suppliers' Information Security Competency

To help our suppliers bolster their information security capabilities, we conduct paper-based and on-site inspections on suppliers who receive comprehensive assessments and who are also subject to inspection criteria. In 2022, we performed inspections on 139 suppliers and checked the progress made in the areas that needed to be improved. On-site visits were made to suppliers who fell short of the set standards to perform intensive inspections. Furthermore, we hold semi-annual information security consultations with key suppliers, and support their efforts to eliminate basic security threats and continue to provide security training materials for their employees.

CSR and Value Creation

Link to the UN SDGs

2022 Key Performance

Independent and Group donations

(Domestic)

KRW **1,564.8** billion

Future Plan

A total of KRW 18.826 billion in donationss (domestic) shared by the company and the group in 2023

2022 Key Performance

Provided road safety training and Transparent umbrellas

(Domestic)

97,781 umbrellas to **123** schools

Future Plan

Gradually expand experience-based road safety training for children

Kyung Jin Kim, Manager — CSV Strategy Team

Hyundai Mobis strives to create a sustainable future with our stakeholders, while making the best use of our business characteristics and strengths to care for the socially underprivileged. To share such activities, we recently produced four promotional videos to help better understand our CSR activities, raise social awareness, and encourage our stakeholders' participation. Launching the first-ever Global CSR Week event united all Hyundai Mobis employees and allowed them to participate in our CSR initiatives. This, in return, allowed us to disseminate social value across communities. Furthermore, we are expanding our volunteer work for employees to participate in on their own accord, rather than ones they feel obliged to join. Going forward, we will leverage the uniqueness in what we do to implement voluntary and proactive CSR activities, and any positive feedback on this will be greatly appreciated along the way.

Natisha McGhee — MAL-GA

Hyundai Mobis' Georgia corporation chose our own CSR initiative with an aim to help victims of domestic violence, which is recognized as a serious issue in our community. We participated in the dragon boat competition, a local event to raise funds to operate shelters for these victims, and were proud to be recognized for this best practice during the Global CSR Week event. This group event was the first to come after a long period of no events following COVID-19, which made it particularly special since it allowed everyone - from team members to the head of our corporation - to rekindle our sense of unity and build teamwork. It also served to widely communicate the positive impact Hyundai Mobis brings to communities. We will join the competition in 2023 as well, and expect to have more of our employees participate by coordinating our manufacturing work schedule. We look forward to further opportunities in which we can demonstrate our positive impact on all levels.

CSR Activity and Community Engagement

Hyundai Mobis' Six MOVEs

Hyundai Mobis' CSR activities are implemented in a way that elevates our corporate value, all while fulfilling our corporate social responsibility. The Six MOVEs strategy which leverages our unique characteristics and strengths drives our efforts to shape a sustainable future together with stakeholders and share the outcomes to 'Create a Happy Society for All'.

CSR Implementation Roadmap

~ 2016

Establish a CSR system (four MOVEs)
- Distributed transparent umbrellas and launched the Junior Engineering Class
- Started the Hyundai Mobis Forest (Meer Forest) development project
- Launched a program to support ease of transport for children with disabilities

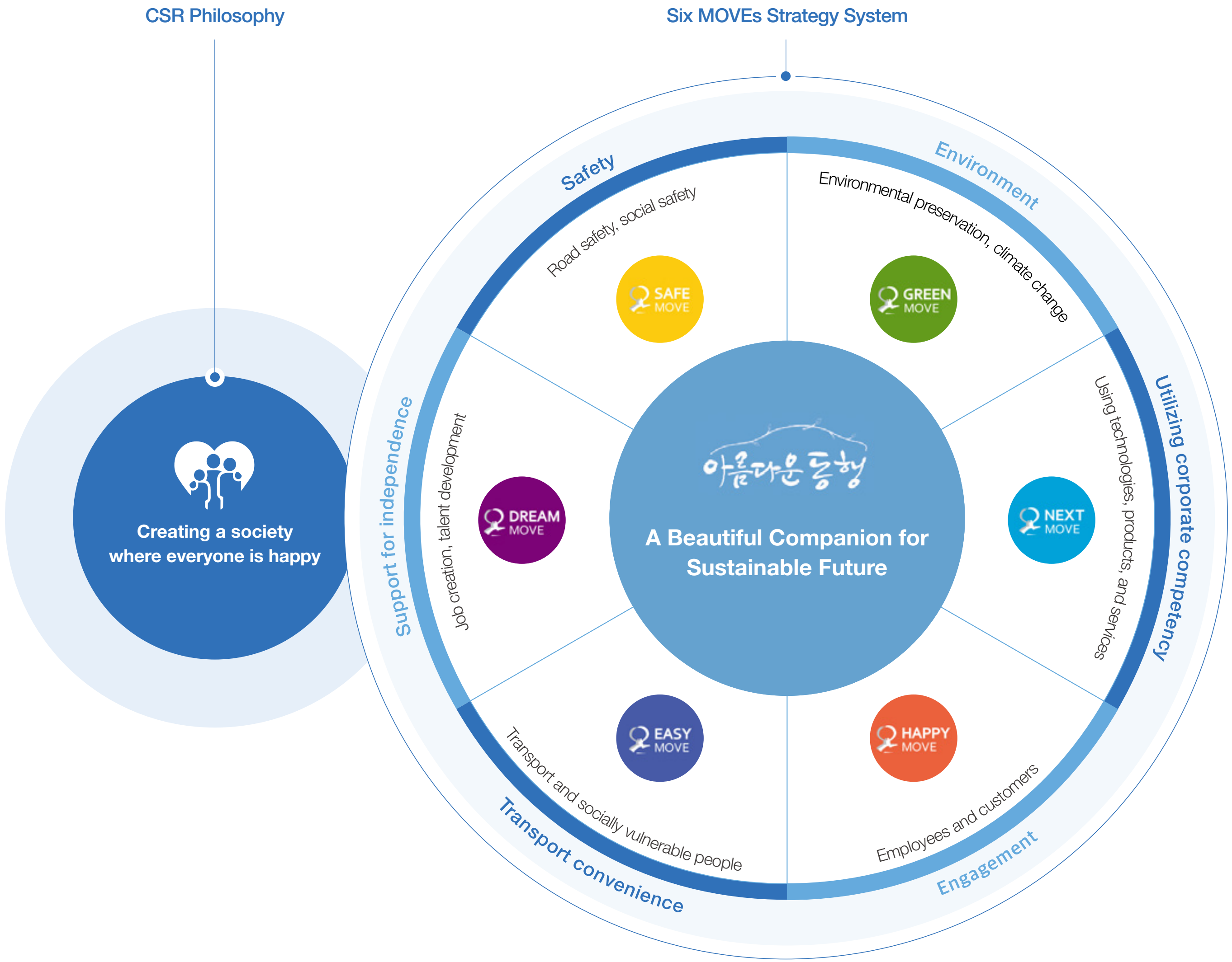
2017 ~ 2020

Elaborate the CSR system (six MOVEs)
- Introduced the Meer Forest program as a regular program
- Expanded the Junior Engineering Class globally (Czech Republic, Slovakia, Turkey)
- Distributed 1 million transparent umbrellas on a cumulative basis

2021 ~ 2025

Expand value creation through a transition of our CSR system
- Improved the efficiency of our six MOVEs project
- Responded to the evolving future mobility landscape
- Launched employee-led volunteer programs

Six MOVEs Strategy System



Key Activities of Six MOVEs

1. SAFE MOVE

SAFE MOVE

As an automotive parts maker, Hyundai Mobis takes our responsibility for road safety seriously and steps forward to keep children safe from the dangers of road accidents.

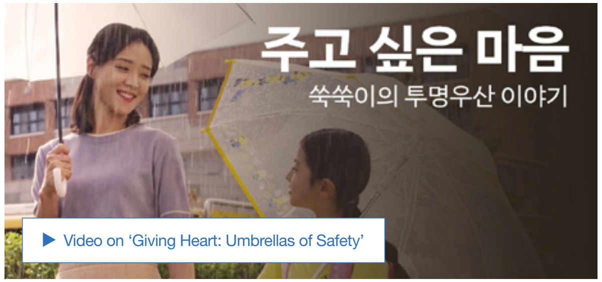
Reduce road accidents involving children

Expand road safety training for children

Distributing Transparent Umbrellas

Distributing transparent umbrellas to children represents Hyundai Mobis' flagship CSR program that has been undertaken since 2010, along with road safety training provided to prevent road accidents involving children. These lightweight yet durable umbrellas come with a whistle that children can easily access to call for help in the event of an emergency. In 2022, a 'School Zone Road Safety Campaign' was simultaneously run to further expand a culture of road safety for children. We will expand experience-based or virtual road safety training in addition to distributing transparent umbrellas, and scale up our school zone road safety campaign to a comprehensive road safety campaign, to help children build a broader consensus on and encourage social interest in road safety for children.

Transparent umbrellas distributed	Improvement in perceiving the need for pedestrian safety
1.3 million umbrellas, 2,235 schools (2010~end of 2022, on a cumulative basis)	4.83 points Improvement in social interest in road safety 4.79 points (3,499 survey respondents, on a scale of 1 to 5)



A Path to School, a Road Safety Training Application for Children

In 2021, Hyundai Mobis developed 'A Path to School', a road safety training application for children. It was developed by leveraging the cutting-edge 'eye tracking technology' often applied to automobiles to help children preemptively recognize and prevent a range of high-risk situations that could occur on their way to and from school.

This application was designed to verify whether children would accurately perceive various high-risk situations under virtual road environments, and the application is being widely used as a tool to provide road safety training for children at schools and in communities.

Participating schools	Participants
174 schools	4,852 persons

2. DREAM MOVE

DREAM MOVE

Hyundai Mobis operates CSR programs for undergraduates that engage with external stakeholders, based on our continued interest in job creation and talent development.

Operate employment-related programs to support outstanding talent

ESG Ideathon[1)]

We hosted the 1st 2022 Hyundai Mobis ESG Ideathon for youth with the theme of 'turning end-of-life automotive parts into resources and giving back to society'. This spirited competition was attended by 50 undergraduates and 10 Hyundai Mobis employees serving as mentors. The Ideathon program was designed to enable participants to discuss solutions to environmental and social challenges and move on to their ideation by considering their feasibility and social value with the help of employee mentors. As a new program aligned with our business areas, it will serve to provide a continuous opportunity for talented young people to unlock their full potential.

1) Ideathon: A term created by pairing 'idea' with 'marathon to refer to competitions to present creative ideas or business models within allotted times

Excellent ideas	
	❶ Transform pressed and processed end-of-life panels to create handicap accessible ramps for facility entrances to address the issue of poor accessibility for mobility-challenged individuals ❷ Recover automotive mufflers and airbags that would be otherwise discarded, to make stovepipes for wood-burning fireplaces, car camping tents, and other camping supplies (society)

3. EASY MOVE

EASY MOVE

Hyundai Mobis facilitates mobility for children with disabilities and work to improve social perceptions on disability.

Improve accessibility to economic/social support for the underprivileged

Promote access to healthcare through improvements in the telehealth treatment environment

Expand educational curricula to improve awareness on diversity and inclusion

Facilitating Mobility for Children with Disabilities

We provide children with disabilities, who are already challenged by physical activity, with customized assistive devices and posture correctors. Supporting the convenient mobility of these children leads to an increased opportunity to become an active member of society and makes it easier to receive medical services at home to promote their health and rehabilitation treatment. Children with disabilities are provided with 'Hope Kits' containing daily necessities, along with assistive devices. We provide the 'Hyundai Mobis Trip for Families with Disabled Children' to the families of children who are especially bounded by a lack of physical mobility. This offers these families a respite period in which they can rest and spend quality time together while our employees voluntarily attend to the needs of their child.

▶ Video titled 'To My Brother Who Is Just a Bit More Special Than Others'

Assistive devices and daily necessities provided
42 types to **166** selected households

Trip for families with disabled children
15 families

Satisfaction levels of participating families
4.93 points/5 points


* Trip for families with disabled children


* Hope Kit volunteering

Publishing Children's Books to Improve Perceptions on Disability, Distributing these Books Free-of-Charge, and Hosting Essay Contests

We have been publishing children's books to improve perceptions on disability since 2014 to address and resolve some common misconceptions about disability in our society. In 2022, we published a book titled <Luri's Universe> and distributed 2,500 copies of this book free-of-charge across disability welfare centers and public children's libraries. To ensure these books lead to effective improvements in perceptions on disability, we hosted an essay contest for the children of Group employees.


* Just, Eun Mi (2020)
* Please Greet Me With Voice (2021)
* Luri's Universe (2022)

4. GREEN MOVE

GREEN MOVE

Hyundai Mobis provides education to elevate awareness on the importance of forestation projects and environmental protection to evolve into an eco-friendly business.

Increase biodiversity through forestation

Work to reduce waste through recycling

Contribute to net zero by offsetting our carbon emissions

Creating Classroom Forests

Our employees cultivated air-purifying plants for three months and then donated these plants to elementary schools, local children's centers, and daycare centers to create indoor forests. We used leftover fabric from face masks and recycled transparent PET bottles to make pots for this engaging, green-themed program. Along with the plants we donated to these classrooms, we also provided eco-friendly education content.

Trees donated
3,546 trees

Students who participated in environmental education
4,063 students

Reduced particulate matters and harmful substances within a classroom and help children nurture a sense of achievement, responsibility, and other emotional qualities


* Tree donation ceremony to create classroom forests

Creating Forests Through Citizen Engagement

We joined the forestation project undertaken in Hongcheon-gun, Gangwon Province to engage nearly 800 customers adopting pet trees and over 70 companies, and planted ash trees and Korean firs. These forests created through citizen engagement, will not only absorb CO_2 and particulate matters in the community, but will also help preserve its ecosystem.


* A panoramic view of the Bangnaeri Forest in Hongcheon-gun, Gangwon Province

5. NEXT MOVE

NEXT MOVE

Hyundai Mobis operates programs for children and teens to nurture future science talent, promote the healthy growth of children, and expand the sport of archery.

Contribute to nurturing future leaders of science and technology

Junior Engineering Class

Our Junior Engineering Class has been up and running since 2005 to provide children with practice-based learning aligned with the development of new technology, such as autonomous driving and hydrogen-fueled vehicles, which is not readily available through regular school curricula. This also comes in tandem with wide-ranging programs including afterschool classes, the Mobile Junior Engineering Class, and classes our employees provide through their visits to the school.

▶ Video titled 'Children's Imagination Shapes a Future'

Youth/Teens Participating in Engineering Programs

Program	Participant	Target
Regular Junior Engineering Class	2,160 persons	12 schools
Itinerant Junior Engineering Class[1)]	4,557 persons	34 schools
Teen Engineering Leader	330 persons	11 schools

1) Itinerant Engineering Class = Mobile Junior Engineering Class + Nationwide Junior Engineering Class

Regular Junior Engineering Class, designed to nurture future scientists, was led by undergraduates serving as instructors to create a comfortable and friendly learning atmosphere. We also operate the Teen Engineering Leader program for high school students, in partnership with research institutes, to support these students to grow into outstanding software professionals. Our Itinerant Junior Engineering Class consists of the Nationwide Junior Engineering Class which is operated by visiting schools that are located in remote islands or mountainous areas and thus lack an adequate learning environment. The Mobile Engineering Class provides students with engaging classes in a drama format through the use of science vehicles.

Expanding Education for Vulnerable Groups

Program	Participant	Target
Afterschool childcare	5,250 persons	45 organizations

Junior Childcare Class aims to provide students who require after-school care or who are from dual-income families, with engaging science and technology learning content.

Engaging Employees as Instructors and Their Children

Program	Participant	Occasions
Employee instructors	180 persons	6 times
Employee's children	1,723 persons	6 times

Our employees went to the schools of their own children and provided classes, and their children were provided with virtual engineering class kits.

Junior Archery Class

Hyundai Mobis operates Archery Class program to promote the healthy growth of children, expand the sport of archery, and facilitate school-level sports clubs. In 2022, we developed a curriculum and provided 12 classes to a total of 286 students at seven schools. The instructors were chosen among retired archery athletes to provide career support to students.

* Hyundai Mobis' school sports club archery competition

Teen Engineering Leader program

Hyundai Mobis operates the Teen Engineering Leader program to nurture future engineers who will lead the advancement of software technology in the areas of autonomous driving, robotics, and connectivity, among others. Participating students are provided with a full 20 sessions of online lectures and instructions on autonomous driving, including algorithm coding education. To ensure these students transfer this knowledge into actual competency, we host an autonomous driving contest. Student contestants manufactured their own self-driving car models equipped with lidar sensors and cameras, and they also wrote their own software algorithm codes that make their models stay on the track and reach the finish line. This competition is especially practical in that it offers students an opportunity to apply their learned knowledge and competencies. In 2022, papers written by finalist students were featured in the August issue of <Youth Engineering>, an academic journal published by the Korea Institute of Engineering and Technology Education. Meanwhile, students chosen as engineering leaders volunteer as daily instructors at local children centers under the Junior Engineering Class program, which also helps establish a self-reinforcing cycle of sharing and volunteering.

* Teen Engineering Leader program

6. HAPPY MOVE

Hyundai Mobis supports our employees along every step of the way - from developing an interest in a particular area, to taking the initiative for involvement with social issues and voluntarily engaging in wide-ranging volunteer activities.

Support socially vulnerable groups

Ensure the sustainability of inland ecosystems

Employee Volunteering

Under the slogan of ‘Joy of Sharing’, Hyundai Mobis employees proactively engage in volunteer activities to share social value.

Self-initiated Volunteering
Hyundai Mobis’ self-initiated volunteer service provides employees with personalized volunteer options to directly plan and implement volunteer activities to resolve community issues. Employees are granted subsidies through a preliminary screening and put their knowledge, expertise, interests, and other talents to use to engage in wide-ranging activities on their own initiative through talent and service donations, and technical learning. In 2022, a total of 181 persons, including our employees, their family members, and friends, engaged in self-directed volunteering.

Contactless Volunteering Kit Assembly
Our employees have the option to volunteer from the comfort of their own home during the holidays or over the weekend. In 2022, 2,530 employees participated in such virtual-format volunteering: they assembled pop-up books for environmental education, upcycled art canvases, created natural-ingredient soap kits, tactile braille books, and upcycled dolls to donate to facilities serving vulnerable individuals.

Volunteer to Create Gardens
Our employees and their families, helped tend the Hyundai Mobis Garden created near the Han River in the Ichon area of Seoul, contributing to restoring the Han River ecosystem and reducing particulate matters.

▶ Video titled ‘Being True to One’s Own Self’

Donation Run

Since 2020, Hyundai Mobis has launched a marathon event for three years as part of our CSR initiatives in which employees donate their participation fees to join hands in protecting the environment. In 2022, nearly 1,800 participating employees paid admission fees and received kits in exchange, which they used for “plogging”, which means to pick up litter while running. All collected fees were donated to the public interest organization, Beautiful Store, and the funds raised as such will go to help youth find housing and become self-reliant.

In-house Social Network Newsletter

We collect news on our employees’ volunteer activities and their feedback, and communicate them through our in-house social network channel to encourage the participation of even more employees.

Opening a Farmers’ Market under the One Company One Village Program

We forged ties with rural villages located in the vicinity of our plants in Ulsan, Changwon, Jincheon, and Seosan under the One Company One Village program and opened farmers’ markets in these regions to provide community members with additional sales opportunities, while allowing our employees to purchase high-quality products at affordable prices. In 2022, these farmers’ markets sold the Buyou sweet persimmons grown in Changwon and the Seoseong pears grown in Ulsan. Altogether, they sold 4,278 pieces of fruit and generated over KRW 140 million in profits. Going forward, we will continue our efforts to pursue mutual benefits between urban and rural areas and enhance our win-win partnerships with the local economy.

* 2022 Hyundai Mobis Donation Run Night

* V Newsletter

1) Plogging: A combination word made up of ‘plocka upp’ meaning ‘pick up’ in Swedish and the English word ‘jogging’ to convey the act of picking up litter while jogging

Supporting Sponsorship Organizations and Families and Families Affected by Traffic Accidents

In full reflection of our employees’ willingness to donate, we continue with our sponsorships for socially underserved groups who need our attention and help. In 2022, we made cash donations worth KRW 285 million to sponsorship organizations and families, as well as families affected by traffic accidents.

Category	Sponsorship Organization	Sponsorship Family	Families Affected by Traffic Accidents
Target	Organizations designed by business sites	Families designated by business sites (4 families near the Cheonan Plant, 5 families near the Ulsan Export Distribution Center)	Families Affected by Traffic Accidents
Beneficiary	46 organizations	9 families	36 persons
Donations	KRW 192 million	KRW 18 million	KRW 75 million
Donation Recipients	Organizations designated by respective business sites	Senior welfare center in Cheonan, Community Chest of Korea	Green Transport

Operating the Plus Alpha Donation Box

We created the Plus Alpha Donation Box as a voluntary donation program in which employees who receive ‘Thanks Cards’ with encouraging messages accrue mileage that can be donated. In 2022, a total of 954 employees participated in this program to raise nearly KRW 36 million, which went to help teens transitioning out of shelters pay for their living expenses. It also went towards the donation of household appliances for families affected by traffic accidents and to local children’s centers.

Global CSR Activity

Global CSR Week

In celebration of our 45th anniversary, Hyundai Mobis designated July 2022 as Global CSR Week, and launched locally-customized CSR programs that engage our employees worldwide. Each business site implemented one CSR activity to meet their specific community needs, and the ideas of our local staff were fully reflected through preliminary surveys and feedback collection. Our Korean operations implemented volunteer initiatives designed to meet the pressing needs of their communities, along with the donations of necessary supplies, while overseas operations also engaged in a broad array of volunteer activities involving employees. To encourage employees' sustained commitment, we awarded and shared best practices. Looking ahead, we will continue solidifying the foundation for our global CSR operations by taking into account community needs and internal/external environments.

Country	Business Site	Activity
China	MBJ	Visited a rehabilitation center in Shuyi to make cash donations and engage in communications
	MTJ	Visited a welfare center for children with disabilities to clean up and donate supplies
	MJS	Donated transparent umbrellas
	MSH&MPSH &MTCC	Donated transparent umbrellas
	MWX	Provided scholarships to students living in poverty at Meili middle school
	MCJ	Donated transparent umbrellas and school supplies to an elementary school for poor children in Zhang County
	MPJY	Volunteered and donated supplies for seniors at a senior welfare center in Yancheng City
India	MIN	Provided nutritious meals to low-income expecting mothers (employees volunteered at the site)
	MIA	Cleaned up the primary water reservoir in the region
United Arab Emirates	MPME	Donated food for the shelter and recycled paper
United States	MAL	Implemented a housing improvement program for low-income groups in Alabama
	MAL-GA	Participated in a boat race to provide donations for victims of domestic violence
	MNA	Participated in a parade to raise donations for scholarship funds for Hispanic students
	MTCA	Delivered cereal and other outdoor food to a children's hospital

Country	Business Site	Activity
United States	MPMI	Purchased canned food to donate to charities
	MPA	Hosted a lottery event to raise funds to donate to charities
Canada	MPCA	Mobis Drive Cleaning Day (clean up major roads in the vicinity of the plant)
Brazil	MBR	Donate winter clothing to vulnerable groups (collected and donated by employees)
Czech Republic	MCZ	Support patients under hospice care (gardening and landscaping)
Slovakia	MSK	Visited pediatric hospital units in Cadca (donated K-pop CDs and Korean books)
Spain	MPE-ES	Supported environmental protection campaigns for the Camino de Santiago
Germany	MPE-FRA	Helped with painting and made donations to a social welfare center
Hungary	MPE-HU	Provided aid relief and volunteered to help Ukrainian refugees
Sweden	MPE-SE	Donated items provided by employees (dolls, shoes, etc.)
United Kingdom	MPE-UK	Mental Health Awareness Day event (installed a donation box for fund raising)
Turkey	MTR	Junior Engineering Class (twice)
Australia	MPAU	Mobis Clean-up Day (litter collection, weeding, gardening)

Target: 64 total business sites in Korea and overseas, spanning all parts and manufacturing operations [35 in Korea, 29 overseas (13 in Asia, 8 in the Americas, 8 in Europe)
※ Some business sites participated in two or more programs.

Best Practices of the Global CSR WEEK

MAL-GA (United States)

Joined a charity boat race to support shelters for the victims of domestic violence

The business site participated under the name of Hyundai Mobis in a local boat race hosted to raise funds for shelters that house victims of domestic violence and it won the Best Team Spirit award.

MPE-FRA (Germany)

Performed painting work to improve homeless shelters

Members at the business site painted the social housing structures used as shelters for the homeless in partnership with the German Red Cross (GRC).

Donations and Associations

Recognized under the CSR in the Community Program

In recognition of our contributions to resolving community issues, we were recognized in the CSR in the Community 2022 program jointly supervised by the Ministry of Health and Welfare and the Korean Council of Social Welfare. This program identifies companies which undertake continued CSR initiatives, along with communities and non-profits, and recognizes their contribution at the community level. This honor was made possible through our employees who volunteered to meet the most pressing needs of communities and took the lead in resolving community issues to promote win-win development with communities. We will continue to expand a wide range of CSR activities that help communities with balanced development.

지역사회공헌 인정제
CSR in the Community 2022

Pursuant to Article 31 (Restrictions on Donations) of Korea's Political Fund Act, Hyundai Mobis strictly prohibits illegal donations or financial support for specific political candidates and/or any other political/other organization that could influence policy-making. Prohibited political donations are also defined by any support provided through corporate assets and/or any support employees provide for any political activity. We prohibit any provision or acceptance of bribes and/or rebates associated with our business operations and refrain from any inappropriate exercise of influence over public officials. This includes charitable donations and express service fees. Our policy (Code of Conduct) clearly communicates that merely promising or proposing the provision of unjustified economic gains could constitute corruptive practices.
We allow contributions and donations to industry associations and others, and their execution is implemented in consideration of urgency and appropriateness. Payments of KRW 10 million or over are subject to the CEO's approval, and quarterly payment results are reported to the Corporate Sustainability Management Committee. Our annual budget plans also require approval from the Board of Directors.

Donations (Unit: KRW million)

* None of the donations went to lobbying or interest advocate groups, or other similar organizations, or regional or national political campaigns, organizations, or candidates.

Membership Payments to Key Organizations (Unit: KRW)

Organization	2022 Payment
Korea Enterprises Federation	221,450,000
Hydrogen Convergence Alliance Propulsion Team	200,000,000
Seoul Chamber of Commerce and Industry	108,300,000
European Association of Automotive Suppliers (CLEPA)	68,900,000
AUTO-ISAC	57,500,000

FACTBOOK

Environment

Energy Management

Metric			Unit	2020[1] Domestic &Overseas	2021[1] Domestic &Overseas	2022[2] Domestic &Overseas
Energy consumption						
Energy consumption	Total energy consumption		TJ	7,302	7,812	6,234
	Domestic		TJ	3,308	3,563	1,918
	Overseas		TJ	3,994	4,249	4,316
Energy consumption intensity[3]			TJ/KRW 100 million	0.020	0.019	0.012
By energy source						
Direct/Indirect energy consumption	Direct		TJ	869	943	826
	Indirect		TJ	6,433	6,869	5,408
Renewable/ Non-renewable energy consumption	Non-renewable energy	Total non-renewable energy consumption[4]	TJ	7,102	7,445	5,848
			MWh	892,924	941,601	754,289
		Electricity[4]	TJ	6,103	6,353	4,876
		Fuel	TJ	869	943	826
		Steam	TJ	129	149	146
	Renewable energy	Total renewable energy consumption·conversion	TJ	200	367	386
			MWh	20,868	38,264	40,244
		(Consumption) Photovoltaic (Direct generation)	TJ	0.2	0.2	4.2
		(Conversion) Purchase of certificates	TJ	200	367	382
	Renewable energy consumption·conversion rate[5]		%	3.2	5.5	7.3
	Intensity-based renewable energy consumption·conversion[6]		TJ/KRW 100 million	0.001	0.001	0.001

1) Data on energy consumption of overseas operations in 2020 and 2021 was restated through third-party verifications.
2) Energy consumption of Unitus and Motras was excluded as these subsidiaries specialized in manufacturing were established in 2022.
3) Total energy consumption intensity: Total energy consumption/Consolidated sales
4) Excluding conversion made through REC purchases (382TJ)
5) Renewable energy consumption & conversion rate: Total renewable energy consumption·conversion/Total energy consumption
* Total electricity consumption: Amount of non-renewable energy(electricity) consumed and renewable energy consumed·converted
6) Intensity-based renewable energy consumption: Renewable energy consumed/Consolidated sales

GHG Management

Metric			Unit	2020[1] Domestic &Overseas	2021[1] Domestic &Overseas	2022[2] Domestic &Overseas
GHG emissions from operations (Scope 1 & 2)						
Scope 1	Total GHG emissions (Scope 1)		tCO_2eq	47,073	50,947	46,775
	Domestic		tCO_2eq	20,706	22,093	7,395
	Overseas		tCO_2eq	26,367	28,854	39,380
Scope 2	Total GHG emissions (Scope 2)		tCO_2eq	301,363	314,208	242,594
	Domestic		tCO_2eq	142,459	151,323	86,468
	Overseas		tCO_2eq	158,904	162,885	156,126
Total GHG emissions (Scope 1 & 2)			tCO_2eq	348,437	365,155	289,369
GHG emissions intensity (Scope 1 & 2)[3]			tCO_2eq/KRW 100 million	0.951	0.876	0.557
Other GHG emissions (Scope 3)[4]						
Scope 3	Total GHG emissions (Scope 3)		tCO_2eq	19,739,208	21,151,023	22,066,251
	Upstream	Purchased goods and services[5]	tCO_2eq	635,674	665,812	582,240
		Waste generated in operations[6]	tCO_2eq	4,010	2,977	2,645
		Business travel[7]	tCO_2eq	3,820	3,511	7,818
		Employee commuting[8]	tCO_2eq	993	1,013	1,022
		Upstream leased assets[9]	tCO_2eq	141	144	178
	Downstream[10]	Use of sold products	tCO_2eq	18,896,135	20,264,600	21,102,554
		End-of-life treatment of sold products	tCO_2eq	198,436	212,966	369,792

1) Emissions from overseas operations in 2020 and 2021 were restated through third-party verifications.
2) Emissions from Unitus and Motras were excluded as these subsidiaries specialized in manufacturing were established in 2022.
3) GHG emissions intensity: Total GHG emissions from operations / Consolidated sales
4) Emissions data were calculated in accordance with GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard, and calculations of items for which category-specific calculation methods or coverage were changed were made by retrospectively including emissions from previous years.
5) Based on tier-1 suppliers under the HQ's operating structure and outsourcing manufacturing plants
6) Based on waste generated from domestic operations
7) Based on domestic/overseas business travel, and emissions were calculated by mode of transport (own vehicle, bus, train, domestic/international flight)
8) Based on commuter buses
9) Based on business sites leasing finished car sites out of domestic sales teams
10) Data on downstream categories were calculated by reflecting the proportion of Hyundai Mobis' parts out of total emissions generated from operating and disposing of finished vehicles.

Environment

Water Resources Management

Metric		Unit	2020	2021	2022	
			Domestic	Domestic	Domestic	Domestic &Overseas
Water consumption and discharge						
Water consumption	Total water withdrawal	ton	833,740	849,259	466,434	1,306,931
	Tap water (Municipal water)	ton	812,440	828,139	443,304	1,203,942
	Fresh water (Lakes, Rivers, etc.)	ton	0	0	0	61,089
	Underground water	ton	21,300	21,120	23,130	41,900
Water consumption intensity[1]		ton/KRW 100 million	3.63	3.11	1.37	2.52
Water recycling	Total water recycled	ton	0	0	0	68,604
	Total water recycling rate	%	-	-	-	5.25

1) Water Intensity: (Domestic) Water consumption / Non-consolidated sales, (Domestic&Overseas) Water consumption / Consolidated sales (Total sales), Data was restated due to the application of non-consolidated sales for 2020 and 2021

Waste Management

Metric			Unit	2020	2021	2022	
				Domestic	Domestic	Domestic	Domestic &Overseas
Waste generation and recycling							
Waste generation	Total waste generation		ton	14,169	15,038	7,403	67,855
	Designated waste	Total designated waste generation	ton	2,067	1,574	427	6,378
		Incineration	ton	1,632	986	276	3,057
		Landfill	ton	0	0	11	1,882
		Recycling	ton	435	588	141	1,439
	General waste	Total general waste generation	ton	12,102	13,464	6,976	61,478
		Incineration	ton	3,823	4,203	1,395	2,316
		Landfill	ton	292	285	12	9,376
		Recycling	ton	7,987	8,976	5,570	49,786
Waste generation intensity[1]			ton/KRW 100 million	0.06	0.06	0.02	0.13
Waste recycling	Total waste recycling		ton	8,422	9,564	5,710	51,224
	Total waste recycling rate		%	59.4	63.6	77.1	75.5
Waste disposal							
Waste disposal (landfill, incineration)	Total waste disposal		ton	5,747	5,474	1,693	16,631
	Waste landfilled		ton	292	285	22	11,258
	Waste incineration	Total waste incineration	ton	5,455	5,189	1,670	5,373
		Incineration (No energy recovery)	ton	5,455	5,189	1,670	5,073
		Incineration (Energy recovery)	ton	0	0	0	300

1) Waste generation intensity: (Domestic) Total waste generation / Non-consolidated sales, (Domestic&Overseas) Total waste generation / Consolidated sales (Total sales), Data was restated due to the application of non-consolidated sales for 2020 and 2021

Environment

Air Pollutant Management

Metric		Unit	2020 Domestic	2021 Domestic	2022 Domestic	2022 Domestic &Overseas
Air pollutant emissions						
Air pollutant emissions[1]	Total air pollutant emissions	ton	14.04	26.33	7.24	79.89
	NOx	ton	2.67	6.62	2.67	15.04
	SOx	ton	0.00	0.10	0.36	2.15
	Particulate Matter (PM)	ton	0.92	2.76	0.60	2.55
	THC	ton	10.45	16.85	3.61	60.15
Air pollutant emissions intensity[2]		ton/KRW 100 million	0.0001	0.0001	0.0000	0.0002

1) Including outsourcing
2) Air pollutant emissions intensity: (Domestic) Total air pollutant emissions / Non-consolidated sales, (Domestic&Overseas) Total air pollutant emissions / Consolidated sales (Total sales), Data was restated due to the application of non-consolidated sales for 2020 and 2021

Water Pollutant Management

Metric		Unit	2020 Domestic	2021 Domestic	2022 Domestic	2022 Domestic &Overseas
Water pollutant emissions						
Water pollutant emissions[1]	Total water pollutant emissions	ton	0.571	0.676	0.082	476.267
	BOD	ton	0.034	0.043	0.000	47.247
	TN	ton	0.364	0.138	0.040	88.708
	TOC	ton	-	-	0.026	34.071
	N-H	ton	0.002	0.002	0.000	7.147
	T-P	ton	0.018	0.413	0.002	1.680
	COD[2]	ton	0.110	0.060	-	253.141
	SS	ton	0.043	0.020	0.014	44.273
Water pollutant emissions intensity[3]		ton/KRW 100 million	0.000	0.000	0.000	0.001

1) Including outsourcing
2) TOC data for 2022 are newly reported in line with the change in organic substance measurement metrics for domestic operations (COD → TOC), and overseas business sites follow their country-specific regulatory standards.
3) Total water pollutant emissions intensity: (Domestic) Total water pollutant emissions / Non-consolidated sales, (Domestic&Overseas) Total water pollutant emissions / Consolidated sales (Total sales)

Chemicals Management

Metric	Unit	2020 Domestic	2021 Domestic	2022 Domestic
Chemicals discharge				
Chemicals discharge from operations	ton	32.489	27.883	150.037

Products Sold

Metric		Unit	2022 Domestic&Overseas
Status of products sold[1]			
Products sold	Total weight	ton	2,949,740

1) Based on the shipments made by respective manufacturing sites (ASSY), Newly reported

Raw/Subsidiary Materials Management

Metric			Unit	2022 Domestic&Overseas
Raw/subsidiary materials[1]				
Raw/subsidiary materials consumption	Total raw/subsidiary materials consumption		ton	47,464
	Raw materials[2]	Plastic	ton	11,023
		Metal	ton	31,129
	Packaging materials[3]		ton	5,312
Status of recycled raw/subsidiary materials				
Recycled raw /subsidiary materials	Raw materials		ton	0
	Packaging materials		ton	955
Ratio of recycled raw/subsidiary materials consumption			%	2.0

1) Newly reported in line with change in reporting standards
2) Based on direct purchases (including CKD supply materials)
3) Based on petrochemical packaging materials

Society

Product Quality and Safety

Metric		Unit	2020 Domestic &Overseas	2021 Domestic &Overseas	2022 Domestic &Overseas
Product recalls					
Total number of vehicles recalled		Vehicles	1,549,892	15,437	1,044,483
Total number of vehicles recalled compulsorily (Non-voluntary)		Vehicles	0	0	0
Total annual recall expenses		KRW 100 million	508	6	428
Warranty Provisions					
Provision warranty balance at the beginning of the fiscal year		KRW million	898,439	1,238,315	1,217,987
Warranty payments (costs) made during the period		KRW million	193,743	318,965	343,342
Quality training[1]					
VDA6.3 training[2]		Persons	-	811	1,488
Quality job training		Persons	-	286	403
Support for international license acquisition[3]	Training completed	Persons	-	47	81
	Licenses acquired	Persons	-	37	55

1) Domestic
2) Cumulative number of employees who received training to improve their understanding
3) CRE, CQE, iNARTE ESD licenses

Customer Support

Metric		Unit	2020 Domestic	2021 Domestic	2022 Domestic
Capacity-building support for distributors					
Improvement of the operational environment	Win-win funds	KRW 100 million	2	1	1
	Management consulting	Distributors	27	22	15
	Environmental improvement	Distributors	19	13	12
	Inventory soundness	KRW 100 million	46	27	23
	Operating system expenses	KRW 100 million	10	10	10
	Supplies	KRW 100 million	2	1	2
Distributor seminar[1]	Seminar for Good Distributors	Persons	-	150	202
	Seminar of Distributors for the Second Half of the Year	Distributors	-	1,250	1,241
	Seminar of Executives of the National Association of Distributors	Persons	-	15	15

1) Number of participating distributors or persons

Supply Chain in General

Metric			Unit	2020 Domestic &Overseas	2021 Domestic &Overseas	2022 Domestic &Overseas
Status of suppliers						
Total number of suppliers[1]			Companies	-	3,970	3,722
Tier-1 (direct development)	Domestic& Overseas	Domestic	Companies	593	588	614
		Overseas	Companies	584	598	685
	Operating structure		Companies	353	395	399
Purchase amount		Total purchase amount	KRW 100 million	315,822	368,070	438,425
		Mass-production	KRW 100 million	156,754	189,271	238,918
		A/S	KRW 100 million	22,725	29,280	30,646
		Supplies/Packaging	KRW 100 million	2,554	2,504	2,692
		Overseas corporations	KRW 100 million	128,972	139,841	160,296
		Others	KRW 100 million	4,817	7,173	5,871
Status of supply chain purchase amount	Domestic	Parts suppliers[2]	Companies	1,405	1,410	1,320
		Parts purchase amount	KRW 100 million	182,033	221,056	272,257
		Other suppliers	Companies	-	1,962	1,677
		Other purchase amount	KRW 100 million	4,817	7,173	5,871
	Overseas	Locally-based suppliers	Companies	584	598	685
		Locally-sourced purchases	KRW 100 million	128,972	139,841	160,296

1) Newly reported in 2021 (mass-production, A/S, supplies/packaging, overseas corporations, others)
2) Mass-production, A/S, Supplies/Packaging

Society

Shared Growth Program

Metric			Unit	2020 Domestic	2021 Domestic	2022 Domestic
Shared Growth Program						
Fair trade agreement signed	Companies which signed the agreement		Companies	333	333	335
	Purchase amount[1]		KRW 100 million	43,902	55,981	64,402
Financing support	Direct support (Molding cost)		KRW 100 million	1,132	869	705
	Indirect support (Hybrid support)	Funding for loan support	KRW 100 million	2,037	2,715	2,715
		Loan support	KRW 100 million	1,654	2,355	1,971
		Contribution to special support funds	KRW 100 million	33	25	25
	Win-win payment system	Hyundai Mobis to tier-1 suppliers	KRW 100 million	48,952	55,275	66,761
		Tier-1 to tier-2 suppliers	KRW 100 million	1,073	1,547	1,723

1) Purchase amount refers to the purchases made from suppliers who signed the agreement in the respective year

Supply Chain Risk Management

Metric			Unit	2020 Domestic	2021 Domestic	2022 Domestic
ESG self-assessment (written)						
Tier-1 suppliers	Target	Initial[1]	Companies	358	390	395
		Final[2]	Companies	353	375	373
	Assessment	Tier-1 suppliers assessed	Companies	310	347	342
		Ratio of Tier-1 suppliers assessed	%	88.0	93.0	91.7
Tier-2 suppliers	Target	Initial[3]	Companies	113	58	44
		Final[4]	Companies	100	35	26
	Assessment	Tier-2 suppliers assessed	Companies	97	35	25
		Ratio of Tier-2 suppliers assessed	%	97.0	100	96.2
Total suppliers subject to assessment (Tier-1 and Tier-2)			Companies	453	410	399
Total suppliers who completed assessment (Tier-1 and Tier-2)			Companies	407	382	367
On-site assessment						
High-risk suppliers	Total high-risk suppliers		Companies	6	23	12
	Tier-1	High-risk Tier-1 suppliers	Companies	3	16	10
		Ratio of high-risk Tier-1 suppliers	%	1.0	5.0	2.9
	Tier-2	High-risk Tier-2 suppliers	Companies	3	7	2
		Ratio of high-risk Tier-2 suppliers	%	3.0	20.0	8.0
	Ratio of total high-risk suppliers		%	2.0	6.0	3.3
Improvement of sustainability risks	Correction		Companies	2	23	12
	Recommendation		Companies	4	0	0
	Development of improvement plans	High-risk suppliers that established (received) a corrective·recommended action plan	Companies	6	23	12
		Ratio of high-risk suppliers that established (received) a corrective·recommended action plan	%	100	100	100
	Improvement	Suppliers that made improvements	Companies	6	23	12
		Suppliers that eliminated negative impact (ESG performance improvement)	%	100	100	100
	Completion rate of deliberation on sanctions[5]		%	100	100	100
	Suppliers with which transaction has been terminated due to negative impact		Companies	0	0	0
Supplier ESG due diligence performed (Completion of on-site assessment)			%	100	100	100

1) Total domestic suppliers under the operating structure
2) Domestic suppliers under the operating structure excluding those with no transactions as well as distributors
3) Total tier-2 suppliers doing business with tier-1 suppliers involved in core business areas, direct development (KRW 1 billion or more), and individual contracts
4) Core tier-2 suppliers excluding those that have no transactions or shut down
5) Suppliers whose non-compliance with the Code of Conduct for Business Partners was made public by media (News Watches)

Society

Supply Chain Risk Management

Metric		Unit	2020	2021	2022
			Domestic	Domestic	Domestic
Supply chain assessment/selection system					
ESG management training		Companies	453	410	399
PARTNERS DAY ESG training		Companies	-	191	190
Safety and health support for suppliers					
Safety inspections performed on suppliers		Companies	68	45	74
Safety training system development for suppliers	First half	Companies	-	175	185
	Second half	Companies	-	171	173

Human Rights Training

Metric	Unit	2020	2021	2022
		Domestic	Domestic	Domestic
Human Rights Training				
Employee who completed human rights training[1]	Persons	7,996	9,047	8,737
Ratio of employees who completed human rights training	%	97.0	95.9	97.9

1) Excluding on-site, temporary/dispatched workers

Human Rights Risk Management[1]

Metric			Unit	2022	
				Domestic	Domestic&Overseas
Human Rights Risk Management					
Human rights risk assessment	Written	Business sites subject to assessment[2]	Sites	4	19
		Business sites assessed	Sites	4	19
		Assessment rate	%	100	100
		Business sites identified for risks	Sites	0	4
		Risk identification rate	%	-	21
	On-site	Business sites that received on-site assessment	Sites	0	4
		on-site assessment rate	%	-	100

1) Reporting standards changed due to the operation of a new assessment system
2) Four domestic business sites, 15 overseas business sites (Sites which suspended manufacturing operations (MCQ, MRU) and new sites (MUA) are excluded (not applicable), and joint ventures and sites not operated (before mass-production) are not subject to assessment)

Human Rights Grievance Handling

Metric			Unit	2022
				Domestic
Human rights grievances handled				
Human rights grievances handling[1]	Total grievances received[2]		Cases	14
	Total grievances handled		Cases	14
	Compliance Helpline	Received	Cases	13
		Handled	Cases	13
	Hello, HR	Received	Cases	38
		Handling needed[3]	Cases	1
		Handled	Cases	1
	Ratio of total human rights grievances handled		%	100

1) Reporting standards changed due to the operation of new channels (Compliance Helpline)
2) Excluding cases not relevant to Hyundai Mobis or cases withdrawn out of total (submissions to Helpline + Submissions to Hello, HR that were identified as in need of handling)
3) Cases submitted to Hello HR and identified as in need of HR action

Labor Management

Metric		Unit	2020	2021	2022
			Domestic	Domestic	Domestic
Application of the collective agreement and labor union membership					
Labor union membership[1]		%	55.0	53.0	51.0
Labor-management consultation channel[2]	Collective bargaining	Times	-	66	49
	Labor-management consultation	Times	-	10	10
	Management briefing	Times	-	4	3

1) Proportion of employees who joined labor unions out of employees eligible for membership (in below-supervisor positions), 100% of employees subject to the agreement signed with labor unions
2) Newly reported in 2021

Society

Employment Status

Metric			Unit	2020 Domestic &Overseas	2021 Domestic &Overseas	2022 Domestic &Overseas
Employment Status						
Total employees			Persons	34,220	33,702	33,125
By gender	Male		Persons	26,824	26,191	25,194
	Female		Persons	7,396	7,511	7,913
	Others		Persons	0	0	18
	Ratio of female employees		%	21.6	22.3	23.9
By type of employment[1]	Permanent positions	Total permanent positions	Persons	29,354	29,606	29,302
		Male	Persons	22,777	22,668	22,351
		Female	Persons	6,577	6,938	6,947
		Others	Persons	0	0	4
	Temporary positions	Total temporary positions	Persons	4,866	4,096	3,823
		Male	Persons	4,047	3,523	2,843
		Female	Persons	819	573	966
		Others	Persons	0	0	14
	Ratio of fixed-term workers		Persons	14.2	12.1	11.5
By region	Korea		Persons	10,244	10,838	11,635
	China		Persons	5,759	4,825	3,938
	Americas		Persons	6,670	6,663	7,674
	Europe		Persons	7,023	6,900	6,598
	Asia Pacific/Others (excluding Korea and China)		Persons	4,524	4,476	3,280
By nationality[2]	Korea		Persons	10,217	10,806	12,097
	China		Persons	6	7	3,900
	US		Persons	6	6	3,002
	India		Persons	0	0	3,128
	Czech Republic		Persons	0	0	2,034
	Others		Persons	15	19	8,960
	Unidentified		Persons	0	0	4
By generation	Under 30		Persons	10,362	9,573	8,491
	30 and over and under 50		Persons	19,576	19,617	19,646
	50 and over		Persons	4,282	4,512	4,988
By job group	Administrative[3]	Total administrative employees	Persons	13,708	14,287	15,664
		Male	Persons	11,251	11,638	13,205
		Female	Persons	2,457	2,649	2,455
		Others	Persons	0	0	4
		Ratio of females	%	17.9	18.5	15.8

1) Including nine short-term workers, no daily workers
2) 2020 and 2021 data are based on Korea only

Metric			Unit	2020 Domestic &Overseas	2021 Domestic &Overseas	2022 Domestic &Overseas
Employment Status						
By job group	Non-administrative	Total non-administrative employees	Persons	20,424	19,325	17,461
		Male	Persons	15,485	14,463	11,989
		Female	Persons	4,939	4,862	5,458
		Others	Persons	0	0	14
		Ratio of females	%	31.9	33.6	31.3
	Profit-generating (Administrative positions)	Total employees in profit-generating positions	Persons	1,624	1,665	4,097
		Male	Persons	1,365	1,396	3,041
		Female	Persons	259	269	1,042
		Others	Persons	0	0	14
		Ratio of females	%	15.9	16.2	25.4
	STEM positions (Permanent positions in the R&D Center)	Total employees in STEM positions	Persons	4,381	4,796	5,428
		Male	Persons	3,783	4,090	4,570
		Female	Persons	598	706	858
		Ratio of females	%	13.6	14.7	15.8
By position[2]	Executives	Total executives	Persons	88	90	126
		Male	Persons	88	90	118
		Female	Persons	0	0	8
		Others	Persons	0	0	0
	Senior administrative	Total employees in senior administrative positions	Persons	4,631	5,052	7,153
		Male	Persons	4,493	4,862	6,633
		Female	Persons	138	190	517
		Others	Persons	0	0	3
		Ratio of females	%	3.0	3.8	7.2
	Junior administrative	Total employees in junior administrative positions	Persons	2,876	3,074	8,385
		Male	Persons	2,429	2,512	6,454
		Female	Persons	447	562	1,930
		Others	Persons	0	0	1
		Ratio of females	%	15.5	18.3	23.0
Minority[2]		Patriots and veterans related[4]	Persons	121	121	117
		Disabled	Persons	317	320	308
		Ratio of employees with disabilities	%	0.93	0.95	0.93

2) 2020 and 2021 data based on Korea only
3) Including executives in administrative positions from 2020 onwards
4) Domestic

Society

External Recruitment, Internal Recruitment, and Turnover

Metric			Unit	2020 Domestic	2021 Domestic	2022 Domestic	2022 Domestic &Overseas
External recruitment							
Total new recruits			Persons	298	888	1,181	5,109
	By gender	Male		260	707	938	3,222
		Female		38	181	243	1,868
		Others		0	0	0	19
	By age group	Under 30		152	528	834	2,720
		30 and over and under 50		87	298	347	2,093
		50 and over		59	62	0	296
	By position	Senior manager and higher positions		-	-	193	281
		Lower than senior manager positions		-	-	988	4,828
	By nationality	Korea		-	-	1,181	1,260
		China		-	-	0	220
		US		-	-	0	1,251
		Others		-	-	0	2,378
Other new recruits	Temporary employees			-	-	357	4,010
	Dispatched employees			-	-	17	4,185
Recruiting costs							
Recruiting costs			KRW	1,216,314,577	1,966,646,874	2,545,812,355	4,718,936,986
	Average recruiting costs per person[1]		KRW	4,081,593	2,214,692	1,655,275	517,484
Internal recruitment							
Positions filled through open positions (Career Market)			Persons	30	94	56	425
Positions filled through open positions (Career Market)[2]			%	9.1	9.5	4.6	7.7
Turnover management							
Average years of employment	Total average years of employment		Years	13.8	13.5	12.8	8.7
	By gender	Male	Years	14.2	14.0	13.40	9.5
		Female	Years	10.3	9.7	9.10	6.3

1) Average recruiting costs per person: Total annual expenses for recruiting / total new hires
2) Open positions (%) = [Employees relocated through Career Market / (employees relocated through Career Market + new hires)] * 100

Metric			Unit	2020 Domestic	2021 Domestic	2022 Domestic	2022 Domestic &Overseas
Turnover management							
Turnover (resignation)	Total turnover (resignation)		Persons	549	661	895	7,860
	By gender	Male	Persons	395	510	717	5,887
		Female		154	151	178	1,963
		Others		0	0	0	10
	By age group	Under 30		242	329	341	4,612
		30 and over and under 50		115	112	209	2,539
		50 and over		192	220	345	709
Turnover rate (resignation rate)[3]	Total turnover rate (resignition rate)		%	5.4	6.1	7.7	23.7
	By gender	Male	%	3.9	4.7	6.2	17.8
		Female	%	1.5	1.4	1.5	5.9
	By age group	Under 30	%	2.4	3.0	2.9	13.9
		30 and over and under 50	%	1.1	1.0	1.8	7.7
		50 and over	%	1.9	2.0	3.0	2.1
Voluntary turnover	Voluntary turnover		Persons	141	248	280	3,885
	By gender	Male		112	185	212	2,471
		Female		29	63	68	1,412
		Others		0	0	0	2
	By age group	Under 30		56	154	159	2,082
		30 and over and under 50		65	85	109	1,557
		50 and over		20	9	12	246
Voluntary turnover rate[4]	Voluntary turnover rate		%	1.4	2.3	2.4	11.7
	By gender	Male	%	1.1	1.7	1.8	7.5
		Female	%	0.3	0.6	0.6	4.3
	By age group	Under 30	%	0.2	0.1	1.4	6.3
		30 and over and under 50	%	0.6	0.8	0.9	4.7
		50 and over	%	0.5	1.4	0.1	0.7

3) Turnover rate = (Number of leavers)/(total employees)*100, including fixed-term workers (temporary employees, trainees, etc.) leaving due to contract termination
4) Voluntary turnover rate = (total leavers – employees who voluntarily resign or resign through dehiring - / total employees, excluding retirement, fatalities, dismissal, relocation to Group affiliates, and contract termination

Society

Employee Salary Status

Metric			Unit	2020 Domestic	2021 Domestic	2022 Domestic
Salary status						
Total salaries paid[1]			KRW million	871,722	1,009,606	1,223,642
Average annual salary of all employees[2]	Median		KRW	89,393,066	99,912,811	113,559,970
	Mean		KRW	86,463,466	94,155,945	105,871,490
Wage by gender[3]	Male	Total pay	KRW	-	-	1,037,870,803,168
		Mean	KRW	72,605,458	74,851,085	74,508,166
	Female	Total pay	KRW	-	-	105,647,164,055
		Mean	KRW	57,946,215	59,172,839	58,200,509
Executives	Average base pay	Male	KRW	293,226,667	335,435,165	349,112,676
		Female	KRW	0	0	0
	Average total annual salary	Male	KRW	357,179,253	400,192,261	452,898,526
		Female	KRW	0	0	0
Administrative positions	Average base pay	Male	KRW	72,605,458	74,851,085	76,753,949
		Female	KRW	57,946,215	59,172,839	60,040,973
		Ratio of average base pay for women to average base pay for men in administrative positions	%	79.8	79.1	78.2
	Average total annual salary	Male	KRW	87,847,584	96,544,297	109,703,547
		Female	KRW	68,533,810	68,314,188	78,274,045
		Ratio of average base pay for women to average base pay for men in administrative positions	%	78.0	70.8	71.4
Non-administrative positions	Average base pay	Male	KRW	93,912,397	103,204,213	108,610,672
		Female	KRW	66,126,859	71,674,479	84,533,335
		Ratio of average base pay for women to average base pay for men in non-administrative positions	%	70.4	69.4	77.8
Retirement benefits			KRW million	83,379	80,966	110,975

1) Total pay: Base pay + bonus + benefits
2) Including other case performance pay such as base pay+ bonus
3) Newly reported in 2022, mean: based on base pay of permanent employees in both administrative and non-administrative positions

Performance Appraisal

Metric		Unit	2020 Domestic	2021 Domestic	2022 Domestic	2022 Domestic &Overseas
Status of performance appraisal						
MBO-based assessment	Reference employees	Persons	10,244	10,838	11,635	29,459
	Target employees		8,030	8,665	9,398	22,094
	Employees assessed		8,030	8,665	9,398	19,872
	KPI-based performance appraisal		100	100	100	89.9
Multi-dimensional assessments (including 360-degree assessments)[1]	Reference employees		10,244	10,838	11,635	11,635
	Target employees[2]		7,678	8,303	9,016	9,016
	Employees assessed		7,678	8,303	9,016	9,016
	Ratio of multidimensional assessment	%	100	100	100	100
Compensation aligned with comparative assessment[1]	Reference employees	Persons	10,244	10,838	11,635	11,635
	Target employees[3]		9,882	10,466	11,244	11,244
	Employees assessed[4]		4,723	5,146	5,458	5,458
	Ratio of compensation aligned with comparative assessment[5]	%	47.8	49.2	48.5	48.5

1) Domestic
2) Excluding on-site/temporary/dispatched workers and basketball team members
3) Excluding temporary/dispatched workers and basketball team members
4) Compensation aligned with assessment results applies to employees in administrative supervision and higher positions
5) Ranked through comparative analyses among employees in the same positions

Society

Employee training

Metric		Unit	2020 Domestic	2021 Domestic	2022 Domestic	2022 Domestic &Overseas
Training target and hours						
Training target[1]	Total trainees	Persons	-	10,748	11,691	32,648
	Permanent		-	10,334	11,103	28,850
	Temporary		-	414	588	3,798
Total annual training hours for employees		Hours	452,948	554,197	833,257	1,069,835
Average training hours per year per person		Hours	45.2	51.6	71.6	32.8
Training expenses						
Total training and exercise expenses		KRW	8,367,188,095	8,026,929,756	13,181,727,128	17,041,581,960
Average training expenses per person		KRW / Persons	834,715	746,830	1,132,937.4	521,979
Training participation by program[2]						
Internal on-the-job training		Persons	40,083	66,788	67,499	67,499
External on-the-job training			309	579	227	227
Licenses acquired		Cases	28	66	284	284
Community of Practice		Persons	2,981	1,020	1,218	1,218
Mentoring			10	651	1,043	1,043
S-OJT			193	345	310	310
Knowledge (Year-round learning content)			8,445	16,709	31,184	31,184
Retirement support training			101	107	119	119
SW Academy			-	1,322	2,101	2,101
Mobility SW learning platform			-	2,633	2,490	2,490
Retirement support training[3]	Target		122	131	321	321
	Completion		101	107	248	248

1) Regular workers excluding executives, reported since 2021
2) Domestic
3) Training for employees nearing their retirement including life planning and financial planning

Organizational Culture

Metric		Unit	2020 Domestic &Overseas	2021 Domestic &Overseas	2022 Domestic &Overseas
Employee satisfaction surveys and results					
Employees' satisfaction score (Positive responses)		%	71.5	72.8	74.8
	Domestic	%	75.4	76.7	77.9
	Overseas	%	65.1	66.3	69.0

Childbirth and Childcare

Metric			Unit	2020 Domestic	2021 Domestic	2022 Domestic	2022 Domestic &Overseas
Maternity leave and parental leave taken							
Maternity leave taken		Male	Persons	322	306	332	502
		Female		54	83	50	342
Parental leave	Employees who took parental leave	Male		38	51	77	751
		Female		80	114	120	467
	Employees who returned to work after parental leave		Persons	117	165	124	868

Occupational Health/Safety

Metric		Unit	2020 Domestic &Overseas	2021 Domestic &Overseas	2022 Domestic &Overseas
Employee safety training[1]					
Employees who completed SHE training modules as part of compliance training		Persons	7,770	9,047	8,737
Safety and health metrics					
Occupational injuries[1]	Occupational injuries[2]	Cases	6	3	3
	Occupational injury rates	%	0.060	0.030	0.030
Lost Time Injury Frequency Rate (LTIFR)	Employees	Cases/1 million hours	0.532	0.520	0.722
		Cases/200,000 hours	0.106	0.104	0.144
	Subcontractors (On-site suppliers)[3]	Cases/1 million hours	1.541	1.528	1.162
		Cases/200,000 hours	0.308	0.306	0.232

1) Domestic
2) One or more days off (Industrial Safety and Health Act), occupational injury rate = Workers injured / Regular workers * 100
3) Targets adjusted due to the establishment of subsidiaries specialized in manufacturing (Unitus, Motras) in 2022

Society

Information Security

Metric	Unit	2020 Domestic	2021 Domestic	2022 Domestic
Information security activities				
Ratio of investment in information security[1]	%	-	6.5	6.7
Employees who completed information security modules as part of compliance training	Persons	7,996	9,047	8,737
Advanced information security training by job position/ group_protection of trade secrets	Persons	-	7,848	8,299
Simulation training for response to malicious e-mails[2]	Times	6	12	4

1) Percentage of investments made for information security out of total IT budget, reported since 2021
2) Based on the sum of domestic and overseas training

CSR

Metric		Unit	2020 Domestic	2021 Domestic	2022 Domestic	2022 Domestic &Overseas
CSR outcomes						
CSR outcomes	Total volunteer hours	Hours	4,010	8,764	8,710	11,359
	Total volunteer participants[1]	Persons	1,720	3,838	3,858	4,824
	CSR hours per person[2]	Hours	0.39	0.86	0.75	0.34
CSR achievements by program	Junior Engineering Class	Persons	4,301	15,842	14,020	14,056
	Employee volunteering[3]		1,720	3,796	3,858	3,858
	ESG Ideathon[4]		-	-	50	50
	Supporting children with disabilities with mobility-assistive devices[3]		135	175	166	166
	Distributing transparent umbrellas[5]		92,427	102,209	97,781	105,781
	Junior Archery Class[6]		-	-	286	286

1) Calculated by including duplicates (cumulative)
2) CSR hours per person: Total volunteer hours / Total employees in Korea
3) Domestic
4) Newly reported in 2022 (new business), domestic data
5) 2020 and 2021 data were restated in line with change in internal management standards
6) In-person activities not undertaken in 2020 and 2020 due to COVID-19, domestic data

Donations

Metric			Unit	2020 Domestic &Overseas	2021 Domestic &Overseas	2022 Domestic &Overseas
Donations						
Total donations to charities			KRW million	24,089	16,620	18,727
Donations by type[1]	Charitable	Charitable donations	KRW million	5,309	8,151	1,696
		Ratio of charitable donations	%	22.0	49.0	9.1
	Community	Community donations	KRW million	17,191	6,667	14,799
		Ratio of community donations	%	71.4	40.1	79.0
	Commercial initiatives (public interest marketing, etc.)	Donations to commercial initiatives (public interest marketing, etc.)	KRW million	1,588	1,803	2,232
		Ratio of donations to commercial initiatives (public interest marketing, etc.)	%	6.6	10.8	11.9
Donations by resource[2]						
Cash donations		Donations to charities	KRW million	21,734	14,037	18,727
		Associations and tax-exempt organizations[3]	KRW million	1,487	1,329	1,230
		Lobbying and political donations	KRW million	0	0	0
Volunteering converted into monetary value[4]			KRW million	201	489	624
In-kind donations[5]			KRW million	0	0	0
Business expenses (management expenses)			KRW million	283	38	324

1) Percentages restated in line with change in categorization standards since 2020
2) Data for 2020 and 2021 are based on domestic coverage
3) 2020 and 2021 data (domestic) restated in line with change in classification standards
4) Employees volunteer hours out of working hours (excluding weekends) converted into monetary value
5) Products & services, projects, partnerships, etc.

Economy/Governance

Economy in General[1]

Metric		Unit	2020 Domestic &Overseas	2021 Domestic &Overseas	2022 Domestic &Overseas
Business Performance					
Total assets		KRW million	48,497,676	51,482,537	55,406,698
	Total liabilities	KRW million	15,169,553	16,125,063	17,599,066
	Total equity	KRW million	33,328,123	35,357,474	37,807,632
Sales	Total sales	KRW million	36,626,504	41,702,184	51,906,293
	Ratio of sales from electrification parts (to total sales)	%	11.45	14.61	18.64
Gross profit		KRW million	4,704,238	5,264,538	5,987,154
Total operating expenses		KRW million	34,796,212	39,662,072	49,879,762
Operating profit		KRW million	1,830,292	2,040,112	2,026,531
Profit before taxes		KRW million	2,117,980	3,194,542	3,362,612
Net income		KRW million	1,526,850	2,362,474	2,487,244
Performance distribution					
Income taxes		KRW million	591,130	832,068	875,368
Shareholder dividends		KRW million	370,104	364,929	367,094
Interest expenses		KRW million	54,543	38,621	75,646

1) On a consolidated basis

R&D and Patents

Metric		Unit	2020 Domestic &Overseas	2021 Domestic &Overseas	2022 Domestic &Overseas
R&D					
R&D expenses	Total R&D expenses	KRW 100 million	10,122	11,674	13,709
	R&D expenses against sales	%	2.8	2.8	2.6
R&D employees	Total R&D employees	KRW 100 million	5,489	5,911	6,720
	R&D employees out of total employees	%	16.0	17.5	20.3
Orders awarded for core parts[1]		USD million	1,758	2,517	4,652
Patents					
Patents granted (cumulative)[2]		Cases	4,373	5,852	7,048
New patent applications made (by year)[3]	Total new patent applications made	Cases	2,088	2,843	2,941
	Future technology (autonomous driving, connectivity)	Cases	-	659	805
	Eco-friendly (electrification, fuel cell)	Cases	-	295	210
	Others	Cases	-	1,889	1,926

1) Core parts: Electronics, lamps, chassis, electrification
2) Cumulative patent registrations made over the past 10 years
3) Including duplicates

Economy/Governance

Shareholder Value Enhancement

Metric		Unit	2020 Domestic &Overseas	2021 Domestic &Overseas	2022 Domestic &Overseas
Shareholder return					
Shares outstanding	Total shares outstanding	Shares	95,058,668	94,577,068	94,289,068
	Common shares	Shares	92,522,094	91,047,359	92,010,164
	Preferred shares	Shares	3,974	3,974	3,974
	Treasury shares	Shares	2,532,600	3,525,735	2,274,930
Dividends		KRW 100 million	3,701	3,649	3,671
Treasury shares repurchased		KRW 100 million	2,348	4,286	3,132
Treasury shares retired		KRW 100 million	625	625	625
Shareholder return		KRW 100 million	6,049	7,935	6,803
Shareholder return[1)]		%	39.6	33.6	27.4
Voting rights present at the AGM[2)]		Shares	-	-	71,894,589

1) Shareholder return (Dividends paid + Treasury shares repurchased) / Net income
2) Newly reported in 2022

CEO Compensation

Metric	Unit	2020 Domestic	2021 Domestic	2022 Domestic
CEO Compensation				
Total annual compensation for the CEO (including retirement benefits)	KRW	1,440,563,794	1,178,193,262	1,471,232,314
Increase rate in CEO's annual total compensation	%	21.4	-18.2	24.9
Average employee compensation excluding the CEO	KRW	86,463,466	94,212,807	105,020,601
Ratio of CEO compensation to average employee compensation	Fold	17.0	13.0	14.0
Median value of employee compensation excluding that the CEO	KRW	89,393,066	99,918,927	112,432,372
Ratio of CEO compensation to the median value of employee compensation	Fold	17.0	12.0	13.1
Median value of increases in annual salary of all employees excluding the CEO[1)]	%	-	-	17.4
Ratio of increases in CEO compensation to increases in annual salary for all employees excluding the CEO[1)]	Fold	-	-	1.4

1) Newly reported in 2022

Audits

Metric	Unit	2020 Domestic &Overseas	2021 Domestic &Overseas	2022 Domestic &Overseas
Audit expenses for external auditors				
Audit service fees	KRW million	1,697	1,840	2,200
Non-audit service fees	KRW million	197	208	68
Ratio of audit service fees to non-audit service fees	%	11.6	11.3	3.1

Economy/Governance

Compliance Training

Metric			Unit	2020	2021	2022
				Domestic	Domestic	Domestic
Compliance Training						
Employee compliance training	General	Common training	Persons	7,996	9,047	8,737
	Advanced	Ethics/Anti-corruption		-	3,079	1,160
		Fair trade/Subcontracting		-	1,013	3,896
		Information security/Security		-	8,046	11,433
		Safety, Health, and Environment		-	21	17,361
		Tariff/Tax		-	3,815	4,209
		Intellectual property		-	1,851	292
		Legal affairs/Contractual risk		-	324	54
		HR/Labor affairs		-	383	65
		Disclosure		-	43	120
		Training for organizational heads		-	-	561
		Training for expatriates		-	-	73
Training for suppliers	Training for suppliers' awareness raising/capacity building in key areas		Companies	548	410	399

Fair Trade

Metric	Unit	2020	2021	2022
		Domestic	Domestic	Domestic
Fair trade training				
Departments related with fair trade	Persons	977	772	3,218
New hires	Persons	171	241	678
Suppliers for procurement	Companies	548	410	399

Reporting/Whistleblowing and Action Taken

Metric		Unit	2022
			Domestic&Overseas
Compliance reporting/whistleblowing and action taken[1)]			
Reporting/Whistleblowing	Total reports/Whistleblower reports combined	Cases	42
	Fair trade/Subcontract		2
	Provision and acceptance of unfair business conduct/unjustified gains		6
	Impediment to human rights		13
	Distribution of gray parts		1
	Others		11
	Return gifts		9
Action taken	Total actions taken		42
	Fair trade/Subcontract		2
	Provision and acceptance of unfair business conduct/unjustified gains		5
	Impediment to human rights		13
	Distribution of gray parts		1
	Others		11
	Return gifts		9
	Internal review underway		1

1) Reporting standards changed due to the operation of new channels (Compliance Helpline)

Economy/Governance

Non-compliance with the Code of Ethics

Metric			Unit	2020	2021	2022
				Domestic &Overseas	Domestic &Overseas	Domestic &Overseas
Non-compliance with the Code of Conduct, whistleblowing, and action taken[1]						
Reporting/ whistleblowing	Total non-compliance/whistleblowing		Cases	43	30	35
	Employees			8	15	15
	Suppliers			6	5	8
	A/S parts			22	4	5
	CS			7	2	7
	Others			0	4	0
Action taken[2]	Total actions taken			43	30	35
	HR action	Corruption/Bribery		-	-	2
		Discrimination and harassment		-	-	2
		Personal data		-	-	0
		Conflict of interest		-	-	1
		Money laundering/ Insider trading		-	-	0
		Other/Unsubstantiated		-	-	10
	Internal training			-	-	11
	Others (settlement, institutional improvement, etc.)			-	-	9

1) Internal operational standards of Cyber Auditing and others
2) Newly reported due to change in reporting standards

Regulatory Non-compliance

Metric			Unit	2020	2021	2022	
				Domestic	Domestic	Domestic	Domestic &Overseas
Regulatory non-compliance[3]							
Anti-corruption (bribery, etc.)	Legal action		Cases	-	0	0	1
	Ratio of business sites certified to anti-corruption management (compliance) system programs[4]		%	-	0	0	0
Anti-corruption (unfair competition and antitrust)	Legal action		Cases	-	0	0	0
	Monetary sanction	Cases	Cases	-	0	0	0
		Total penalties	KRW	-	0	0	0
Environment	Monetary sanction	Cases	Cases	-	2	1	1
		Total penalties	KRW	-	12,000,000	4,000,000	4,000,000
Human rights/ Labor[5]	Legal action		Cases	-	-	0	0
	Monetary sanction	Cases	Cases	-	-	0	0
		Total penalties	KRW	-	-	0	0
Safety and health	Monetary sanction	Cases	Cases	-	1	0	2
		Total penalties	KRW	-	1,000,000	0	5,123,241
Others (information security, etc.)[5]	Monetary sanction	Cases	Cases	-	-	0	6
		Total penalties	KRW	-	-	0	19,609,100

3) Serious non-compliance in Korea and overseas (>$10,000) not available, integrated reporting of financial sanctions imposed on the Company and employees since 2022
4) Proportion of business sites which achieved third-party certifications (ISO 37001) and received audits or verifications
5) Newly reported

Consolidated Data

Integrated data on a consolidated basis including subsidiaries (Unitus, Motras, HGP, IHL, and GIT) and Hyundai Mobis

Energy Management

Metric		Unit	2022 Domestic &Overseas Business Sites	2022 Subsidiaries	2022 Integrated
Status of energy consumption					
Total energy consumption		TJ	6,234	2,206	8,440
	Non-renewable energy consumption	TJ	5,848[1]	2,204	8,052
		MWh	754,289	284,505	1,038,794
	Renewable energy consumption·conversion	TJ	386	2	388
		MWh	40,244	159	40,403
	Renewable energy consumption·conversion rate[2]	%	7.3	0.1	5.4

1) Excluding conversion made through REC purchases (382TJ)
2) Renewable energy consumption & conversion rate: Total renewable energy consumed and converted/total electricity consumed
* Total electricity use: Non-renewable energy (electricity)used and renewable energy (electricity) used and converted

GHG Management

Metric		Unit	2022 Domestic &Overseas Business Sites	2022 Subsidiaries	2022 Integrated
GHG emissions from operations (Scope 1 & 2)					
Total GHG emissions from operations (Scope 1&2)		tCO_2eq	289,369	106,600	395,969
	GHG emissions (Scope 1)	tCO_2eq	46,775	16,223	62,997
	GHG emissions (Scope 2)	tCO_2eq	242,594	90,378	332,972

Water Resources Management

Metric	Unit	2022 Domestic &Overseas Business Sites	2022 Subsidiaries[1]	2022 Integrated
Waster consumption and discharge				
Water consumption (withdrawal)	ton	1,306,931	444,416	1,751,347
Water recycling	ton	68,604	0	68,604

1) Based on data from Unitus and Motras

Waste Management

Metric			Unit	2022 Domestic &Overseas Business Sites	2022 Subsidiaries[1]	2022 Integrated
Waste generation and recycling						
Waste generation	Total waste generation		ton	67,855	7,094	74,949
	Designated waste	Total designated waste generation	ton	6,378	830	7,208
		Incineration	ton	3,057	584	3,641
		Landfill	ton	1,882	0	1,882
		Recycling	ton	1,439	246	1,685
	General waste	Total general waste generation	ton	61,478	6,264	67,742
		Incineration	ton	2,316	1,263	3,579
		Landfill	ton	9,376	205	9,581
		Recycling	ton	49,786	4,796	54,582
Waste recycling	Total waste recycling		ton	51,224	5,042	56,266
	Total waste recycling rate		%	75.5	71.1	75.1
Waste Disposal						
Waste disposal (landfill, incineration)	Total waste disposal		ton	16,631	6,473	23,104
	Landfilled		ton	11,258	205	11,463
	Incineration	Total waste Incineration	ton	5,373	6,268	11,641
		Incineration (without energy recovery)	ton	5,073	1,847	6,920
		Incineration (energy recovery)	ton	300	4,421	4,721

1) Based on data from Unitus and Motras

Consolidated Data

Integrated data on a consolidated basis including subsidiaries (Unitus, Motras, HGP, IHL, and GIT) and Hyundai Mobis

Air Pollutant Management

Metric		Unit	2022		
			Domestic &Overseas Business Sites	Subsidiaries[1]	Integrated
Air pollutant emissions					
Air pollutant emissions[2]	Total air pollutant emissions	ton	79.89	9.36	89.25
	NOx	ton	15.04	1.58	16.62
	SOx	ton	2.15	0.00	2.15
	Particulate Matter (PM)	ton	2.55	1.59	4.14
	THC	ton	60.15	6.19	66.34

1) Based on data from Unitus and Motras
2) Including outsourcing

Hazardous Chemicals Management

Metric	Unit	2022		
		Domestic &Overseas Business Sites[1]	Subsidiaries[2]	Integrated
Hazardous chemicals discharged				
Chemicals discharged from operations	ton	150	23	173

1) Based on domestic data only
2) Based on data from Unitus and Motras

Employment Status

Metric			Unit	2022		
				Domestic &Overseas Business Sites	Subsidiaries	Integrated
Employment status						
Total employees			Persons	33,125	9,459	42,584
By gender		Male	Persons	25,194	8,826	34,020
		Female	Persons	7,913	633	8,546
		Others	Persons	18	0	18
		Total percentage of females	%	23.9	6.7	20.1
By type of employment	Permanent	Total permanent employees	Persons	29,302	8,570	37,872
		Male	Persons	22,351	7,971	30,322
		Female	Persons	6,947	599	7,546
		Others	Persons	4	0	4
	Temporary	Total temporary employees	Persons	3,823	889	4,712
		Male	Persons	2,843	855	3,698
		Female	Persons	966	34	1,000
		Others	Persons	14	0	14
	Proportion of fixed-term workers		%	11.5	9.4	11.1
By job group	Administrative	Total administrative employees	Persons	15,664	1,318	16,982
		Male	Persons	13,205	1,176	14,381
		Female	Persons	2,455	142	2,597
		Others	Persons	4	0	4
		Percentage of females	%	15.8	10.8	15.3
	Non-administrative	Total non-administrative employees	Persons	17,461	8,141	25,602
		Male	Persons	11,989	7,650	19,639
		Female	Persons	5,458	491	5,949
		Others	Persons	14	0	14

APPENDIX

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GRI 2: General Disclosures

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Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-	-
	202-2	Proportion of senior management hired from the local community	-	-
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	●	18, 106-112
	203-2	Significant indirect economic impacts	●	18, 106-112
Procurement Practices	204-1	Proportion of spending on local suppliers	●	76
Anti-corruption	205-1	Operations assessed for risks related to corruption	●	42
	205-2	Communication and training about anti-corruption policies and procedures	●	42, 43
	205-3	Confirmed incidents of corruption and actions taken	●	44, 45
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	●	128
Tax	207-1	Approach to tax	●	40
	207-2	Tax governance, control, and risk management	●	40
	207-3	Stakeholder engagement and management of concerns related to tax	●	40
	207-4	Country-by-country reporting	●	40

GRI 300 Environmental Performance

Topic	GRI Standards		Report	Page & Note
Materials	301-1	Materials used by weight or volume	●	116
	301-2	Recycled input materials used	●	116
	301-3	Reclaimed products and their packaging materials	●	116
Energy	302-1	Energy consumption within the organization	●	114
	302-2	Energy consumption outside of the organization	●	114
	302-3	Energy intensity	●	114
	302-4	Reduction of energy consumption	●	62
	302-5	Reductions in energy requirements of products and services	●	66
Water and Effluents	303-4	Water discharge	-	-
	303-5	Water consumption	●	115
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	●	54
	304-2	Significant impacts of activities, products and services on biodiversity	●	54
	304-3	Habitats protected or restored	●	54
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-	-
Emissions	305-1	Direct (Scope 1) GHG emissions	●	114
	305-2	Energy indirect (Scope 2) GHG emissions	●	114
	305-3	Other indirect (Scope 3) GHG emissions	●	114
	305-4	GHG emissions intensity	●	114
	305-5	Reduction of GHG emissions	●	62
	305-6	Emissions of ozone-depleting substances (ODS)	●	53
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	●	116
Waste	306-1	Waste generation and significant waste-related impacts	●	51
	306-2	Management of significant waste-related impacts	●	51
	306-3	Waste generated	●	115
	306-4	Waste diverted from disposal	●	51, 115
	306-5	Waste directed to disposal	●	115
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	●	128
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	●	77, 78
	308-2	Negative environmental impacts in the supply chain and actions taken	●	77, 78

GRI Standards Index

GRI 400 Social Performance

Topic	GRI Standards		Report	Page & Note
Employment	401-1	New employee hires and employee turnover	●	121
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	●	94
	401-3	Parental leave	●	94
Labor/ Management Relations	402-1	Minimum notice periods regarding operational changes	●	87
Occupational Safety and Health	403-1	Occupational safety and health management system	●	97
	403-2	Hazard identification, risk assessment, and incident investigation	●	100
	403-3	Occupational health services	●	101
	403-4	Worker participation, consultation, and communication on occupational safety and health	●	97
	403-5	Worker training on occupational safety and health	●	99
	403-6	Promotion of worker health	●	101
	403-7	Prevention and mitigation of occupational safety and health impacts directly linked by business relationships	●	97-99
	403-8	Workers covered by an occupational safety and health management system	●	97
	403-9	Work-related injuries	●	123
Training and Education	404-1	Average hours of training per year per employee	●	123
	404-2	Programs for upgrading employee skills and transition assistance programs	●	90-92
	404-3	Percentage of employees receiving regular performance and career development reviews	●	93
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	●	32, 33, 120
	405-2	Ratio of basic salary and remuneration of women to men	●	122
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	●	44
Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	●	87
Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	●	84-86
Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	●	84-86
Security Practices	410-1	Security personnel trained in human rights policies or procedures	●	43, 84

Topic	GRI Standards		Report	Page & Note
Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	●	84-86
Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	●	85
	412-2	Employee training on human rights policies or procedures	●	85, 119
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	●	85
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	●	111, 112
	413-2	Operations with significant actual and potential negative impacts on local communities	●	84-86
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	●	77, 78
	414-2	Negative social impacts in the supply chain and actions taken	●	77, 78
Public Policy	415-1	Political contributions	●	112
Customer Safety and Health	416-1	Assessment of the safety and health impacts of product and service categories	●	68
	416-2	Incidents of non-compliance concerning the safety and health impacts of products and services	●	117, 128
Marketing and Labeling	417-1	Requirements for product and service information and labeling	-	-
	417-2	Incidents of non-compliance concerning product and service information and labeling	-	-
	417-3	Incidents of non-compliance concerning marketing communications	●	44
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	●	44, 128
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	●	128

WEF IBC Stakeholder Capitalism Metrics

Principles of Governance

Theme	Core metrics	Disclosures	Report	Page & Note
Governing purpose	Setting purpose	Purpose of business related to value creation	●	5, 22
Quality of governing body	Governance body composition	Composition of BOD and subcommittees	●	32-36
Stakeholder engagement	Material issues impacting stakeholders	Materiality assessment	●	138-139
Ethical behavior	Anti-corruption	Anti-corruption details and prevention activities (training, etc.)	●	41-44, 128
			●	128
	Protected ethics advice and reporting mechanisms	Internal and external ethics advising and reporting mechanisms	●	44-45
Risk and opportunity oversight	Integrating risk and opportunity into business process	Identification of and response to risks and opportunities	●	39-40

People

Theme	Core metrics	Disclosures	Report	Page & Note
Dignity and equality	Diversity and inclusion	Composition of employees by type	●	120
	Pay equality	Employee salaries by type	●	87, 122
	Wage level	Wage level	●	126
	Risk for incidents of child, forced or compulsory labor	Information on business sites with risk	●	78, 85
Health and well-being	Safety and health	Safety incidents metrics and health service	●	94, 101, 123
Skills for the future	Training provided	Training hours and cost	●	123

Planet

Theme	Core metrics	Disclosures	Report	Page & Note
Climate change	Greenhouse gas (GHG) emissions	Status of GHG emissions by type	●	62, 63
	TCFD implementation	TCFD recommendations metrics	●	49, 136
Nature loss	Land use and ecological sensitivity	Information on business sites in relation to biodiversity	-	-
Freshwater availability	Water consumption and withdrawal in water-stressed areas	Information on business sites in relation to water stress	●	115

Prosperity

Theme	Core metrics	Disclosures	Report	Page & Note
Employment and wealth generation	Absolute number and rate of employment	Employment and transfer	●	121
	Economic contribution	Economic value creation and distribution	●	18, 125 Business Report
	Financial investment contribution	Shareholder return	●	19-30
Innovation of better products and services	Total R&D expenses	Total R&D expenses	●	18
Community and social vitality	Total tax paid	Total Tax Payment	●	40 Business Report

SASB Index

Sustainability Disclosure Topics & Accounting Metrics

Topic	Accounting Metric	Code	Report	Page & Note
Energy management	Total energy consumed	TR-AP-130a.1	●	63, 114
	Percentage grid electricity		●	114
	Percentage renewable		●	114
Waste management	Total amount of waste from manufacturing	TR-AP-150a.1	●	51, 115
	Percentage hazardous		●	51, 115
	Percentage recycled		●	51, 115
Product safety	Number of recalls issued, total units recalled	TR-AP-250a.1	●	70, 117 Number of recalls issued are not disclosed
Design for fuel efficiency	Revenue from products designed to increase fuel efficiency and/or reduce emissions	TR-AP-410a.1	●	18, 64
Materials sourcing	Description of the management of risks associated with the use of critical materials	TR-AP-440a.1	●	82
Materials efficiency	Percentage of products sold that are recyclable	TR-AP-440b.1	●	52
	Percentage of input materials from recycled or remanufactured content	TR-AP-440b.2	●	52
Competitive behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	TR-AP-520a.1	●	128 No proceedings

Activity Metrics

Topic	Code	Report	Page & Note
Number of parts produced	TR-AP-000.A	-	-
Weight of parts produced	TR-AP-000.B	●	116 Disclosure of gross weight of parts sold
Area of manufacturing plants	TR-AP-000.C	-	-

TCFD Index

TCFD Recommendations

Core elements	Recommendations	Report	Page & Note	CDP Climate Change (as of 2022)
Governance	a) Describe the board's oversight of climate-related risks and opportunities	●	49	C1.1a, C1.1b
	b) Describe management's role in assessing and managing climate-related risks and opportunities	●	49	C1.2a, C1.3a
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	●	61	C2.1, C2.2a, C2.3a, C2.4a
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	●	61	C3.3, C3.4
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2 °C or lower scenario	●	60	C3.2a, C3.2b
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks	●	60	C2.2
	b) Describe the organization's processes for managing climate-related risks	●	60	C1.1b, C1.2a, C2.2
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	●	60-61, 39-40	C1.2a, C2.2, C2.2a
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	●	62	C4.1a, C4.2a, C4.2c, C4.3, C4.5, C5.1a, C5.2, C5.3
	b) Describe Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	●	62-63	C6.1, C6.3, C6.5, C10.1
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	●	62-63	C4.1a, C4.2a, C4.2c

UN SDGs

Hyundai Mobis aims to join in the achievement of the UN SDGs (UN Sustainability Development Goals) based on various competencies including technological capacities. Accordingly, we have set response goals for each target of the UN SDGs and are performing related activities.

SUSTAINABLE DEVELOPMENT GOALS

SDGs		Target	Hyundai Mobis' Activities	Page
1 NO POVERTY	1.4	Ensure that the poor and the vulnerable have increased access to financial and social resources	• Support the mobility convenience of children with disabilities	108
	1.5	Support resilience building of the poor and those in vulnerable situations	• Perform employees' volunteer service activities • Sponsor affiliated institutions and families	110
3 GOOD HEALTH AND WELL-BEING	3.4	Non-communicable diseases and mental health	• Support for medical expenses and operation of health management office • Operate Mobis Mental Health Healing Camp	101
	3.6	Reduce traffic accidents of children	• Perform see-through umbrella sharing activity • Develop "A Path to School," a traffic safety educational application for children	107
4 QUALITY EDUCATION	4.4	Contribute to fostering technological and scientific talents for the future	• Operate Junior Engineering Class • Operate recruitment-linked SW academy, and contract department	109 89
	4.7	Increase education for diversity and inclusion awareness raising	• Publish children's books to improve awareness of people with disabilities	108
5 GENDER EQUALITY	5.5	Strengthen women's capacities and foster female leaders	• Establish and implement plans to expand gender diversity • Operate Employee diversity program (ERG)	87
6 CLEAN WATER AND SANITATION	6.3	Improve water quality, wastewater treatment and safe reuse	• Management of water pollutants • Analyze water stress by domestic and overseas business sites	54
	6.6	Protect and restore water-related ecosystems	• Operate biodiversity programs in the Miho River area in Jincheon	54
7 AFFORDABLE AND CLEAN ENERGY	7.2	Increase the percentage of renewable energy in the global energy mix	• Promote the fulfillment of RE100 by 2040	59
	7.3	Improve energy efficiency	• Establish and operate energy management system • Continuous energy efficiency improvement efforts in business sites	63
8 DECENT WORK AND ECONOMIC GROWTH	8.3	Create quality jobs and support the growth of SMEs	• Operate an in-house startup fostering program • Perform collaboration for shared growth activities based on the Seven Beautiful Promises • Operate a Farmers' Market through the One Company - One Village Campaign	17 79-81 110
10 REDUCED INEQUALITIES	10.3	Ensure equal opportunities and end discrimination	• Establish Diversity and Inclusion (D&I) policies • Apply the same salary system for the same job category	87
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.4	Responsible management of chemicals and waste	• Management of hazardous chemicals in business sites	53
	12.5	Strive to reduce waste through reuse and recycling	• Promotion of 2025 Zero Waste to Landfill(ZWTL)	51
	12.6	Internalize corporate sustainability activities	• Secure ESG governance and promote strategies • Disclose sustainability-related activities by publishing the sustainability report	22-23
13 CLIMATE ACTION	13.3	Enhance climate change awareness and secure response capacity	• Perform employee environmental training and ESG mindset training • Promote the achievement of 2045 Net-Zero	50 58
15 LIFE ON LAND	15.2	Promote sustainable forest management	• Donation of air purifying plants to local communities through employee participation • Citizen participation in forest creation in Hongcheon, Gangwon-do	108
	15.5	Protect biodiversity and natural habitats	• Biodiversity risk analysis by domestic and overseas business sites • Planting of street trees and flowers and release of Miho seedlings	54
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.5	Reduce corruption in all forms	• Operate the Code of Conduct and compliance programs	43-45
17 PARTNERSHIPS FOR THE GOALS	17.17	Encourage effective partnerships	• Participate in sustainability management initiatives	140

Materiality Assessment

Materiality Assessment Process

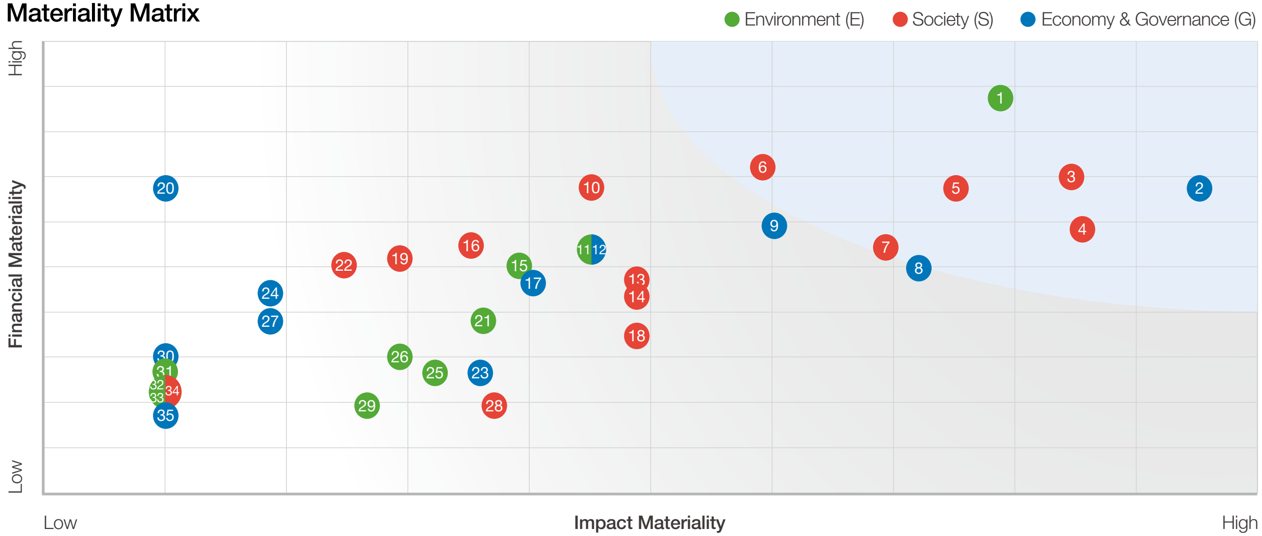
Hyundai Mobis performs a materiality assessment each year to determine relevant topics that are material to our sustainability management. In 2022, we followed the 4-step process set out in the GRI Standards to identify material topics, and assessed the significance of sustainability issues for their financial impacts on the Company as well as how the Company positively impacts people and the environment.

Impact Identification and Assessment			Material Topic Determination
Step.1 Understand the Organization's Context	**Step.2 Identify Impacts**	**Step.3 Assess the Significance of the Impacts**	**Step.4 Prioritize the Most Significant Impacts**
Understand the organization's context in terms of its activities and business relationships, sustainability factors, and stakeholders	Identify positive · negative, potential · actual, short-term · long-term, intended · unintended, and reversible · irreversible impacts	Assess the significance of impacts (likelihood, scale, scope, and irremediable character) along with the financial materiality of the impacts	Prioritize issues based on materiality and report to the highest governance body
• Provide an overview of Hyundai Mobis' activities and business relationships across 35 areas identified in accordance with global disclosure standards (GRI, SASB, etc.) and domestic/overseas rating agency indices (MSCI ESG Ratings, S&P Global CSA, Korea Corporate Governance Services' ESG rating, etc.) and through benchmarking analyses	• Identify the impacts Hyundai Mobis' activities and business relationships have on the economy, the environment, human rights, and people, as well as the sustainability issues on Hyundai Mobis' corporate value • Identify 42 key impacts (integrating duplicate impacts)	❶ Outward Impacts(Impact materiality) • Reputation (media) analysis – Analyze Hyundai Mobis-related articles and internal press releases (Jan. 2022 ~ Dec. 2022) • Stakeholder survey – Conduct impact assessments on key stakeholders – employees, suppliers, customers, and investors among others (Mar. 2023) ❷ Inward Impacts (Financial materiality) • Policy and regulatory analysis – Analyze ESG-related policy and regulatory trends (based on in-house CP letters (Jan. 2022 ~ Dec. 2022) • Analyze investor interests – Analyze key questions and requirements collected through conference calls, NDR events, and shareholder letters (Jan. 2022 ~ Dec. 2022) • Stakeholder survey - Conduct impact assessment on key stakeholders – employees, suppliers, customers, and investors among others (Mar. 2023)	• Determine eight material topics of Hyundai Mobis, based on impact materiality and financial materiality assessment results • Report materiality assessment results and key selected topics to the Corporate Sustainability Management Committee

Materiality Assessment Results

The materiality assessment performed in 2023 identified climate change response, R&D reinforcement & technology innovation, and support for growth and equal opportunity as top priorities, and eight material topics were determined, which included these top priority issues. This list of material topics partially overlaps with the material topics identified for the reporting year (2022) with the addition of new issues in the labor and environment areas. Key issues that were newly identified – support for growth and equal opportunity, work-life balance, and talent recruitment and retention – reflect the increased materiality of human (society)-centered impacts, which is attributable to changes in our methodology, which also assesses how we, as a company impact people and the environment. Such impacts are expected to serve as key metrics for our sustainability management operations in the years ahead.

Materiality Matrix



Material Topics	Reported in 2022	Reporting Page in the 2023 Report	Impact Materiality	Financial Materiality
1 Climate change response	●	Net-zero implementation	High	Very High
2 R&D reinforcement and technology innovation	●	Business strategy	Very High	High
3 Support for growth and equal opportunity		Human-centric workplace	Very High	High
4 Work-life balance		Human-centric workplace	Very High	Medium
5 Product safety and quality	●	Strengthening product quality and customer satisfaction	High	High
6 Strengthening supply chain win-win collaboration	●	Sustainable supply chain	Medium	High
7 Talent recruitment and retention		Human-centric workplace	High	Medium
8 Bolstering global competitiveness	●	Strengthening product quality and customer satisfaction	High	Medium

Very Low Low Medium High Very High

Issues by Area

Category	Reporting Page and Note
Environment (E)	1 Climate change response; 11 Energy management; 15 Building a resource circularity system; 21 Sustainable product development; 25 Hazardous substances management; 26 Expanding eco-friendly investment; 29 Workplace waste management; 31 Biodiversity protection; 32 Air quality management; 33 Water resources management
Society (S)	3 Support for growth and equal opportunity; 4 Work-life balance; 5 Product safety and quality; 6 Strengthening supply chain win-win collaboration; 7 Talent recruitment and retention; 10 Diversity & inclusion; 13 Trust-based labor relations; 14 Bolstering occupational safety and health; 16 Supply chain sustainability management; 18 Respect for human rights; 19 Strengthening information security; 22 Customer value enhancement; 28 CSR and community value creation; 34 Responsible raw materials management
Economy & Governance (G)	2 R&D reinforcement and technology innovation; 8 Bolstering global competitiveness; 9 Integrated risk management; 12 Sound governance; 17 Shareholder value enhancement; 20 Advancing sustainability management; 23 Advancing corporate infrastructure and systems; 24 Tax/accounting transparency; 27 Compliance management; 30 Financial soundness/tax transparency; 35 Public policy

Awards and Memberships

Awards

Name of Award	Date of Award	Awarding/Hosting Organization
Listed in the DJSI Asia Pacific/Korea Index 2020	Dec. 2020	DJSI
Prime Minister's Citation at the 2020 Government Awards for Distinguished Services in Sustainability	Dec. 2020	Ministry of Trade, Industry and Energy
Intellectual Property Management Company of the Year 2020	Dec. 2020	Ministry of Trade, Industry and Energy
Best rating in the Shared Growth Index Assessment	Sep. 2021	Korea Commission for Corporate Partnership
Innovation Award (Environmental Minister Award) at the Korea Green Mobility Awards	Jan. 2021	Asia Business Daily
Highest ranking in the Consumer Discretionary category of the Korea ESG Management Awards	Nov. 2021	Korea Economic Daily
Listed in the DJSI World/Asia Pacific/Korea indices 2021	Nov. 2021	DJSI
Technology Award at the Korea Green Mobility Awards	Jan. 2022	Asia Business Daily
Best Company in the Anti-corruption category at the 2022 BIS Summit	Mar. 2022	UN Global Compact Network Korea
Good Advertising Selected by Citizens	Mar. 2022	Korea Advertisers Association
2022 Jungang ESG Management Awards	Apr. 2022	Ministry of Trade, Industry and Energy
Awarded at the iF Design Award 2022 (Interior Architecture, Professional Concept category)	Apr. 2022	iF Design
IR52 Jang Young-shil Award – High-voltage battery system	Apr. 2022	Korea Industrial Technology Association
Korea ESG Champion 2022	May. 2022	Hankook Ilbo
3rd ESG Korea Awards & Forum	May. 2022	Hansbiz, ESG Happy Economy Research Institute, Seoul National University Graduate School of Environmental Studies
PACEpilot	Sep. 2022	Automotive News in the United States
Korea ESG Communication Awards 2022	Nov. 2022	Korea Internet Communication Association
Listed in the DJSI World/Asia Pacific/Korea indices 2022	Nov. 2022	DJSI
Innovation Award at the CES 2023	Jan. 2023	CES
iF Design Award 2023	Apr. 2023	iF Design
Presidential Commendation on 58th Invention Day	May. 2023	Korean Intellectual Property Office

Sustainability Initiative Memberships

Initiatives	Purpose of Membership
RE100	Build momentum to transition to 100% renewable energy
SBTi	Globally pledge to set science-based reduction targets, verify our targets by 2023
TCFD Supporter	Join global efforts for climate change response
UNGC Network Korea	Comply with the UN Global Compact 10 principles

Memberships

Organization	Purpose of Affiliation
Seoul Chamber of Commerce and Industry	Meet our membership obligations pursuant to the Chamber of Commerce and Industry Act, issue documents for export and import operations, etc.
Korea Enterprises Federation	Collaborate and make policy proposals to build cooperation between labor and management
Korea Auto Industries Cooperative Association	Promote cooperation among relevant companies for the development of the automotive industry
Fair Competition Federation	Promote the exchange of information and ideas between the government and businesses for fair trade compliance
Korea International Trade Association	Obtain trade information on exports and tariffs, among others, and make policy proposals
Korea Automotive Recyclers Association	Assist the automotive industry in preserving the environment and increasing the recycling of automobiles
Korea Industrial Technology Association	Facilitate the technology cooperation network and strengthen technology innovation capabilities
Korean Society of Automotive Engineers	Share academic automotive technology to further advance the technology
Hydrogen Convergence Alliance Promotion Team	Provide financial support and propose business models to expand hydrogen energy and facilitate a transition to a low-carbon, eco-friendly economy

Hyundai Mobis has been a member of the UN Global Compact (UNGC) since 2009, and will continue with its efforts to comply with the UNGC 10 principles and embed these principles into its operations.

COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Third-party Assurance Statement

Independent Limited Assurance Report on Sustainability Information in Hyundai Mobis Sustainability Report

KPMG

We were engaged by Hyndai Mobis Co., Ltd. ("Company") to provide a limited assurance on the information included 'Hyundai Mobis Sustainability Report 2023' ("Report") for the year ended December 31, 2022. The work of scope covers subject matter information from January 1, 2022 to December 31, 2022, and significant issues till the issurance date of this limited assurance report.

Subject Matter Information

We have performed assurance procedures on the sustainability information included in the attached Report ("Sustainability Information"). Our assurance procedures do not extend to Sustainability Information related to the previous period, including images, audio files, and embedded videos.

Criteria Used as the Basis of Preparation

The criteria used as the basis of preparation includes GRI standards issued by the Global Reporting Initiative and SASB standards issued by the Sustainability Accounting Standards Board("Criteria").
The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure Sustainability Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time. Consequently, the Sustainability Information needs to be read and understood together with criteria as the basis of preparation which the Company has used to prepare the Sustainability Information.

Our Conclusion

Based on the procedures we have performed as described under the 'Summary of the work we performed as the basis for our assurance conclusion' and the evidence we have obtained, nothing has come to our attention that causes us to believe that Company's Sustainability Information included in the report for the year ended December 31, 2022 is not prepared, in all material respects, in accordance with the criteria used.
As we have not performed assurance procedures on Sustainability Information related to the previous period, including images, audio files, and embedded videos, we do not express an assurance conclusion regarding them.

Inherent Limitations

Sustainability Information includes forward-looking information such as climate-related scenarios that is subject to inherent uncertainty because of incomplete scientific and economic knowledge about the likelihood, timing or effect of possible future physical and transitional climate-related impacts.

Company's Responsibilities

The management of the Company are responsible for selecting and establishing suitable criteria for preparing the Sustainability Information, considering applicable regulations related to sustainability reporting. They are also responsible for designing, implementing, and maintaining internal controls over information relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We are responsible for planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error, forming as independent conclusion, based on the procedures we have performed and the evidence we have obtained, and reporting our conclusion to the management of the Company. As we are engaged to form an independent conclusion on the Sustainability Information as prepared by management, we are not permitted to be involved in the preparation of the Sustainability Information as doing so may compromise our independence.

Assurance Standards Applied

Our assurance engagement has been performed in accordance with ISAE 3000 (Assurance Engagements Other than Audits or Reviews of Historical Financial Information) issued by the International Auditing and Assurance Standards Board ("IAASB").

Third-party Assurance Statement

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.
We apply International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Summary of the Work we Performed as the Basis for our Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Sustainability Information, we:

- established whether the financial information included in the Report was appropriately extracted from the audited financial statements of the Company
- inquired about the process for selecting material issues considering the Company's key stakeholders
- performed interviews with the responsible personnel who have the responsibility for providing entity-level data for the Report
- visited the Company's headquarters to verify the procedures and systems for managing and reporting sustainability data and,
- assessed the alignment of the Report's content with our overall knowledge and experience regarding the Company's non-financial value creation performance

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Therefore, since we may not be aware of all significant matters that can only be identified through reasonable assurance procedures, we do not provide reasonable assurance regarding whether the Company's Sustainability Information has been prepared in accordance with the Reporting Framework from the perspective of materiality.

Use of this Assurance Report

This assurance report has been prepared for the Directors of the Company for the purpose of providing an assurance conclusion on the Subject Matter Information and may not be suitable for any other purposes. We disclaim that any assumption of responsibility for any reliance on this assurance report, to any person other than the Directors of the Company, or any other purpose than that for which it was prepared.

KPMG Samjong Accounting Corp.
152 Teheran-ro, Gangnam-gu, Seoul, South Korea,
June 7, 2023

Greenhouse Gas Verification Statement

Verification Statement on 2022 Greenhouse Gas Inventory Report

Introduction

Korean Foundation for Quality (hereinafter 'KFQ') has been engaged by Hyundai Mobis Corporation. (hereinafter 'Company') to independently verify its 2022 Greenhouse Gas Emission Report (hereinafter 'GHG Inventory').

Verification Scope and Standard

KFQ's verification was focused on all of the greenhouse gas emission sources (direct emission and indirect emission) controlled by the Company's places of business nationwide.
'Guidelines on the Reporting and Certification of Emissions of Greenhouse Gas Emission Trading Systems (Notification No. 2022-279 of Ministry of Environment & IPCC Guidelines 2006)' were mainly applied in verification process but also the Company Guidelines for GHG Inventory was considered.

Level of Assurance

The Verification has been planned and conducted as the 'Rules for verification of operating the greenhouse gas emission trading scheme', and the level of assurance for verification shall be satisfied as reasonable level of assurance. And it confirmed through the internal review whether the process before the verification conducted effectively.

Limitations of Verification

The accuracy and completeness of the emissions data shown in the greenhouse gas inventory contains inherent limitations that can arise depending on the characteristics, calculations, and estimation of the data.

Conclusion/Opinion

Based on verification process according to the ISO 14064-1, ISO 14064-3 and national scheme, KFQ obtained reasonable basis to express the following conclusion on the greenhouse gas emission data (as scope 1 and scope 2) in the Inventory Report.
As a result of Hyundai Mobis' assessment of the importance of greenhouse gas emissions at all domestic workplaces in 2022, it is a company with a quantitative standard of less than 500,000 tCO_2-eq, which is a requirement for reporting and certification of greenhouse gas emissions trading system.

Report year	Greenhouse Gas Emission (Unit: tCO_2eq)		
	Direct Emission (Scope 1)	Indirect Emission (Scope 2)	Total (Scope1 + Scope2)
2022	11,447	95,757	107,204

* Of the total emissions, Hyundai Mobis' emission is 93,863 tCO_2-eq and Motras's emission is 13,341 tCO_2-eq (Separate emissions display of Motras due to the establishment of an affiliate in 11/1/22)

May 30th, 2023
Ji-Young Song
CEO, Korean Foundation for Quality (KFQ)

Ji Young Song

Greenhouse Gas Verification Statement

Verification Statement Greenhouse Gas Emission Report

Introduction

Korean Foundation for Quality (hereinafter “KFQ”) has conducted the verification of “2022 Report on Quantity of emitted Greenhouse gas Consumption (hereinafter ‘Inventory Report”) for HyundaiMobisOverseas Corporation(hereinafter “The Company”)

Verification Scope

KFQ’s verification was focused on all the facilities which emitted the greenhouse gas during the year of 2022 under the Company’s operational control and organizational boundary in overseas 4 regions and 78 offices of the Company and reported emission is Scope1 and Scope2.

Verification Criteria

- 2006 IPCCGuidelines for National Greenhouse Gas Inventories
- Rules for verification of operating the greenhouse gas emission trading scheme
- ISO14064-3
- IEA annual GHG Emissions Factors for World countries from electricity and heat generation’ every applicable part.

Level of Assurance

The verification has conducted under limited level of assurance. The accuracy and completeness of the data shown in the inventory report contain inherent limitations that can arise depending on the characteristics, calculations, and estimation of the data by the Company. This verification opinion does not include responsibility for accuracy on the original data provided by the Company.

Verification Approach

The verification process included desk review of the Inventory report provided by the Company. This is followed by on-site visit to carry out interviews with whom compilated the report in order to check data & information system and process. Furthermore, we examined evidences to assess the data and information referred in the report.

Conclusion/Opinion

2022 the Company’s Greenhouse Gas Emission Report has stated in accordance with ‘2006 IPCC G/L’, ‘Rule for emission reporting and certification of greenhouse gas emission trading Scheme’ and ‘ISO14064-1’. The material errors, omissions or insignificant issues were not found in the Company’s 2022 Greenhouse Gas Emission Report.
KFQ concludes ‘Appropriate’ to the Greenhouse Gas Emissions of the Company from 2022.

Report year	Greenhouse Gas Emission (Unit: tCO_2eq)		
	Direct Emission (Scope 1)	Indirect Emission (Scope 2)	Total (Scope1 + Scope2)
2022	39,380	156,126	195,506

* Scope 2 indirect emissions and total emissions reflected reductions from renewable energy transition

May 30th, 2023
Ji-Young Song
CEO, Korean Foundation for Quality (KFQ)

kfq Korean Foundation for Quality

Ji Young Song

About This Report

Report overview

Hyundai Mobis executes sustainable business activities that enables mutual growth with all stakeholders, including employees, suppliers, investors, and customers, and to disclose the related information transparently, we have been publishing annual sustainability reports since 2010. During the process of report publication process, in order to identify the significance of mutual impacts between the company and environment/society and to collect stakeholder opinions, we conducted the materiality assessment and identified the material reporting issues. This 14th sustainability report that we present for 2023 fully illustrates our efforts and achievements made in relation to these material topics.

Reporting Period

This report spans the period between January 1, 2022 to December 31, 2022, and the three-year data from 2020 to 2022 is presented for quantitative data. It should be noted, however, that quantitative data for newly-established subsidiaries (Motras, Unitus) and existing subsidiaries (H Green Power Co., Ltd., Hyundai IHL Co., Ltd., GIT Co., Ltd.) covers the period from January 1, 2022 to December 31, 2022. Critical performance data, that falls outside the reporting period, extends to May 2023.

Reporting Boundary

This report covers the Hyundai Mobis headquarters, manufacturing plants and business sites, R&D centers, parts centers and all our operations in Korea and abroad in reporting sustainability management activities and achievements, with a portion of the data (employee pay, fair trade training, and others) limited to domestic operations. Out of the consolidated subsidiaries, overseas corporations engaging in the sales of measurement/analysis devices (GIT America., Inc, GIT Europe GmbH, GIT Beijing Automotive Technology Inc. and Mobis Automotive Solutions Spain, S.L.U. (established in April 2022) were not included in the data coverage of this report. The detailed reporting boundary of quantitative data is as follows:

- Energy and GHG: Integrated data of all our domestic and overseas operations and five subsidiaries
- Other environmental data: Integrated data of all our domestic and overseas operations and two subsidiaries (Motras Co., Ltd. and Unitus Co., Ltd.)
- Employment data: Integrated data of all our domestic and overseas operations (excluding Mobis Module CIS, LLC) and five subsidiaries
- Other social/governance data: All our domestic and overseas operations (excluding Mobis Module CIS, LLC)

* Salary details and other data pertinent only to Korea are marked 'domestic'.

Reporting Standards

This report was prepared in accordance with the GRI (Global Reporting Initiative) sustainability reporting standards and the SASB (Sustainability Accounting Standards Board) standards and in reflection of the disclosure recommendations set by the TCFD (Task Force on Climate-related Financial Disclosures). Financial information was presented on a consolidated basis, and its preparation standards and definitions followed the K-IFRS. In addition to financial information, all non-financial information is based on the fiscal year in conformity with Hyundai Mobis' disclosure system, and the data on energy consumption and GHG emissions were prepared based on third-party verification results. Any major restatements were separately noted within the report.

Credibility of the Report

To improve the internal/external credibility of our reporting content, this report was assured by KPMG Samjong Accounting Corp. as a professional third-party assurance provider to reinforce the reliability and impartiality of the reporting process, disclosed data, and reported content. The assurance statement is found in the Appendix section of this report.

Data on Report Publication

Publisher	Hyundai Mobis
Data of publication	June 2023
Planning and overall management	ESG Planning Team, Planning Division, Hyundai Mobis
Assurance	KPMG Samjong Accounting Corp., Korean Foundation for Quality (GHG/energy)
Design	The Moments

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Business Enablement Team	Asset Management Team	Raw Material Purchasing Team
Compliance Team	SHE Planning Team	Win-Win Collaboration Team
International Legal Affairs Team	Safety Education & Culture Team	Procurement Strategy Team
Intellectual Property Team	Environmental Management Team	Global Procurement Management Team
Brand Communication Team	Service Parts Planning Team	Trade Regulation Compliance Team
PR Team	Domestic Customer Support Team	CKD Management Team
IR Team	Domestic Marketing Team	Labor Relations Planning 1 Team
Tax Team	Overseas Marketing Team	Information Security Team
Accounting Team	Service Parts Technology Innovation Team	E-Powertrain Business Planning Team
Finance Team	Service Parts SHE Team	Module Business Planning Team
Internal Control & Strategy Analysis Team	R&D Strategic Development Team	Automotive Electronics Biz Mgmt. Team
Business Improvement Team 3	Electronics Mrc Quality Control Team	Safety Parts Business Support Team
Work & Life Support Team	Polymeric Materials Cell in the R&D Division	Used Battery Business TFT
GHR & Organization Team	Smart Factory Development Team	Green Strategy Team
Growth Support Team	Quality Planning Team	CSV Strategy Team
Compensation Team	Quality System Team	
Recruitment Branding Team	Quality Information Team	

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