



INNOVATION FOR HUMANITY, MOBILITY FOR TOMORROW

HYUNDAI MOBIS SUSTAINABILITY REPORT 2024



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Cover Story



MOBION, a demonstration vehicle equipped with the e-Corner System performing sideways ‘crab’ walking

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Letter to Stakeholders

CEO Message

Dear Esteemed Stakeholders,

The global automotive industry is rapidly transitioning to future mobility defined by autonomous driving, connectivity, and electrification. Amidst it all, the competition is intensifying beyond industry boundaries to gain dominance in this evolving market. At Hyundai Mobis, we integrate our software and hardware capabilities on the strength of our core electrification technology to pursue balanced and sustainable growth as a 'Mobility Solution Provider'.

First, we will secure market-leading product portfolio based on core future mobility technology.

The integration of our technology capabilities will render the use of our resources more efficient and our business portfolio even more innovative to distinguish our portfolio products and technology from the competition. This will be achieved by ensuring that our entire team of employees seeks self-directed learning towards innovation, focuses on enhancing their research competencies, and aspires to be their best self in their respective field.

Next, we will lay the basis for our future growth through proactive investment and income diversification.

Establishing a solid profit base is essential to pursuing sustainable growth. Hence, we are building new local manufacturing sites in North America and Europe, among others, to fully cater to consumer needs and market demands while engaging in bold sales activities to diversify our global customer base. Investing with the future in mind and seeking operational innovations will place us on the right path to lead the market in technology and to maintain consistent and stable shareholder returns.

Last but not least, we will strengthen our sustainability management across all our business operations.

Fluctuations in the external environment characterized by geopolitical unrest and the aggravating climate crisis brings both direct and indirect impact on our business operations. While this entails uncertainties and poses risks as a result, it also serves as an opportunity to seek growth and reach new heights. As such, we at Hyundai Mobis are committed to building a diverse collaboration ecosystem throughout our operations and to establishing reliable supply chains. We also voluntarily upgraded our renewable energy transition goal to achieve net-zero, and aim to operate a company-wide ESG management system to bolster sustainability management.

The ongoing future mobility shift will steer towards eco-friendliness. This will undoubtedly provide a broader spectrum of values for users to choose from and render mobility even safer and more convenient. As we continue to rise to new challenges for the good of all, we look forward to your unwavering support and encouragement along the way.

I wish you and yours much health and happiness.

Thank you.



Gyusuk Lee
CEO, Hyundai Mobis

Corporate Overview

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About Hyundai Mobis

Company Overview

Hyundai Mobis is a global automotive parts company, and our business is structured around ‘system solutions, module manufacturing, and A/S parts sales’. We aim to emerge as a ‘mobility solution provider’ delivering products and services optimized to cater to wide-ranging customers in sync with the evolving future mobility landscape.

We further hone our competitive edge across the global market as we combine autonomous driving, electrification, infotainment, connectivity and other core technology with our module and platform production capabilities. Throughout it all, we faithfully progress towards our goal of preserving the value chain ecosystem and achieving net-zero emissions, continuing with our journey to become a sustainable company.

Vision

Innovation for Humanity, Mobility for Tomorrow

Company Overview

Company name	Hyundai Mobis Co., Ltd.
Date of establishment	June 25, 1977
Headquarters	203, Teheran-ro, Gangnam-gu, Seoul, South Korea
President & CEO	Gyu Suk Lee
Employees	46,183 persons
Business area.	Automotive modules and parts manufacture, A/S parts sales
Key financial performance	KRW 59.3 trillion in sales, KRW 40.7 trillion in equity, KRW 17.9 trillion in liabilities
Change in management	Established Mobis US Electrified Powertrain, LLC and Mobis Hungary kft. (wholly owned)

Management Policy

The management policy of Hyundai Mobis anchors our organizational operations upon the three pillars of ‘People-Oriented’, ‘Self-Driven’, and ‘Leading Future’.

People-Oriented

People; The driving force

We **discover exceptional talent** and encourage our members to **develop their expertise**.
We recognize achievement and foster employee engagement.

Self-Driven

Self-motivated and disciplined

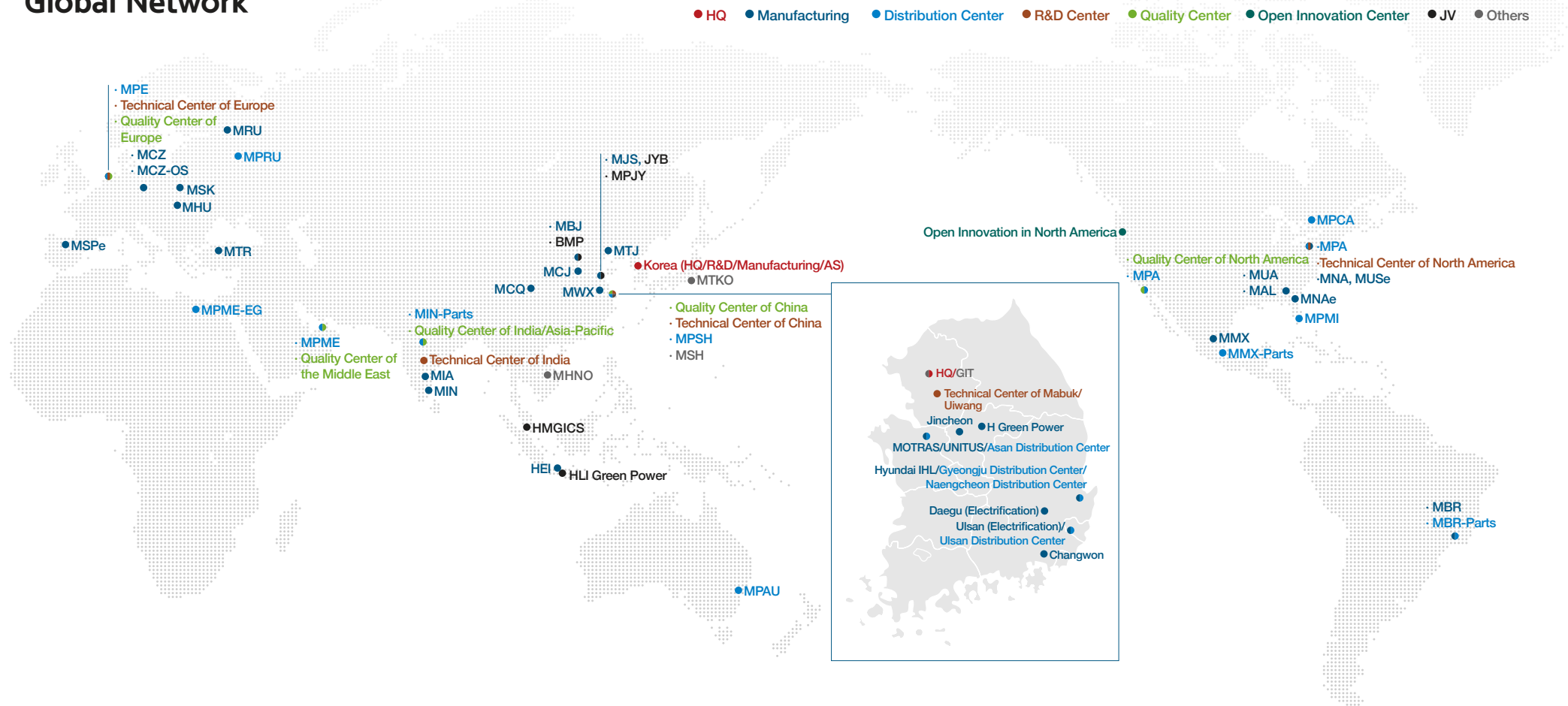
We drive ourselves to proactively move forward.
We **comply with the principles** and business ethics.

Leading Future

Look further; One step ahead

We set our sights into **new possibilities** and take a **bold step to lead the future**.
We are open to **innovative ideas** and swiftly take them into action to **realize our vision**.

Global Network



Hyundai Mobis		Number of Locations (subsidiaries)	Location
		43	Korea (HQ-Yeoksam, Manufacturing – Jincheon, Changwon, Daegu (Electrification), Ulsan (Electrification), R&D Center – Mabuk, Uiwang, Distribution Center – Ulsan, Asan, Gyeongju, Naengcheon)
Domestic	Affiliate/Subsidiary	5	Asan (MOTRAS), Cheonan (UNITUS), Chungju (H Green Power), Gyeongju (Hyundai IHL), Seoul (GIT)
	Manufacturing	23	Americas (MAL, MNAe, MNA, MUSE, MUA, MMX, MBR), Europe (MRU, MCZ, MCZ-OS, MSK, MTR, MSPe, MHU), China (MWX, MJS, MBJ, MTJ, MCJ, MCQ), Asia-Pacific (MIN, MIA, HEI)
Overseas	Parts	9	Americas (MPA, MPMI, MPCA), Europe (MPE, MPRU), China (MPSH), Asia-Pacific (MPME, MPME-EG, MPAU)
	Others	6	US (MAI, AAI (holding company)), China (MSH), US (GIT), Germany (GIT), China (GIT)

*The number of locations is based on current consolidated subsidiaries, and includes business sites that have yet to ramp up for mass-production as of the end of 2023.
 Specifics of functional locations operated by Hyundai Mobis and its subsidiaries (technical centers/distribution centers/open innovation centers and others) and key JVs are marked on the map.

Business Area

System Solution

Hyundai Mobis produces traction motors and battery systems that are essential for EVs and other eco-friendly vehicles, and are developing HDA¹⁾, RSPA²⁾, and PCA-F/S/R³⁾ to boost our competitive edge 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.

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. While we produce and supply ADAS⁴⁾ solutions aiding in a much safer and convenient ride, we also stay ahead of the curve in developing full autonomous driving system solutions spanning the whole spectrum of perception, positioning, decision-making, and control.

Steering

Steering enables a driver to intentionally control a vehicle's direction. Hyundai Mobis supplies EPS⁵⁾ 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 to improve driving performance along with reinforced reactivity and safety.

Brakes

Brakes allow drivers to slow down, stop, or park. Along with CBS⁶⁾ and ABS⁷⁾ for general brake performance, we also explore brake systems tailored for autonomous driving and eco-friendly vehicles, spanning TCS⁸⁾, ESC⁹⁾, EMB¹⁰⁾, Brake by Wire¹¹⁾, and regenerative braking.

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 HUD¹²⁾, digital clusters, and premium sound systems.

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 ADB¹³⁾ which responds to its surrounding environments and objects to DMD¹⁴⁾ which supports the ability to communicate with nearby drivers and pedestrians.

2023 sales

KRW **23.3438** trillion

⑦

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

⑦

- 4) ADAS: Advanced Driver Assistance Systems
- 5) EPS: Electric Power Steering
- 6) CBS: Conventional Brake System
- 7) ABS: Anti-Lock Brake System
- 8) TCS: Traction Control System
- 9) ESC: Electronic Stability Control
- 10) EMB: Electro-Mechanical Brake
- 11) Electric brake system

⑦

- 12) HUD: Head-Up Display
- 13) ADB: Adaptive Driving Beam
- 14) DMD: Digital Micro-mirror Device
- 15) eARS: electrical Active Roll Stabilization

⑦

- 16) DAB: Driver Airbag
- 17) PAB: Passenger Airbag
- 18) KAB: Knee Airbag
- 19) CAB: Curtain Airbag
- 20) SAB: Side Airbag
- 21) CSAB: Center Side Airbag

Suspension

Suspension serves to absorb road shocks to increase ride comfort and safety. We provide air suspension solutions with high-pressure air to cushion against even the slightest vibration. What is noteworthy is our independently-developed eARS¹⁵⁾ which controls the body roll of a vehicle through the use of electric motors, allowing us to deliver electrified brake, steering, and suspension systems essential for autonomous driving solutions.

Electrification

To tackle climate change and the resulting environmental consequences, governments around the world are tightening automotive fuel efficiency regulations and CO₂ emissions standards. In response, Hyundai Mobis is developing a range of electrification parts technology, including high-output traction systems, high-capacity battery systems and power conversion systems that are instrumental for hybrid cars and EVs. We strive to harness our electrification technology to create new environmental values through reduced CO₂ emissions and increased energy efficiency.

Airbags

Hyundai Mobis takes the safety of drivers, passengers, and pedestrians seriously in developing our airbag systems. By collecting data from the modules and sensors of our front seat airbags (DAB¹⁶⁾, PAB¹⁷⁾, KAB¹⁸⁾, side airbags (CAB¹⁹⁾, SAB²⁰⁾, and center airbags (CSAB²¹⁾), we produce electronic parts that enable optimal airbag inflation.

Module Manufacturing

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 US, India, and Europe have boosted our competitiveness across overseas markets.

Front End Module

We integrate the functional parts of the front of the engine – radiators, headlights, bumper beams, carriers, and the AAF¹⁾ system – into one single product for car 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.

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 for car OEMs. Hyundai Mobis focuses on developing optimal modules to explore core technology enabling the sharing of platforms and parts with OEMs.

2023 sales

KRW **25.0277** trillion

Cockpit Module

We produce cockpit modules through the integrated packaging/functional design of the instrument panel, cowl cross bars, A/C systems, and airbags, and assemble and supply these modules as a unit product for car OEMs. We focus on advancing the essential functionalities these modules deliver in directly protecting the safety of occupants along with user ease, driving information, and control devices.



1) AAF: Active Air Flap

After-sales Parts and Automotive Supplies

Hyundai Mobis supplies about 2.6 million after-sales parts for 201 vehicle models of Hyundai Motor Company and Kia currently operating in Korea and abroad. We established large-scale infrastructure including distribution centers to ensure reliable parts supply, and operate a best-in-industry distribution network supported by 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 a prompt parts supply to meet customer needs, backed by our reliable inventory availability and 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 deliver custom automotive supplies for virtually any consumer, which helps heighten the commercial value of finished cars and improve driver convenience.

2023 sales

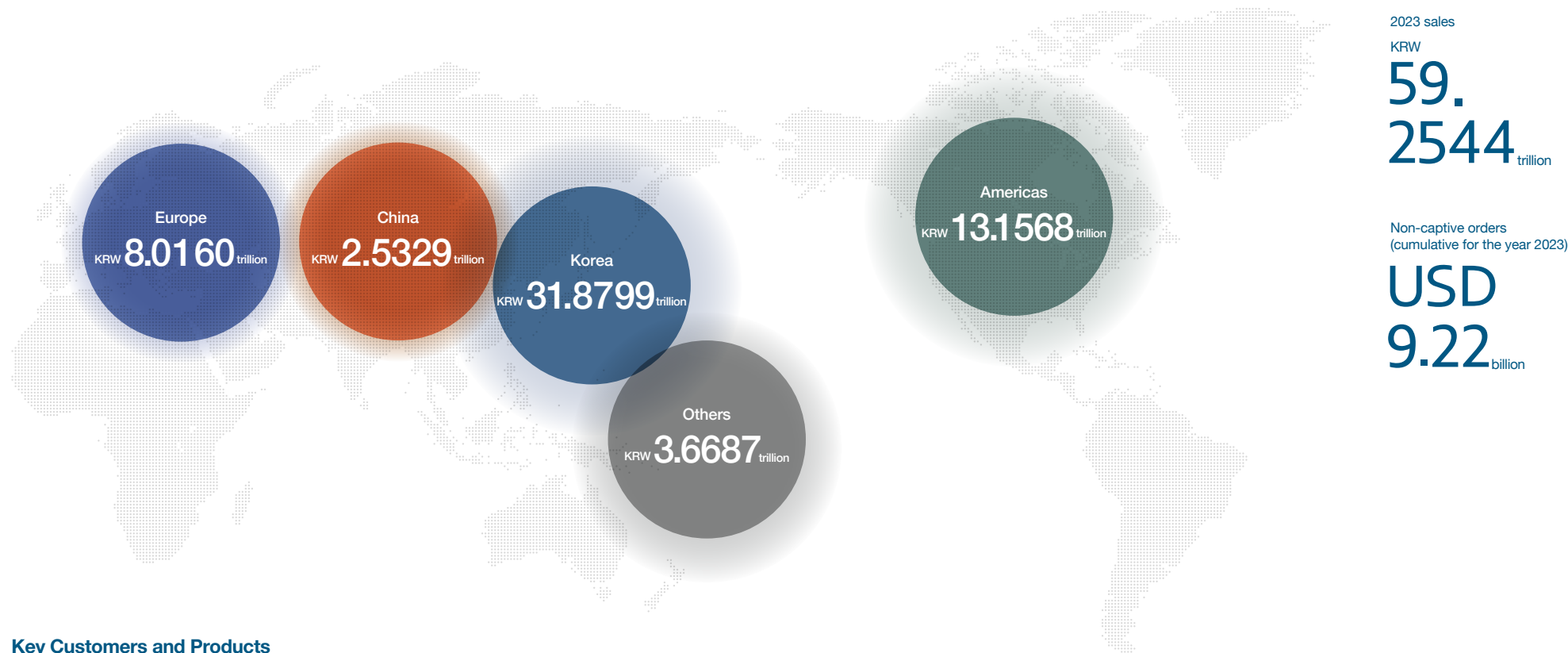
KRW **10.8829** trillion



A/S parts and supplies website (Korean) [↗](#)

Key Markets and Customers

Hyundai Mobis' business presence spans the entire world – Asia, the Americas, and Europe as well as Korea where the Company is headquartered. Our key customers include Hyundai Motor Company and Kia, Stellantis, Mercedes-Benz, and GM among others to whom we supply modules and core parts including electronic parts and lamps. Our new orders for 2023 amounted to USD 9.22 billion, and have been on the steady rise for the past three years. Increasing sales from our diverse customer base will drive our future growth, and our continued R&D investment and diversified product portfolio will help establish a positive, self-reinforcing business structure.



Key Customers and Products

Europe	China	Korea	Americas	Others
- Stellantis (ICS¹⁾, lamps) - Volkswagen Group (battery systems)	- SAIC-GM (ICS) - FAW (air suspension) - BYD (MDPS²⁾)	Hyundai Motor Company and Kia (modules/parts/AS parts)	- Stellantis (chassis modules, lamps, display modules) - Mercedes-Benz (chassis modules) - GM (ICS, parking brakes)	- Mitsubishi (lamps) - Subaru (lamps)

*The above data for key customers and products include pre-mass production data (order data), leading to some discrepancies against regional sales data. Our sales do not involve any production of fossil fuels, chemicals, weaponry, and tobacco.

¹ ICS: Integrated Center Stack
² MDPS: Motor Driven Power Steering

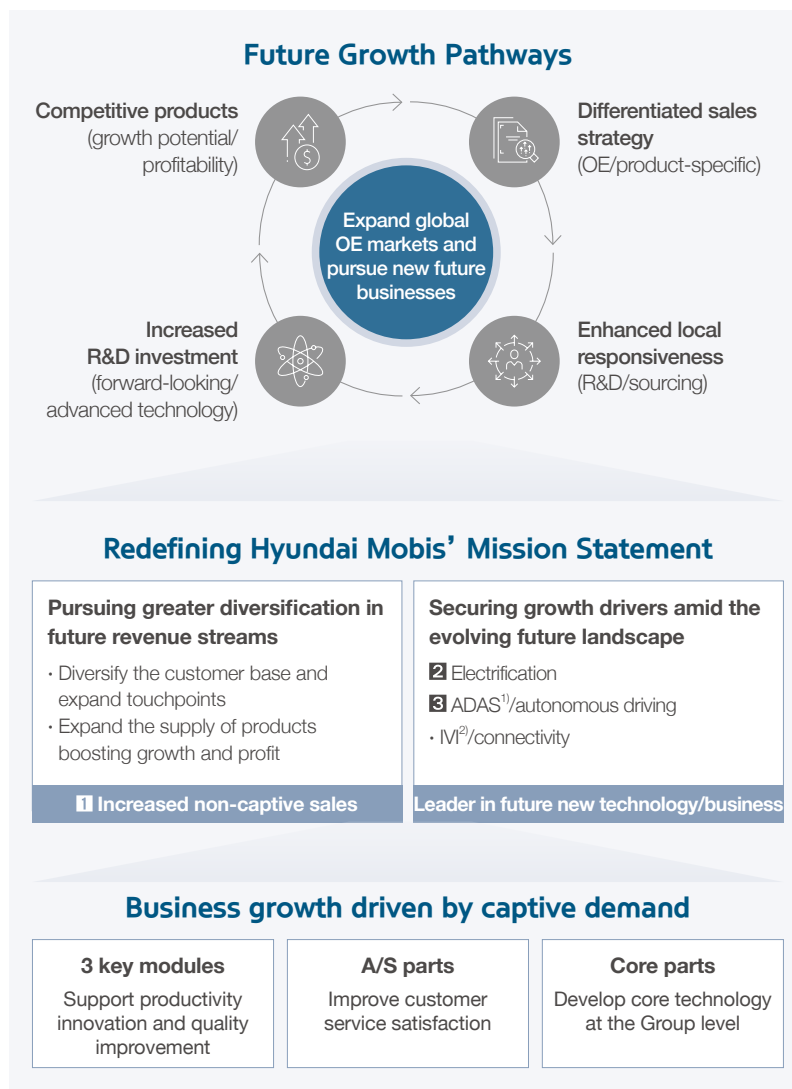
Business Strategy

Hyundai Mobis reaches out to global customers to expand our sales and develop future growth drivers. While we secure new technology and sharpen the competitive edge of our products through increased R&D investment, we also deliver low-carbon products and transition to renewable energy for our manufacturing process to fully cater to the requirements of different customers, building sales strategies that set us apart from the competition.



1) ADAS: Advanced Driver Assistance Systems

2) IV: In-Vehicle Infotainment

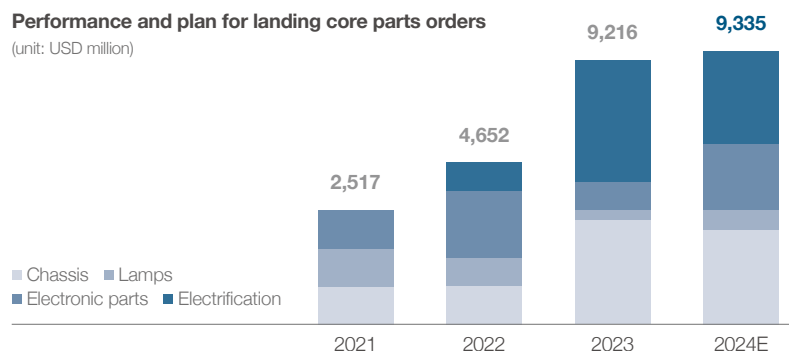


1 [Future Growth Strategy]

Pursue quantitative/qualitative growth of non-captive orders

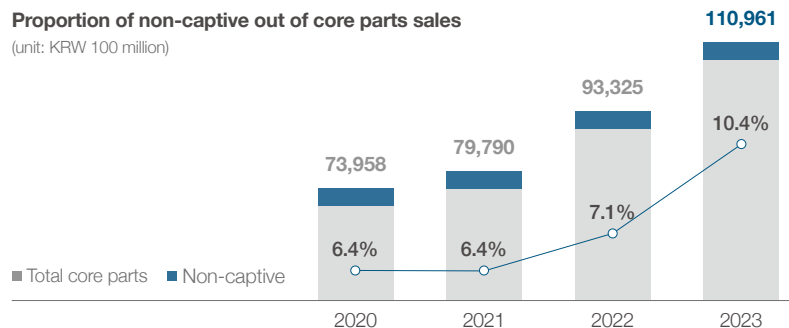
Performance and plan for landing core parts orders

(unit: USD million)



Proportion of non-captive out of core parts sales

(unit: KRW 100 million)



Order Acquisition Strategy

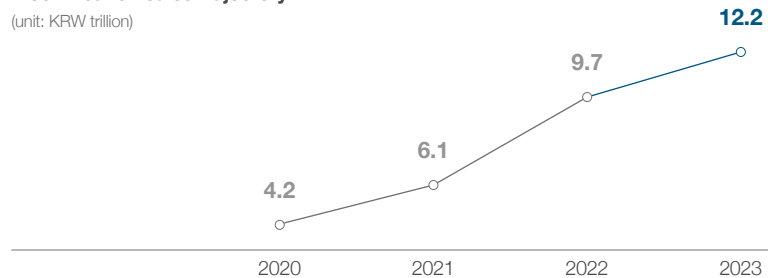
1. Expand key account manager operations at respective locations: Bring in sales experts with previous experience at car OEMs to seize broader order opportunities
2. Diversify the customer base and expand touchpoints: Continue to diversify our OE customer base towards Big 3 in North America (GM, Ford, Stellantis), China, and Europe
3. Continue to prepare for increased orders for future mobility products: Pursue R&D efforts and portfolio diversification to land global OE orders
4. Pursue product-specific order strategies: Expand product-specific order acquisition by diversifying order items and customers

2 [Future Growth Strategy]

Emergence as a tier-0.5 supplier to fulfill key roles along the EV value chain

Electrification sales trajectory

(unit: KRW trillion)



As-Is

Pursue profitability improvement by increasing sales and achieving economies of scale made possible through parts/production line sharing

- Volume per model is increasing as EV volume grows and E-GMP application expands to more models

Production internalization
(model-specific parts development/line investment)

>

Design internalization
(parts/line sharing)

>

Standardization/modulization/platformization
(expansion of integrated production volume)

Future Pathway

Transition from a parts/module maker into a tier-0.5 supplier owning system integration capabilities

OEM



Expand mobility business

- Evolve to deliver autonomous driving, infotainment and other innovative mobility services in addition to basic performance

Tier-0.5



Supply drive platform modules

- Integrate chassis parts and modules with an emphasis on electrification parts

Tier-1



Supply at the unit parts or system level

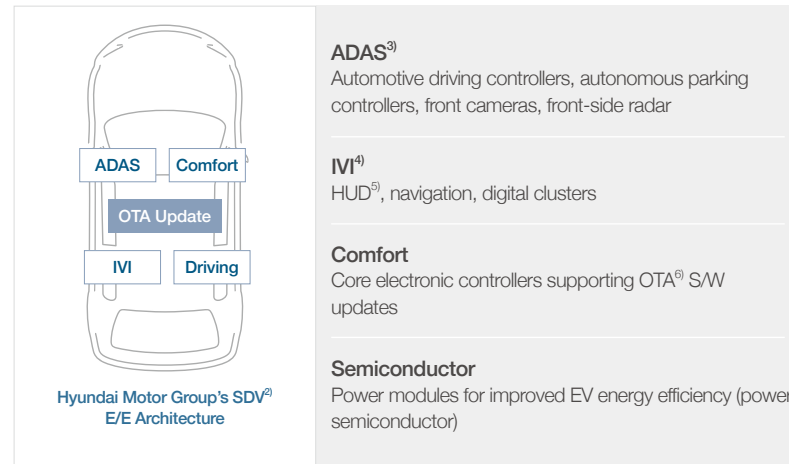
- Electrification parts: Battery systems, PE¹⁾ systems
- Non-electrification parts: Brake systems, steering systems, suspension systems

3 [Future Growth Strategy]

Pursue integration/high-performance of controllers for electronic/SW-defined vehicles

As-Is

Integration and downsizing of individual controllers



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- 1) PE: Power Electronics
- 2) SDV: Software Defined Vehicle
- 3) ADAS: Advanced Driver Assistance Systems
- 4) IVI: In-Vehicle Infotainment
- 5) HUD: Head Up Display
- 6) OTA: Over The Air

Future Pathway

Evolution towards integrated controllers:

Transition from decentralized - centralized control

- Next-generation driving + parking controllers (+ sensor fusion + precision map)
- Next-generation integrated cluster
(AR-HUD + digital cluster + center/passenger display)
- Integrated body electronic controllers
- Build system semiconductor design capabilities to gain competitiveness in key controllers

Integration and Performance Enhancement of SDV (SW-defined Vehicle) Controllers

Corporate Governance

Board of Directors

Composition of the Board

As our highest standing decision-making body, Hyundai Mobis' Board of Directors represents wide-ranging stakeholders including shareholders, and is mandated to oversee and decide on key strategies and pending management issues to drive the sustainable growth of the Company. The Board consists of nine directors, of which five are independent directors. Our independent directors all meet expertise, diversity, and independence qualifications, and comprise a majority of the Board (55.6%).

Board Members¹⁾

*As of the end of Mar. 2024 ●Chair ○Member

Type	Name	Date of Birth	Nationality	Equity Ownership (carrying voting rights)	Tenure	Tenure to Date (Date of Appointment)	Number of Roles Assumed at Listed Companies (Other Than Hyundai Mobis)	Corporate Sustainability Management Committee	Independent Director Candidate Recommendation Committee	Compensation Committee	Audit Committee	Note
Executive director	Euisun Chung (male)	Oct. 1970	Korea	303,759	3 years	22 years (Mar. 2002)	2 ²⁾		○			
Executive director	Gyu Suk Lee (male)	Aug. 1965	Korea	-	3 years	- (Dec. 2023)	-	○	○			
Executive director	Ki Tae Park (male)	Feb. 1968	Korea	-	3 years	- (Mar. 2024)	-		○	○		
Executive director	Youngsuk Ko (male)	Nov. 1971	Korea	1,000	3 years	3 years (Mar. 2021)	-					
Independent director	Young Chang (male)	Oct. 1961	Korea	-	3 years	4 years (Mar. 2020)	-	○			●	Appointed through shareholder recommendations
Independent director	Jina Kang (female)	Aug. 1967	Korea	-	3 years	3 years (Mar. 2021)	1	○	●	○	○	
Independent director	Hwajin Kim (male)	Aug. 1960	Korea	-	3 years	2 years (Mar. 2022)	1	●	○	○	○	
Independent director	James Kim (male)	Jun. 1962	US	-	3 years	1 year (Mar. 2023)	1	○	○	●	○	
Independent director	Keith Witek (male)	Jul. 1967	US	-	3 years	- (Mar. 2024)	-	○	○		○	



'Board Members' on the website



1) Executive director Sung Hwan Cho resigned in November 2023, executive director Hyungkeun Bae resigned in March 2024, and independent director Dae Soo Kim resigned in March 2024 as his tenure terminated.

2) CEO of Hyundai Motor company, Director at Kia (Executive Chair of Hyundai Motor Group)

Independent Director Appointment Process

The Independent Director Candidate Recommendation Committee creates a pool of candidates and finalizes the candidates each year, who are then approved by the Board of Directors and appointed through the Annual General Meeting (AGM) of shareholders to ensure the expertise and independence of independent directors. The candidate pool is updated each year through internal/external reviews. Pursuant to the nation's Commercial Act prohibiting independent directors from concurrently serving as director, executive officer, or auditor at more than two companies other than Hyundai Mobis as a listed company, we ensure independent director candidates are extensively verified for the concurrent positions they assume outside the Company and for any potential conflict of interest in the candidate nomination process of the Independent Director Candidate Recommendation Committee.

To strengthen 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 five independent directors. Nominated candidates are assessed and verified by the independent 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 independent director under this system, and was re-appointed in March 2023 as an independent director recommended by shareholders. He has been serving as a member responsible for protecting the rights and interests of shareholders to date.

Independence, Expertise and Diversity of the Board

Independence

We abide by standards that are more stringent than the ones laid out in the Commercial Act in line with our independent director independence guidelines to ensure 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, the Audit Committee which oversees our overall business operations consists solely of independent directors. The Corporate Sustainability Management Committee, the Independent Director Candidate Recommendation Committee, and the Compensation Committee have a majority of independent directors, and all these Committees are chaired by independent directors. The Board is chaired by the CEO to ensure we remain agile to the rapidly-shifting automotive industry and business landscape and advance operational accountability.

Diversity

We prioritize 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. With Keith Witek, a US national, joining our Board as a new independent director, our Board of Directors consisted of nine directors in total, including seven Korean nationals and two US nationals (James Kim, Keith Witek) as of March 2024. The amendment of Article 20 of our Articles of Association in March 2021 allowed us 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 the Board is balanced to reflect the above-mentioned diversity requirements.



Guidelines on Independence of the Board of Directors [↗](#)

Guidelines on Diversity of the Board of Directors [↗](#)

'Articles of Incorporation (Statutes)' on the website [↗](#)

'Corporate Governance Charter' on the website [↗](#)

Expertise

Our Articles of Association and Corporate Governance Charter stipulate that independent directors should be appointed for their expertise in the fields of management, economy, law, and relevant technology, to ensure the Board is competitive and professional across wide-ranging areas including the automotive industry, academia, management, technology, and finance. In March 2024, Keith Witek was recommended by the Independent Director Candidate Recommendation Committee out of numerous candidates identified with the help of global searching agencies, and appointed as independent director for his expert knowledge on AI and SW gained during his years at AMD and Google as well as industrial experiences of working at Tesla. None of our directors have served public administration roles for the past two years.

Expertise of the Board

*As of the end of Mar. 2024

Name	Career	Type 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) • Holds 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 (resigned in Mar. 2024)	• (current) Professor of Business Administration at Korea University, academic scholar on operational risk management (SCM OM, SCM, Procurement) • (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 College of Engineering, academic specialist on technology management • (current) Independent director at OCI-Holdings, (current) Vice President of the Korean Association of Small Business Studies	• Technology
Hwajin Kim, independent director	• (current) Professor, Seoul National University School of Law, academic specialist on ESG/compliance • (current) Chairman of the Asia Corporate Governance Forum, (current) Supervisory director at Macquarie Korea Infrastructure Fund	• Sustainability • Risk Management (financial)
James Kim, independent director	• (current) Chairman of the American Chamber of Commerce in Korea, (current) independent director at Mirae Asset Management • COO/Chairman & CEO of GM Korea (2015~2017) • Representative Director at Microsoft Korea (2009~2015)	• Industry • IT
Keith Witek (appointed in Mar. 2024)	• Tenstorrent Chief Operating Officer (COO) • Google Director, Strategic Alliances (2019~2023) • Tesla Motors Director, R&D Enablement and Associate General Counsel (2016~2018)	• Industry • AI/SW

Diversity in gender
(percentage of females)

11 %

Diversity in nationality
(Percentage of non-Koreans)

22 %

Committees under the Board of Directors

Corporate Sustainability Management Committee

The Corporate Sustainability Management Committee was established to build ethics into our corporate culture and advance operational accountability in the areas of economy, society, and environment (ESG management). The Committee deliberates and decides on matters associated with ESG management matters to improve the transparency of related-party transactions, protect the rights and interests of shareholders, and promote ethics and safety & 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 2023, the Committee convened 10 times with 100% attendance of members to report on major pending management issues, the publication of sustainability reports, and specific plans to achieve net-zero emissions and to make decisions on such key agenda items as shareholder value enhancement policies, investments in related parties, and approval of major CSR policies and execution performance.

Independent Director Candidate Recommendation Committee

The Independent Director Candidate Recommendation Committee serves to recommend, review, and determine independent director candidates to enhance the expertise, diversity, and independence of the Board of Directors. 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 who serve to establish a broader pool of candidates and identify candidates fit for business administration. The Committee is joined by Jina Kang who brings her expertise on technology management and management innovation strategy, Hwajin Kim renowned for his governance expert, and James Kim for his in-depth experience in the automotive and IT industries. In March 2024, Keith Witek was recommended and appointed to the Committee as an AI and SW expert.

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 convened three times in 2023, with 100% attendance of members. None of the agenda items deliberated failed to reach consensus.

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 who joins the Committee to ensure our director compensation reflects our strategy to cope with the rapidly-shifting automotive industry over the mid-to-long term.

In 2023, the Committee met three times, with 100% attendance of members. 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 pursue substantial improvement in 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. The Audit Committee is solely composed of independent directors, including the Chair and members. Jina Kang was separately appointed as an independent director to serve on the Audit Committee, and a financial expert (Young Chang) joins the Committee. The Committee is regularly briefed on business operations by the Internal Control & Strategy Analysis Team implementing the internal accounting control system and the Business Improvement Group responsible for business audits, with the IR Team supporting its operations. To facilitate audit operations, the Committee may request reports on the Company's operations or investigate its financial status at any give time, request the presence of related employees or external auditors when the need arises to fulfill its duties, and seek advice from experts at the Company's expenses when deemed necessary. In 2023, the Committee convened six times to deliberate on financial statements, major business plans, AGM reports, and other proposed agendas. The attendance of its members was 100%.



'Assessment of the Board'
in Corporate Governance



'Auditing Organization'
in Corporate Governance Reports
(Korean)

Annual Consolidated Financial
Statements Audit Report

Operation and Assessment of the Board of Directors

Activity and Effectiveness of the Board

Our 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 pre-meeting briefings are provided to directors to aid in their sufficient review and in-depth discussion on agenda items. Directors are also given at least a full week's notice prior to Board meetings. This convocation procedure, however, could be waived if consent is given by all directors. In 2023, the Board held five ordinary and seven extraordinary meetings to make decisions on 27 agenda items and receive information on 10 agenda items. Key decisions items concerned management plans, large-scale investments and investments in Group affiliates, and health & safety activity results and plans, of which none were left undecided or rejected. Key information items were related to our internal accounting control system, business performance, and the results of governance NDRs and Board operational assessments.

Board and Committee Meetings Held

Board of Directors	12 meetings (5 ordinary/7 extraordinary)
Corporate Sustainability Management Committee	10 meetings
Independent Director Candidate Recommendation Committee	3 meetings
Compensation Committee	3 meetings
Audit Committee	6 meetings

Board Attendance¹⁾

Euisun Chung	92%
Sung Hwan Cho (resigned in Nov. 2023)	90%
Gyu Suk Lee (appointed in Dec. 2023)	100%
Hyungkeun Bae (resigned in Mar. 2024)	100%
Youngsuk Ko	100%
Young Chang	100%
Dae Soo Kim (resigned in Mar. 2024)	100%
Jina Kang	100%
Hwajin Kim	100%
James Kim	100%

Board Meetings and Key Agendas²⁾

Date of Meeting	Meeting	Agenda
Jan. 26, 2023	1 st Ordinary	Resolution - Approval of 2022 financial results and 2023 major business plan - Approval of 2022 safety and health performance and 2023 plans
		Report - Report on 2022 operational status of Internal Control over Financial Reporting (ICFR) - Report on results of compliance support activities - Report on results of outcome of the Code of Ethics for officers and employees implementation
Feb. 14, 2023	2 nd Ordinary	Resolution Approval of convocation, report, and agenda items, etc. for the 46th Annual General Meeting of shareholders
		Report Report on independent evaluation results of 2022 ICFR operational status by the Audit Committee
Mar. 22, 2023	1 st Extraordinary	Resolution Approval of director's engagement in competitive business – Director Euisun Chung, Hyundai Motor Company and Kia
Apr. 7, 2023	2 nd Extraordinary	Resolution Approval of large-scale investment
Apr. 25, 2023	3 rd Extraordinary	Resolution Approval of investment in offshore affiliate
		Report Report on 2023 Q1 financial results
May 24, 2023	3 rd Ordinary	Resolution - Approval of investment in offshore affiliate - Approval of establishment of domestic and overseas electrification base
		Resolution - Approval of purchase and cancellation of treasury stock - Approval of 47th quarterly dividend allocation
Jul. 26, 2023	4 th Ordinary	Resolution Approval of investment in offshore affiliate
		Resolution Approval of treasury stock disposition – for performance-related payment
Oct. 26, 2023	5 th Ordinary	Report Report on governance NDR results
Nov. 17, 2023	5 th Extraordinary	Resolution Approval of convocation and agenda to be submitted to the extraordinary shareholders' meeting
		Resolution Approval of amendment of the Board of Directors and committee regulations
Dec. 7, 2023	6 th Extraordinary	Report Report on 2023 operational evaluation results of the Board of Directors
		Resolution - Appointment of representative directors - Appointment of members of committees
Dec. 27, 2023	7 th Extraordinary	Resolution - Appointment of representative directors - Appointment of members of committees



'Evaluation of Independent Directors' Activity' in the Corporate Governance Report (Korean)



1) Based on annual attendance in 2023

2) None of the agenda items received objections or proposed amendment at the Board.

Assessment of the Board

Hyundai Mobis has conducted third-party assessments on the Board of Director every three years since 2021, and focuses 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 assess the Board for its composition, regulations, and operational efficiency along with other areas through written assessments, director interviews, and management interviews. Internal assessment was performed and the results were reported to the Compensation Committee in November 2022, and external consulting was conducted in 2023 to establish a process to advance our internal Board assessment. Following the internal assessment conducted through written assessments and surveys in November 2023, the results were provided to the Compensation Committee.



Visioning Sustainability
'ESG Governance'

Training of the Board

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 2023, business strategy seminars were held on the characteristics and pending issues of our key operations, mid/long-term business strategies, HR strategies aligned with business goals, and ESG management among others. This comes in tandem with visits to our major business sites in Korea and overseas and attendance at technology presentations to help independent directors grasp and understand the specifics of our current business operations. For the Chair and members of the Audit Committee, special training was provided on five occasions to keep them current with the latest trends and revisit the roles of the Committee.

Training Provided to Independent Directors

Date of Training	Key Topic
Jan. 3, 2023	Visit to the CES and overseas business sites
Mar. 22, 2023	Operational plans for electrification parts locations
Jun. 12, 2023	Status of module/service operations and key pending issues
Sep. 8, 2023	Management strategy seminar

Training for the Audit Committee

Date of Training	Key Topic
Jan. 20, 2023	Internal accounting control system audit methods
Feb. 14, 2023	External audit and internal accounting control system audit results for 2022
Apr. 20, 2023	Misconduct prevention tools at overseas corporations and their implementation status
Jul. 21, 2023	Internal control system audit methods for external auditors
Oct. 24, 2023	Key audit matters for the 2023 fiscal year

Compensation for the Board and the CEO

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. The relevant key details are as follows.

- 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. In response to the heightened impact of ESG management on corporate sustainability, we added internal and external corporate ESG ratings and ESG activity results of respective business units and divisions to the KPIs for our CEO.

Compensation of the Board¹⁾

(unit: KRW million)

Type of Director	Number of Directors	Total Compensation	Average Compensation per Person
Executive director	4	8,816	2,204
Independent director	5	478	95

Individual Compensation

(unit: KRW million)

Name	Position	Total Compensation
Euisun Chung	President & CEO	4,000
Gyu Suk Lee ²⁾	President & CEO	14
Sung Hwan Cho	Former) President & CEO	2,764
Hyungkeun Bae	Executive director	1,566
Youngsuk Ko	Executive director	472

CEO Compensation

Compensation	Unit	2023
Total annual compensation for the CEO	KRW million	1,624
Average compensation for employees excluding the CEO	KRW million	123
Ratio of CEO compensation to the average employee pay	Fold	13.2
Median pay for employees excluding the CEO	KRW million	129
Ratio of CEO compensation to median of employee pay	Fold	12.6



'Compensation of Directors' in the Corporate Governance Report (Korean) [↗](#)



1) The number of directors is based on the number of registered directors as of the end of 2023. Total compensation corresponds to the compensation provided to registered directors in 2023, and the average per person compensation was calculated by dividing total compensation by the number of directors as of the end of 2023. 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.

2) Gyu Suk Lee was appointed as President & CEO in December 2023.

Enhancing Shareholder Value

Change in Shareholding and Capital Structure

In conformity with our Articles of Incorporation, our authorized shares consist of 275,000,000 common shares and 25,000,000 preferred shares. As of the end of 2023, 159,659,165 common shares and 67,996 preferred shares were issued in total. When the number of shares that diminished through capital reduction or profit cancellation is considered, our treasury shares amount to 2,986,451 common shares, and there are 90,668,643 common shares and 3,974 preferred shares outstanding. Aside from treasury shares, we apply the one share one vote rule to all common shares to guarantee all shareholders can equally exercise their voting rights. As to major changes in our capital structure in 2023, our equity ownership in PT Hyundai Energy Indonesia changed from 99.99% to 60% through a right issue, and we acquired 100% stakes in Mobis Hungary ktf. and Mobis US Electrified Powertrain, LLC respectively to classify these two companies as consolidated subsidiaries.

Type of Shares and Voting Rights *As of the end of Dec. 2023

Type of Share	Shares	Note
Total number of shares issued	Common shares 93,655,094	Treasury shares + shares outstanding
	Preferred shares 3,974	-
Non-voting shares	Common shares 2,986,451	Treasury shares
	Preferred shares 3,974	-

Overview of Shareholders

The largest shareholder of Hyundai Mobis is Kia Corporation, owning 16,427,074 common shares or 17.54% of total. The shares owned by the largest shareholder and other related parties are 31.68% of total. A government agency (National Pension Service under the Ministry of Health and Welfare) owns 8.83% of total, and Hyundai Mobis does not set aside any golden shares for the benefit of government institutions.

Shareholder Composition

*As of the end of Dec. 2023

		Number of Shares	Ownership (%)	
Major Shareholders	Common shares	Kia Corp.	16,427,074	17.54
		Mong Koo Chung	6,778,966	7.24
		Hyundai Steel	5,504,846	5.88
		KT	1,383,893	1.48
		Hyundai Glovis	656,293	0.70
		Euisun Chung	303,759	0.32
		Treasury shares	2,986,451	3.19
		Other shareholders	59,613,812	63.65
Total major shareholders		93,655,094	100	

Shareholding by Related Parties

*As of the end of Dec. 2023

Name	Relationship with the Largest Shareholder	Type of Shares	Number and Percentage of Shares Owned	
			Number of Shares	Ownership (%)
Kia Corp.	Largest shareholder	Common shares	16,427,074	17.54
Mong Koo Chung	Others	Common shares	6,778,966	7.24
Hyundai Steel	Affiliate	Common shares	5,504,846	5.88
Hyundai Glovis	Affiliate	Common shares	656,293	0.70
Euisun Chung	Executive	Common shares	303,759	0.32
Gyu Suk Lee	Executive at affiliated company	Common shares	0	0.00
Hyungkeun Bae	Executive at affiliated company	Common shares	460	0.00
Youngsuk Ko	Executive at affiliated company	Common shares	1,000	0.00
Total		Common shares	29,672,398	31.68
		Preferred shares	-	-

Overview of Shareholders with More Than 5% Ownership and the Employee Stock Ownership Association

*As of the end of Dec. 2023

Name	Shareholder	Shares Owned	Ownership (%)	Note
Shareholders with more than 5% ownership	Kia Corp.	16,427,074	17.54	-
	Mong Koo Chung	6,778,966	7.24	-
	Hyundai Steel	5,504,846	5.88	-
	National Pension Service	8,271,078	8.83	-
Employee Stock Ownership Association		360,566	0.38	-



'Articles of Incorporation (Statutes)' on the website [🔗](#)

'Shareholders' in the Corporate Governance Report (Korean) [🔗](#)

Annual General Meeting 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 such meetings. We allow for electronic voting for the AGM to ensure shareholders fully exercise their voting rights, and live broadcast the AGM online to reach out to more shareholders. To assist shareholders in exercising their shareholder rights, we introduced proxy solicitation and enable shareholder proxy through direct delivery.

Shareholder Return Policy

In 2019, we announced our 3-year mid/long-term shareholder value enhancement policy to return 20~40% of our free cash flow generated each year and to cancel additional treasury shares worth KRW 62.5 billion each year that we acquire through new buybacks while repurchasing shares worth KRW 1 trillion and retiring about 2 million treasury shares between 2019 and 2021. We faithfully delivered on this 3-year commitment and returned KRW 2.6 trillion in total to shareholders for three years. In 2022, we announced our annual shareholder return policy to flexibly maintain payout ratios between 20~30% and continue with our quarterly dividend payments.

In line with this policy, we made quarterly dividend payments of KRW 1,000 per share in August 2023 for shareholders who owned our shares as of the end of June that year, and made year-end dividend payments of KRW 3,500 (KRW 3,550 per preferred share) for shareholders who owned our shares as of March 25, 2024 after the AGM through which the dividend amount was finalized in line with our dividend practice advancement program, returning a total of KRW 407.3 billion (KRW 4,500 per common share) to shareholders as dividends. Our share buyback scaled down from the previous year to KRW 146.5 billion due to increasing capex expenditures to build a new electrification plant in North America, and all repurchased treasury shares were retired.

Shareholder Return Policy

	Phase I (3-year Mid/long-term Policy)	Phase II (Annual Implementation Plan)											
Year	2019 ~ 2021 ¹⁾	2022	2023	2024									
Dividend policy	- Return 20~40% of free cash flow (FCF) as dividends - Return 34% of total FCF as dividends for 3 years - Increase from KRW 3,500/share to KRW 4,000/share - Total dividends KRW 1.1101 trillion - Pay interim dividends²⁾ (H1 2019~, KRW 1,000/share)	- Set payout ratios⁴⁾ in the ranges of 20~30% - KRW 4,000 in dividend/share - Dividends: KRW 367.1 billion - Payout ratio 23.2% - Interim dividend (KRW 1,000/share)	← Same as left - KRW 4,500 in dividend/share - Dividends: KRW 480.5 billion - Payout ratio⁴⁾ 20.3% - Interim dividend (KRW 1,000/share)	← Same as left - Maintain interim dividend payments									
Treasury stock purchase	Repurchase shares worth about KRW 1 trillion for 3 years <table><tr><th>Category</th><th>2019</th><th>2020</th><th>2021</th></tr><tr><td>Purchase</td><td>3,225</td><td>2,348</td><td>4,286</td></tr></table>	Category	2019	2020	2021	Purchase	3,225	2,348	4,286	- Repurchase shares worth KRW 313.2 billion - Maintain the same level as the previous 3 years	- Repurchase shares worth KRW 146.5 billion - Reduce share buybacks due to increasing capex expenditures for electrification business in North America	- Repurchase shares worth KRW 150 billion - Maintain the policy tone from the previous year	
Category	2019	2020	2021										
Purchase	3,225	2,348	4,286										
Treasury stock retirement	- Retire treasury shares³⁾ (KRW 460 billion) - Retire nearly KRW 187.5 billion shares out of repurchased shares (nearly KRW 62.5 billion/year)	Retire treasury shares (KRW 62.5 billion)	Retire all shares repurchased (KRW 146.5 billion)	Retire all shares repurchased (KRW 150 billion)									

Shareholder Engagement

Each year, we regularly hold conference calls and IR events visiting domestic and overseas institutions for annual and quarterly performance releases. In 2023, we hosted NDRs for over 30 major institutional investors in Korea, the Americas, Asia, and Europe to mainly discuss governance issues – business results, circular ownership, and mid/long-term shareholder return policies – and ESG management issues including net-zero commitments and supply chain management. In particular, the governance NDR hosted in September was led by Young Chang, our independent director responsible for protecting the rights and interests of shareholders, who directly attended the event and engaged in in-depth communication with shareholders.



'Business Strategy & Shareholder Return' on the website [↗](#)

Cumulative value of shareholder return (2019~)

3.3 trillion

(KRW 1.9 trillion in dividends paid, KRW 1.4 trillion in shares repurchased)



1) Announced the 3-year mid/long-term shareholder return policy in February 2019: KRW 1.1 trillion in cash dividends + KRW 1 trillion in share buyback + KRW 187.5 billion in shares repurchased and retired + KRW 460 billion in retired treasury shares

2) 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 the total annual dividends per share of KRW 4,000

3) Canceled about 2 million shares that could be retired through Board decisions out of 2.6 million treasury shares

4) Based on net income excluding any gain on equity method

Metrics & Targets

Business Performance and Distribution

Metric	Unit	2021	2022	2023
		Consolidated	Consolidated	Consolidated
Assets	KRW million	51,482,537	55,406,698	58,585,845
Liabilities	KRW million	16,125,063	17,599,066	17,930,546
Equity	KRW million	35,357,474	37,807,632	40,655,299
Sales	KRW million	41,702,184	51,906,293	59,254,361
Ratio of sales from electrification parts	%	14.6	18.6	20.7
Gross profit	KRW million	5,264,538	5,987,154	6,762,174
Operating expenses	KRW million	39,662,072	49,879,762	56,959,077
Operating profit	KRW million	2,040,112	2,026,531	2,295,284
Profit before taxes	KRW million	3,194,542	3,362,612	4,444,854
Net income	KRW million	2,362,474	2,487,244	3,423,309
Income taxes	KRW million	832,068	875,368	1,021,545
Shareholder dividends	KRW million	364,929	367,094	407,320
Interest expenses	KRW million	38,621	75,646	150,110

Audit Committee

Metric	Unit	2021	2022	2023
		Consolidated	Consolidated	Consolidated
Average attendance of independent directors at Audit Committee meetings	%	97.0	100	100
Hours of audit-related training provided by specialized organizations to the Audit Committee ¹⁾	Hours	9	7.5	7.5

1) Newly reported, sum of training hours without reflecting the number of participants (1.5 hours X number of occasions)

External Audits

Metric	Unit	2021	2022	2023
		Consolidated	Consolidated	Consolidated
Audit service fees	KRW million	1,840	2,200	2,610
Non-audit service fees	KRW million	208	68	54
Ratio of audit service fees to non-audit service fees	%	11.3	3.1	2.1

Compensation for the Highest-paid Individual and the CEO

Metric	Unit	2021	2022	2023
		Domestic (non-consolidated)	Domestic (non-consolidated)	Domestic (non-consolidated)
Total annual compensation for the highest-paid individual ¹⁾	KRW million	~	3,625	4,000
Ratio of the annual total compensation for the highest-paid individual to the median annual total compensation for all employees ²⁾	Fold	~	32.2	31.1
Percentage increases in annual total compensation for the highest-paid individual	%	~	~	10.3
Percentage increases in median annual total compensation for all employees	%	11.8	12.5	14.5
Percentage increases in annual total compensation for the highest-paid individual to the median annual total compensation for all employees	%	~	~	71.3
Total annual compensation for the CEO	KRW million	1,178	1,471	1,624
Average annual total compensation for all employees excluding the CEO ³⁾	KRW million	98	108	123
Ratio of the annual total compensation for the CEO to the average annual total compensation for all employees ³⁾	Fold	12.0	13.6	13.2
Median annual total compensation for all employees excluding the CEO	KRW million	100	112	129
Ratio of the annual total compensation for the CEO to the median annual total compensation for all employees	Fold	11.8	13.1	12.6

1) Reported as the annual total compensation for Euisun Chung, the CEO (Chairman) of the Company since 2022

2) Median annual total compensation for all employees excluding two co-CEOs

3) 2021 and 2022 data were restated according to change in data management criteria

Shareholder Value Enhancement

Metric	Unit	2021	2022	2023
		Consolidated	Consolidated	Consolidated
Shares outstanding	Shares	94,577,068	94,289,068	93,659,068
Common shares	Shares	91,047,359	92,010,164	90,668,643
Preferred shares	Shares	3,974	3,974	3,974
Treasury shares	Shares	3,525,735	2,274,930	2,986,451
Shares held by the Employee Stock Ownership Association	Shares	154,372	257,681	360,566
Percentage of shares held by the Employee Stock Ownership Association	%	0.16	0.27	0.38
Dividends	KRW 100 million	3,649	3,671	4,073
Shares repurchased	KRW 100 million	4,286	3,132	1,465
Treasury shares retired	KRW 100 million	625	625	1,465
Amount of shareholder return	KRW 100 million	7,935	6,803	5,538
Percentage of shareholder return ¹⁾	%	33.6	27.4	16.2
Voting rights present at the AGM	Shares	69,857,682	71,894,589	74,093,630

1) Amount of shareholder return (dividends paid+shares repurchased)/net income X 100

R&D Enhancement

Strategy

In response to the shifting paradigm of the automobile industry towards MECA (Mobility, Electrification, Connectivity, Autonomous), Hyundai Mobis is fully committed to R&D efforts to create and deliver the value that sets us apart from the competition in the revolutionizing parts industry ecosystem.



1) EMB: Electro Mechanical Brake

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 for SW transformation
- Pursue the localization of overseas R&D operations and strategic partnerships for successful transformation

Differentiated product development strategy

- Conduct advanced research to secure global top-tier product/technology competitiveness
- Broaden a self-reinforcing structure by expanding both captive/non-captive businesses with world's first products

Identify long-term new growth businesses

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

R&D Centers

The Korean technical centers of Hyundai Mobis (Mabuk, Uiwang) serve to develop our company-wide R&D strategy and head our future new technology developments while engaging in one-stop R&D operations from advanced research to mass-production. Our technical centers in North America, Europe, China, 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 ensure product competitiveness. We also operate three winter proving grounds (Sweden, China & New Zealand) with the Seosan proving ground in Korea playing a central. These facilities help us test out new technology for our chassis, trimming, autonomous driving, connectivity, and electrification in real-world settings to lead the charge in the development of future mobility solutions.

Building a Creative R&D Culture

M.FIELDS is our idea portal where employees in Korea and overseas upload their desired R&D project ideas and are provided with 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, India and China as well as from within Korea. About 3,500 new ideas were collected for the last five years, and the 4th M.FIELDS Festa 2023 chose two winners – customized services to assist elderly drivers with their braking and steering performance and the EMB1) to evenly increase the pressure applied to brake pads. The ideas selected as such are supported to move onto the follow-up phase for mass-production and commercialization.

2023 R&D Highlights

- 1 Hyundai Mobis, leading future mobility with advanced automotive engineering!
- 2 Hyundai Mobis to Assist Marine Corps in Reducing Motion Sickness in Armored Vehicles!
- 3 Hyundai Mobis Develops Core Solution for SDV in Digital Space
- 4 Hyundai Mobis Develops World's First Vehicle QL Display: 'The Pinnacle of Display Quality'!
- 5 Hyundai Mobis Develops Technology for One-Touch Automated Parking through Self-Learned Pathway
- 6 Hyundai Mobis Launches 'Parabolic Motion' Glove Box, Engineered for Electric Vehicles
- 7 Hyundai Mobis Develops Groundbreaking Headlamps that Prevents Nighttime Accidents
- 8 Hyundai Mobis' e-Corner System Featuring Crab Walking and Zero Turn Becomes the First in the World to Drive on Public Roads



- 1 Link to the news article (Korean) [↗](#)
- 2 Link to the news article [↗](#)
- 3 Link to the news article [↗](#)
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- 8 Link to the news article [↗](#)

Building a Portfolio of Intellectual Property Rights

Hyundai Mobis focuses on securing original patent technology. 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. 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 allowed us to produce over 2,200 intellectual property rights (IPR) applications in 2023, of which nearly 1,000 were associated with autonomous driving, IVI¹⁾, electrification, and other core future mobility business areas. Our overseas technical centers in North America and Europe support patent applications in a way optimized to local conditions by leveraging local patent agents, which enabled us to reach 30.6% in the proportion of international patent applications in 2023. Furthermore, we make sure we are not involved in any potential international patent disputes.

Participating in ZERO1NE Company Builder, Hyundai Motor Group's Startup Incubation Program

We participate in the startup incubation program led by Hyundai Motor Group to provide our employees with the opportunity to commercialize their creative ideas by pairing them with the technology and knowledge they gained in the course of their work. Titled ZERO1NE Company Builder, this program aims to nurture small yet strong partners along the automotive value chain through startup incubation, uncover promising new business and service opportunities, and encourage entrepreneurship among participants. In 2023, five of our employees were chosen through paper-based screening and a hackathon to join this program. The selected team will be provided with an independent workspace for up to one year, along with mentoring by external experts to advance their business ideas. Any spin-off decision to start a business will be subject to final deliberations.

Operating Mobis Ventures as Our Open Innovation Center

In November 2018, Mobis Ventures Silicon Valley (MVSV) opened in the Silicon Valley, the US. This center mainly targets autonomous driving, connectivity, mobility, robotics, UAM²⁾, electrification, and AI. To pursue growth in tandem with promising startups on the strength of the expertise and global capabilities we accumulated as a global tier-1 company in the automotive sector, Mobis Ventures engages in tailor-made investment activities spanning all the way from Series A to pre-IPO funding. The direct investments Hyundai Mobis has made in diverse companies over the past five years amount to as much as KRW 170 billion. In 2023, we hosted the 2nd Mobis Mobility Day in the Silicon Valley, the US, under the supervision of MVSV with nearly 200 participants from startups, investors, and industry experts. This served to share our future mobility vision with local companies and elaborate on our investment plan while interacting with promising startups wishing to join in our technology development efforts or looking for potential investors.



1) IVI: In-Vehicle Infotainment

2) UAM: Urban Air Mobility



'Open Innovation Portfolio' on the website [↗](#)

Portfolio (startup investment)

 (US) Developing automotive LIDARs	 (US) Developing thermal image sensors	 (Korea) Developing image recognition software
 (US) Developing automotive LIDARs	 (US) Developing automotive imaging radars	 (US) Developing cloud-based automotive software
 (Bulgaria) Developing special sound algorithms	 (China) Developing face/behavior pattern recognition software	 (UK) Developing AR HUD

[SPECIAL PAGE] CES¹⁾ 2024

Showcasing MOBION, a fully-functional demonstration car equipped with the e-Corner System, and our flagship portfolio encompassing autonomous driving sensor and lamp technology

Under the theme of ‘Redefining Movement’, Hyundai Mobis unveiled MOBION, a demonstration car embodying our core technologies, at the CES 2024. MOBION, a compound word created by combining Hyundai Mobis with the English word ‘on’ which means beginning, manifests Hyundai Mobis’ commitment to reimagining and spearheading the electrification of mobility.



e-Corner System

Developed by seamlessly integrating braking, steering, and suspension functions into the In-Wheel which literally propels the EV forward, the e-Corner System enables such maneuvers as lateral and diagonal motion and stationary pivot turns.

Autonomous driving sensor

Two short-distance lidars are positioned near the left and right headlamps to enable lateral or diagonal movements. At the front center of the vehicle is a single long-distance lidar, bringing the total number of mounted lidars to three.

Transparent display

Projecting high-resolution images onto the transparent display made possible with holographic optical component technology, transparent display provides expansiveness and openness compared to general displays.

22kW-capacity ICCU²⁾

This power conversion system integrating DC/AC charging with communications equipment halves charging times compared to conventional 11kW-capacity systems through enhanced output.

Exterior Lighting

Fulfilling lamp and display functions, Exterior Lighting delivers both safety and design performance through the LED located on the front bumper.



1) CES: The International Consumer Electronics Show

2) ICCU: Integrated Charging Control Unit

Metrics & Targets

R&D Expenses

Category	Unit	2021	2022	2023
		Consolidated	Consolidated	Consolidated
R&D Expenses	KRW 100 million	11,674	13,709	15,925
R&D to sales ratio	%	2.8	2.6	2.7

R&D Employees

Category	Unit	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
R&D employees	Persons	4,661		1,250	5,911	5,273		1,447	6,720	5,718		1,516	7,234
R&D employees out of total employees ¹⁾	%	43.0		5.5	17.5	45.3		6.7	20.3	47.2		6.3	19.9

1) Excluding employees at domestic subsidiaries

Patent Application¹⁾

Category	Unit	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Patents granted (cumulative ²⁾)		3,460		2,392	5,852	4,096		2,952	7,048	4,417	189	3,532	8,138
New patent applications filed		1,695		1,148	2,843	1,453		1,488	2,941	1,529	15	673	2,217
By type ³⁾	Future technology (autonomous driving, connectivity)				659				805				565
	Eco-friendly (electrification, fuel cell)	~		~	295	~		~	210	~		~	448
	Others				1,889				1,926				1,189

1) Based on the date of filing applications

2) Cumulative patent registrations made over the past 10 years

3) For domestic (non-consolidated) and overseas subsidiaries

Core Parts Orders Awarded

Category	Unit	2021	2022	2023
		Consolidated	Consolidated	Consolidated
Core parts ¹⁾ orders awarded	USD million	2,517	4,652	9,216

1) Core parts: Electronics, lamps, chassis, electrification

Visioning Sustainability

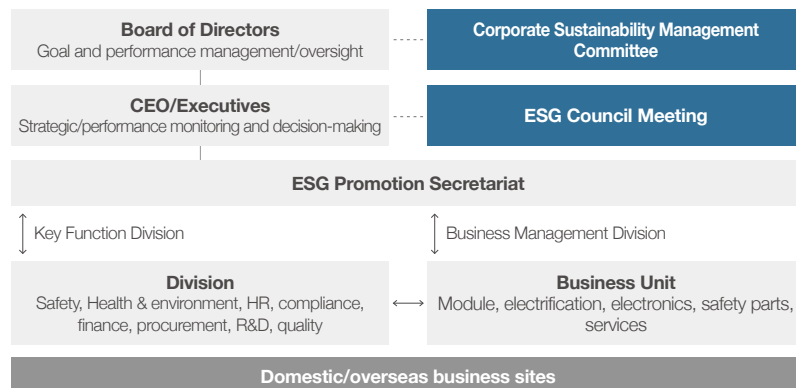
Sustainability Management

Management System

ESG Governance

Hyundai Mobis secures top commitment to sustainability management through the management and oversight of the Board of Directors as the highest oversight body and the Corporate Sustainability Management Committee. The roles and responsibilities of the Board of Directors and its committees are specified in our Corporate Governance Charter. These committees report the resolutions they made to the Board which may make its own decisions on such resolutions. In 2023, our Board of Directors met 12 times to deliberate on such decision or reporting items as health and safety performance and plans and employees' implementation of the Code of Conduct. The Corporate Sustainability Management Committee convened 10 times during the year to handle a total of 57 decision and reporting items associated with sustainability, including climate change response and CSR. In particular, the Committee is regularly briefed each year on materiality assessment results detailing material impacts, risks and opportunities as well as our climate change response goals and progress made. In 2023, the Board Strategy Seminar addressed ESG management as key agenda to share our current status and future course ahead with an aim to ensure the Board's proper oversight of ESG management strategies.

The ESG Council Meeting regularly convenes for our executives including the CEO to review and assess key strategies, plans, and implementation results for sustainability and to make relevant decisions. The ESG Promotion Secretariat, our dedicated sustainability management organization, provides management guidance in reflection of internal/external stakeholder requirements, and manages ESG tasks through communication with respective business units and divisions.

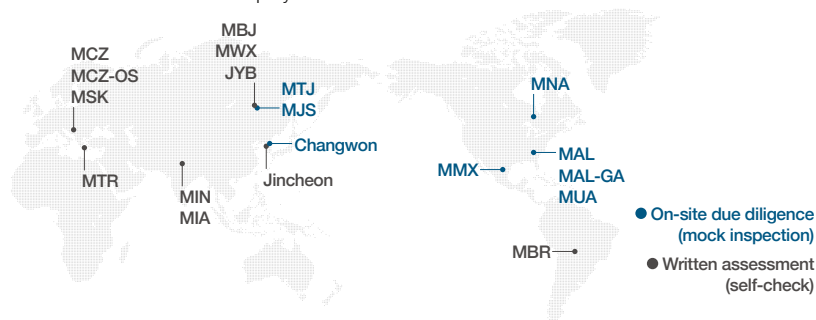


ESG Reporting

We make our sustainability-related information available to all stakeholders, including relevant performance, through our annual sustainability reports, annual business reports, and corporate governance report. For sustainability reporting, the ESG Planning Team takes the lead in collecting data and preparing reports. These reports then undergo internal/external (third-party) assurance and are provided to the Corporate Sustainability Management Committee for final review before being released externally. Hyundai Mobis operates business sites across 20 countries, and is thus exposed to a range of external environmental factors. This also means that the scope of data collected spans vast environmental and social areas, which makes the appropriateness of the data collection process and the completeness of data collected as such a key risk for reporting. This is why we will establish and operate an internal sustainability data collection system and advance our reporting assurance process to progressively mitigate such risks.

ESG Assessment/Audit

To identify, mitigate, and resolve sustainability risk across our domestic and overseas operations, we conduct internal ESG assessments and audits on manufacturing sites in line with the VAP²⁾, a due diligence program of the global initiative of the RBA¹⁾. The VAP based our efforts to develop a written assessment sheet composed of five categories of labor, health & safety, environment, ethics, and supply chain, and this assessment sheet was used in conducting written assessments on our domestic and overseas manufacturing sites. In addition, we completed on-site due diligence on nine business sites in the US, Mexico, China, and Korea. Out of 370 negative impacts identified through this process, nearly 86% of them were fully addressed through the improvements made at respective sites. Such assessments covered some employees of our on-site suppliers operating at our business sites as well as our own employees.



② 'Corporate Governance Charter' on the website [↗](#)

① RBA: Responsible Business Alliance
② VAP: Validated Assessment Program

Vision and 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 a 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

Sustainability Commitment

Topics		Unit	2023	Short/mid-term (target year)	Long-term (target year)
Climate change response	GHG emissions (All Scope, based FY2019)	tCO ₂ eq	384,741 (market-based)	-	0 (2045)
Climate change response	Use of and transition to renewable energy at business sites (based FY2019)	%	9.3	35 (2025)	100 (2040)
Resource use and circular economy	Product categories that received LCA ¹⁾	%	25	100 (2025)	-
Own workforce	Domestic MSRS ²⁾ level	Lv.	5	7 (2025)	-
Value chain	Supply chain sustainability assessment (target based on the number of overseas locations)	%	Completed in Korea	30% (2024)	-
Communities	Affiliated community organizations	Organizations	50	-	139 (2030)
Customers	Non-captive customer sales (core parts orders)	USD million	9,216	9,335 (2024)	-
Governance	Implementation of the shareholder return policy (dividends)	KRW 100 million	4,073	-	-
	Implementation of the shareholder return policy (shares repurchased and treasury shares retired)	KRW 100 million	1,465	1,500 (2024)	-

Short-term: 1 year (2024), mid-term: next 5 years (2025~2029), long-term: beyond mid-term (2030~)

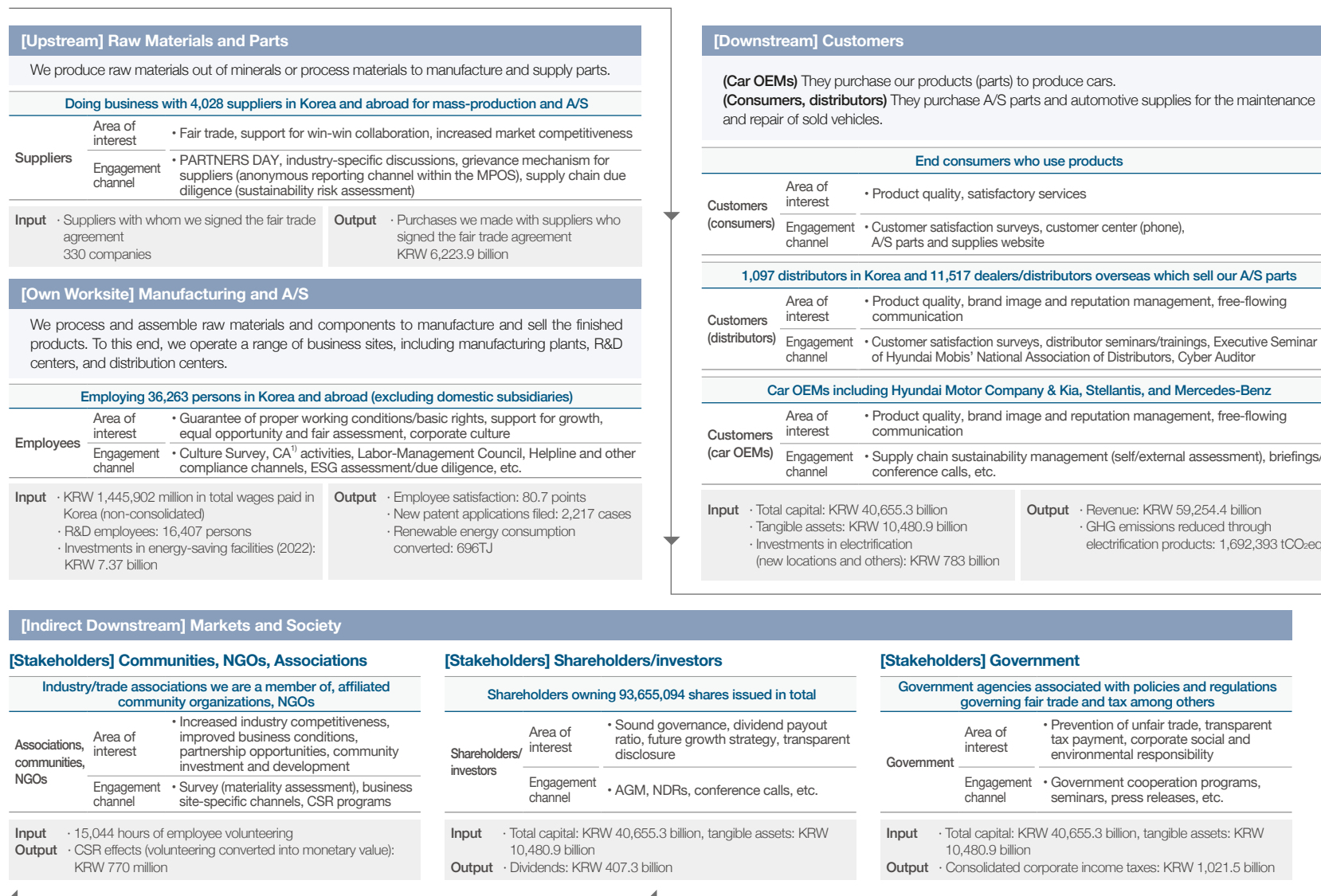


1) LCA: Life Cycle Assessment

2) MSRS: MOBIS Safety Rating System

Value Chain and Stakeholders

Hyundai Mobis prioritizes sustainability throughout the entire lifecycle ranging from R&D to procurement, manufacturing, use, recycling and disposal, and communicates with wide-ranging stakeholders to create value. The requirements and opinions of our key stakeholders, including customers and investors, are reviewed by our stakeholder-facing departments and reflected in our business decision-making.



1) CA: Culture Agent

2) LTIFR: Lost Time Injuries Frequency Rate

Materiality Assessment

Hyundai Mobis identifies material topics each year through materiality assessment. In 2023, we referred to the double materiality framework suggested by the European CSRD¹⁾ to conduct materiality assessment. This process was led by our working-group composed of 15 relevant internal teams and the external stakeholder and expert group joined by investors, suppliers, and academia. We also hosted internal workshops and the Stakeholder Roundtable to engage in more direct consultations with stakeholders. The analysis results and major stakeholder feedback were prioritized and then reported to our executives for discussions by topic, laying the basis to establish and advance our overall management process. The materiality assessment results were reported to the Corporate Sustainability Management committee, and the assessment process was verified as part of the third-party assurance engagement conducted on this sustainability report.

- ① CSRD: Corporate Sustainability Reporting Directive
 ② ESRS: European Sustainable Reporting Standards
 ③ GRI: Global Reporting Initiative

Identifying Impacts, Risks and Opportunities

This year's sustainability topics were listed in line with the specific topics laid out in the ESRS²⁾ and the GRI Standards³⁾ as well as material topics we chose the previous year, taking into account our business activities and relationships and level of interest of internal/external stakeholders.

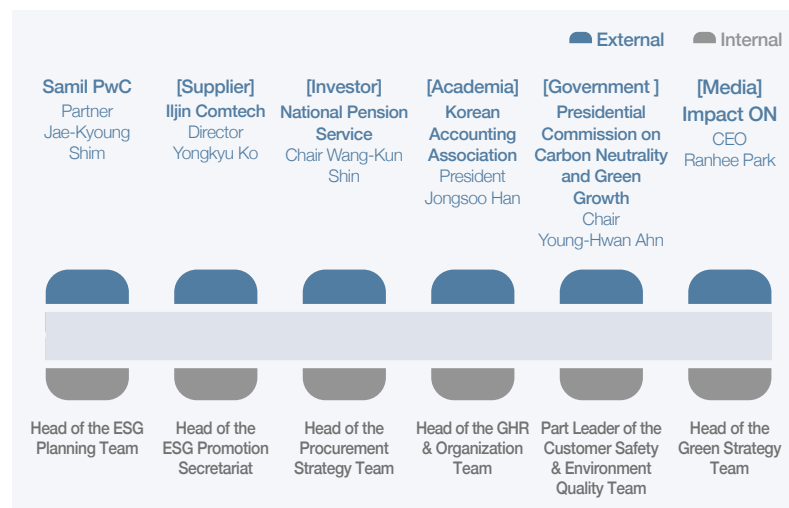
Each topic was analyzed from the viewpoint of our business model and value chain, and the environmental and social impacts that may occur due to our business operations – impact materiality – were identified based on such drivers as business activities and changing market conditions. Impacts were classified by timeline (actual/potential), characteristics (positive/negative) and cycle (short/mid/long-term), and appropriate internal assessment criteria were set accordingly.

In consideration of identified external impacts, resources, and relational dependencies, we identified the list of risks and opportunities we are exposed to. We also identified financial impacts on our business performance, financial status, access to capital and capital expenses – financial materiality – in line with these risks and opportunities based on assumptions on potential financial impacts identified by drawing on the historical financial performance generated in similar areas.

Assessing Impacts, Risks and Opportunities

Identified impacts were assessed for their magnitude based on scale, scope, and irremediability (only for negative impact), and highly negative impacts were not separately weighted (prioritized). Potential impacts were assessed for their likelihood as well. For financial impacts that may arise in line with risks and opportunities, we considered their potential scale and likelihood (e.g. likely, highly likely) by taking into account other cumulative effects proportional to their size and duration. Our working-level staff associated with sustainability topics attended internal workshops to assess both environmental and social impacts (inside-out) and financial impacts (outside-in, risk and opportunity) while major relevant team leaders, external stakeholders, and experts joined the Stakeholder Roundtable or the stakeholder survey to prioritize environmental and social impacts. By comprehensively assessing environmental & social impacts and financial impacts, we finally arrived at eight material topics.

Stakeholder Roundtable



Stakeholder Engagement

We strengthened internal/external stakeholder engagement to ensure objectivity and expertise of the assessment process.

Working-level Workshop

- Target: Working-level staff at relevant departments
- Review and assess the validity of impacts, risks, and opportunities identified on material topics

Stakeholder Roundtable

- Target: Opinion leaders from investment institutions, academia, government, suppliers, media and other areas
- Assess impacts, risks and opportunities identified for material topics
- Discuss ways forward sustainability and gather feedback

Stakeholder Survey

- Target: Investment institutions (21 in Korea, 29 overseas), trade associations, and foundations (4 in Korea)
- Participate in written surveys to assess and prioritize material topics

Management Roundtable

- Target: C-level executives including the CEO
- Share materiality assessment results
- Discuss mid/long-term responses aligned with business management strategies

Key Stakeholder Feedback

1 Need to better describe the Company's financial risks and opportunities from the investor's point of view

Academia

Investors

- Expect Hyundai Mobis, a supplier of platforms integrating SW and HW, to go beyond its tier-1 position to present its vision and growth story while proactively conducting business
- Need to emphasize the Company's opportunities in pursuing the green transition in the age of climate change as well as its performance in boosting the competitiveness of green products

2 Need to delve deeper into the Company's roles and responsibilities to its value chain

Government

Suppliers

Media

- Need to move beyond own operations to analyze its value chain internally and externally and proactively respond to minimize risk given its inherent characteristics of operating extensive supply chains
- Need to conduct more rigorous reviews on the soundness of supply chains in line with the tightening regulations for overseas subsidiaries in Europe and others and expanding risks for worker health and safety
- Need to provide training and support to suppliers as they still face difficulties in responding to ESG requirements while supply chain assessments on suppliers become more intensive

3 Expect to move beyond setting ESG goals to disclose specific implementation strategies and performance

Government

Media

Academia

- Need to demonstrate specific implementation strategies and performance following establishing the Company's roadmap that aligns with the government's Nationally Determined Contribution goals
- Need to reinforce social goals and strategies to position itself as a global company and expect the Company to elaborate on its goals and implementation plans for human resources

Material Topics

We reviewed respective environmental & social impacts and financial impacts for their exceeding the thresholds set according to our internal criteria, and chose eight topics that were beyond these thresholds as our material topics. While we witness some continuity in these topics as some of them overlap with the ones chosen for the preceding reporting year (FY2022), new topics – ‘product circularity’ and ‘corporate culture’ - were also included based on the impact assessment results.

● Very High ○ High

Topic	Category	Corresponding Section of This Report	Impact, Risk, Opportunity, and Effect	Business Impact and Our Response	Goal (Status)
Climate Change Response *GRI: 305-1~5 *ESRS: E1 *SDGs: 13.Climate Action 	Reporting in 2023	✓	Environment - Climate Change Response	While Hyundai Mobis is impacted by the EU CBAM (Carbon Border Adjustment Mechanism) and other climate change regulations, the cost burden to respond to such regulations is expected to be relatively small based on our current product categories. Such country-specific regulations, however, may bring greater business impact when they are included in the order requirements of our global customers operating in their jurisdiction, compared to their direct impact on us. Besides, machinery and inventory assets which form part of our consolidated tangible assets may sustain damages in the event of physical risks occurring, which is detailed in our Climate Scenario Analysis Report. Hyundai Mobis announced our 2045 net-zero commitment and has since set and progressed towards our science-based net-zero goals through our participation in the SBTi and the TCFD. In 2023, we communicated detailed information to our stakeholders through various channels, including publishing our Net-Zero Report and joining the UNGC panel.	Achieve net-zero by 2045
	Impact Materiality	●	GHG emissions from upstream operations involving the processing of metals, plastic, and other raw materials and the manufacturing of parts, from our own operations, and from downstream operations ranging from the use of parts to their disposal may accelerate the ongoing climate change. In particular, the climate change impact that stems from Scope 3 emissions generated due to product use and others will be relatively more significant. *Impact: Negative / Actual / Nature Replacing materials and adopting new technology may incur increasing manufacturing costs on our part, along with rising costs of purchasing products from upstream suppliers. New GHG emissions regulations such as the EU CBAM could give rise to additional costs including tariffs, and the progressively tightening regulations may serve as trade barriers in and of themselves. In addition, natural disasters triggered by climate change may cause damages to facilities, inventories, and other tangible assets while incurring recovery costs. *Financial: Risk / Impact-related / Dependency on relationship		
	Financial Materiality	●			
Energy use management *GRI: 302 *ESRS: E1 *SDGs: 7.Affordable and Clean Energy 	Reporting in 2023	✓	Environment - Climate Change Response	In 2022, we invested KRW 7.37 billion in installing PV (Photovoltaic) power generators with 2.5MWp annual capacity to switch to renewable energy in Korea. This helps us reduce 1,519tCO ₂ eq in GHG emissions each year, which produces the effect of making nearly KRW 750 million investments per year based on our four business sites in Korea. Hyundai Mobis joined RE100 to announce our commitment to transitioning to 100% renewable energy by 2040, and has since set renewable transition rates as one of our internal KPIs to attain the set phase-specific goals while checking our progress towards these goals each year at business division level.	Achieve RE100 by 2040 Reach 35% by 2025 and 65% by 2030 (9.3% in transition rate)
	Impact Materiality	○	In operating our own business sites, we rely on direct energy sources generated through the combustion of fossil fuels and indirect energy sources which are purchased electricity. Our use of electricity purchased from power plants that burn fossil fuel as their primary energy source results in large quantities of indirect GHG emissions generated. While such emissions are not sizeable compared to those of other industries, this may still bring impact to climate change. *Impact: Negative / Actual / Nature Hence, we may need to invest in new facilities to optimize energy use and directly generate renewable energy, along with additional operating expenses to purchase certificates. *Financial: Risk / Impact-related / Dependency on relationship		
	Financial Materiality	○			
Product circularity (LCA, electrification products, remanufacturing/recycling) *ESRS: E5 *SDGs: 12.Responsible Consumption and Production 	Reporting in 2023		Environment - Resource Use and Circular Economy	As to our electrification business falling into the category of green product business, our short-term investments increased to establish new locations, which amounted to over KRW 783 billion in 2023 (up by 113% year-over-year). Still, we recognize long-term opportunity in this respect in line with the continued market expansion and increasing orders landed for relevant products, and our electrification revenue is forecast to achieve a 14% y-o-y growth by 2031. The expanding electrification business may bring change in the composition of our internal workforce and provide our employees with new career opportunities through open position relocation (Career Market). Hyundai Mobis will secure and systemize lifecycle assessment data for all products by 2025, and build on this process to further articulate our criteria for ‘eco-friendliness’ and bolster product circularity.	Perform lifecycle assessment on all product categories by 2025 (25% in progress rate) Achieve a CAGR of 14.7% in electrification revenue by 2031 *Based on annualized estimates made in 2023
	Impact Materiality		The eco-friendly vehicle market is growing exponentially as countries progress towards their net-zero goals. Manufacturing greener products which prioritizes GHG emissions in the production of raw materials and parts as well as in the use phase will provide market consumers with the opportunity to pursue value-driven consumption in diverse ways while contributing to mitigating overall environmental footprint. *Impact: Positive / Actual / Nature & Customers Key global customers demand lifecycle assessment, which aims to evaluate the environmental performance of products (carbon footprint), as part of their order requirements. This means that going beyond calculating product carbon footprint to move forward low-carbon products through reduced carbon footprint may serve as an opportunity to raise our market share in the green product market. *Financial: Opportunity / Impact-related / Dependency on relationship		
	Financial Materiality	●			

Topic	Category		Corresponding Section of This Report	Impact, Risk, Opportunity, and Effect	Business Impact and Our Response	Goal (Status)
Corporate culture	Reporting in 2023		Social - Employees	A flexible and efficient corporate culture assists employees in better engaging in their work and improving their work satisfaction. *Impact: Positive / Actual / Own workforce	We perform the Culture Survey each year to gauge where each organization stands in their corporate culture awareness and identify ways to improve our corporate culture at all levels. In 2023, we upgraded this survey to make assessments in the three areas of company, organization, and satisfaction: the response rate was 79.5%, and the overall score was 80.7 points on a 100-point scale. The analysis results will be fully incorporated into our corporate culture activities in 2024.	- (Conduct the Culture Survey each year)
	Impact Materiality	○		A corporate culture is ultimately tied to work performance improvement and may bring broader benefits in gaining competitive advantages in the market and acquiring new profit channels and customers, improving business performance in the process. This also helps prevent employee turnover to reduce additional costs that may otherwise incur to hire substitutes and provide training. *Financial: Opportunity / Impact-related / Dependency on resources		
	Financial Materiality					
*ESRS: S1, G1						
Talent recruitment and retention	Reporting in 2023	✓	Social - Employees	Efforts to pursue fairness and integrity in the recruitment process help provide job seekers with equal opportunity and eliminate unfair labor practices such as child labor and compulsory labor. This goes beyond individual employees to facilitate improvement in the working environment across the whole industry. *Impact: Positive / Potential / Communities	We leverage a range of channels including our recruiting website and official YouTube channel to publicly provide job seekers with equal opportunity while expanding our recruitment through job fairs, SW Academy, employee referral, and other varying channels. In 2023, we added 3,100 individuals to our pool of talent in Korea and overseas (excluding domestic subsidiaries), and hired 20 individuals by operating the recruitment alignment track with the university we signed an MoU with. This program will continue for the next four years to hire 20 employees each year. The Career Market program also provides open position relocation opportunities as part of our efforts to prevent employee turnover.	- (Hire 732 permanent position employees in Korea (non-consolidated))
	Impact Materiality			Recruiting and retaining the right talent contributes to expanding and transforming one's business and serves as an opportunity to promote a company's development and achieve its long-term goals. *Financial: Opportunity / Dependency on resources		
	Financial Materiality	○				
*GRI: 401-1 *ESRS: S1 *SDGs: 8. Decent Work and Economic Growth 						
Supply chain sustainability management	Reporting in 2023	✓	Social - Supply Chain	Pursuing win-win collaboration across supply chains serves to strengthen the entire industrial ecosystem beyond individual companies, boost employment security for workers along the value chain, and improve the working environment within the industry. *Impact: Positive / Potential / Workers in the value chain	Between 2022 and 2023, we spent KRW 120 million to help small/mid-sized suppliers review their sustainability risk and provide them with consulting. In 2024, we plan to invest KRW 442 million to expand the scope of suppliers receiving on-site assessment for sustainability risk. We recognize relevant short/ mid-term expenses as upfront investment costs to raise awareness across supply chains and introduce and stabilize ESG management. Hyundai Mobis conducts sustainability risk reviews on suppliers each year, and initiated such assessments for suppliers doing business with our overseas corporations in the EU region in 2023. In 2024, we will extend the scope of assessment to include suppliers doing business with our corporations based in Mexico and some parts of China. On the back of our internal mutual growth programs, we also provide technical, financial, and training support including in the ESG aspect. We engage in varied communication activities, including regular consultative meetings such as PARTNERS DAY and seminars to share our programs, activities, and achievements each year.	Extend the scope of sustainability risk assessment to include suppliers for overseas corporations in 2024 - Mexico and some parts of China (assessment made for suppliers in Korea and the EU)
	Impact Materiality	○		Supply chain management is linked to the reliable procurement, production, and supply of parts. If issues arise with the procurement of raw materials and parts due to suppliers' financing issues or labor strikes, this may pose serious business risks including the suspension of line operations. Supply chain regulations that emerge primarily among EU countries may also result in relatively significant additional costs including penalties imposed for non-compliance. *Financial: Risk / Impact-related / Dependency on relationship		
	Financial Materiality	○				
*GRI: 414 *ESRS: S2						
Ensuring product safety and quality	Reporting in 2023	✓	Social - Customers	Due to the inherent nature of the automotive parts industry, any quality issues may undermine the safe mobility of consumers and pose direct harm to their health. If an accident occurs, this brings negative impact on the living environment of the local community (infrastructure) in the form of damaged roads, trees, and public goods. *Impact: Negative / Potential / Customers & End-users	In 2023, the number of vehicles subject to our voluntary recalls was nearly 19,000, incurring KRW 9.64 billion in total costs. Total expenditures for product warranties amounted to approximately KRW 254.1 billion, and provisions for product warranties at the end of the period rose by nearly 34% to KRW 1.578 trillion year-over-year. In line with the Hyundai Mobis Quality Policy, we systematically manage the entire process from advanced product development to post-mass production to ensure product quality. We also certify respective business sites to international quality management standards such as IATF 16949.	- (Reach 100% in certifying domestic/overseas manufacturing/parts business sites to quality management system standards)
	Impact Materiality	○		Occurrence of quality issues results in declining trust in products and degrading brand value, directly and indirectly giving rise to the risk of decreased revenue, along with additional operating expenses that incur to issue large-scale recalls and deliver on warranty obligations. *Financial: Risk / Impact-related / Dependency on relationship		
	Financial Materiality	○				
*GRI: 416 *ESRS: S4						
R&D Enhancement/technology innovation	Reporting in 2023	✓	Corporate Overview - R&D Enhancement	The automotive industry is rapidly evolving around autonomous driving and low-emission vehicles, and is further shaping a new paradigm for novel means of mobility such as UAM (Urban Air Mobility). Such technological advancement improves access to utilities for users, making it easier for them to move from A to B and delivering safer mobility experience. *Impact: Positive / Potential / Customers & End-users	Our R&D investments have been on the rise for the past five years (KRW 1.59 trillion in 2023), and our R&D workforce also expanded by 7.6% year-over-year. While relevant investment expenses are increasing in the short-to-mid-term, this is projected to bring positive long-term business impact as new technology development may help us gain dominance in the market and increase our market share. In 2023, our core parts orders amounted to USD 9.22 billion, surpassing our initial target of USD 5.36 billion by a whopping 72%. While transforming into a SW-driven company developing integrated platforms and global SW, Hyundai Mobis will also nurture our long-term growth drivers beyond automotive parts.	Reach USD 9.34 billion in core parts orders landed in 2024 (USD 9.22 billion in 2023)
	Impact Materiality	○		New technology and new products made available through R&D excellence serve to continuously expand and transform our business. *Financial: Opportunity / Impact-related / Dependency on relationship		
	Financial Materiality	●				
*SDGs: 9. Industry, Innovation and Infrastructure *Entity-specific 						

Environment

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A panoramic view of the Miho River in Jincheon
(Hyundai Mobis' biodiversity protection area)

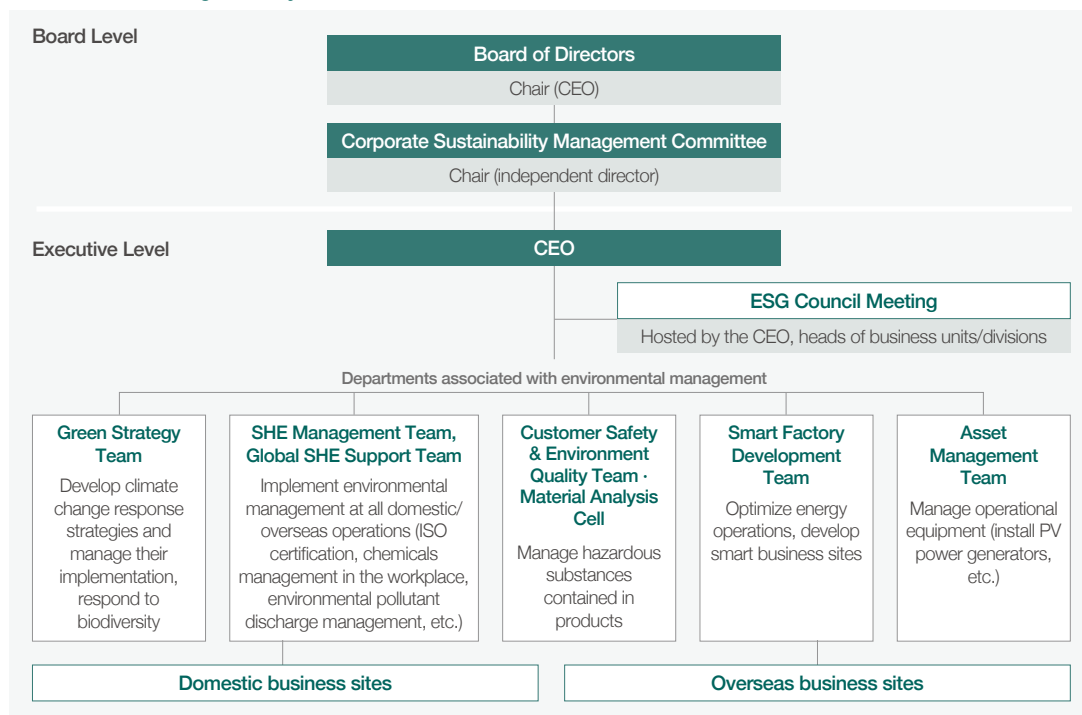
Environmental Management

Environmental Management System

Governance

Hyundai Mobis implements environmental management through collaboration with various departments, with the SHE Management Team taking responsibility for environmental management at all our domestic and overseas business sites, the Global SHE Support Team, and the Green Strategy Team in charge of climate change response and net-zero strategies. The ESG Council Meeting, a C-level consultative body hosted by the CEO and attended by heads of business units and divisions, convenes to monitor overall environmental improvement activities and review environmental management risks once a year. The Board of Directors, the highest oversight body, or the Corporate Sustainability Management Committee under the Board receives reports and deliberate on our mid/long-term environmental management strategies and our plans to establish sites for environmental management. In 2023, agendas including specific net-zero plans were reported to the Committee, and the Board deliberated on and approved the agenda to establish new electrification sites in Korea and abroad.

Environmental Management System

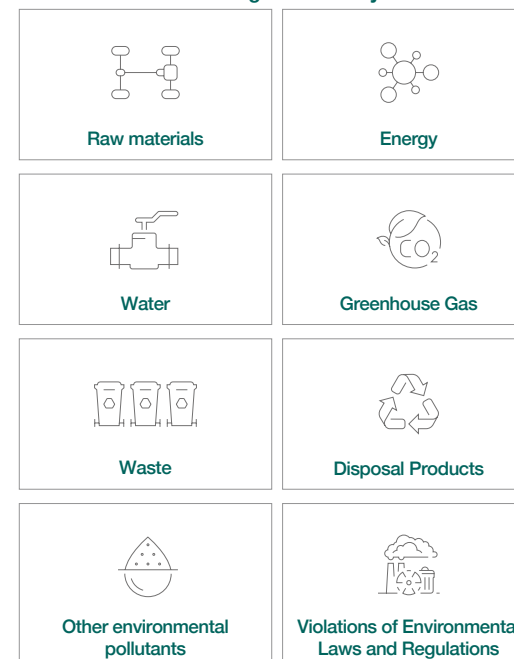


Environmental Management Policy

Hyundai Mobis stipulated the environmental management policy to minimize adverse environmental impact in our business operations and across the value chain while continuously improving environmental performance through environmentally friendly management. This policy applies to all our employees, and we recommend all our stakeholders, including suppliers, to abide by this policy. This policy drives our efforts to communicate with employees and other varying stakeholders and advance environmental management in alignment with our management strategies.

[Environmental Management Policy](#)

Basic Principles of Our Environmental Management Policy



Environmental Management Activity

Environmental Management System Certification

As of 2023, 17 of our manufacturing sites in Korea and abroad were certified to the ISO 14001 international environmental management system standard. We systematically operate our environmental management system in accordance with global standards, and receive surveillance audits and renewal audits each year by specialized certification bodies to comprehensively review and improve respective business sites for environmental management.

Environmental Management System Certification

*As of Dec. 2023

Category		Business Sites Subject to Certification	Business Sites Certified	Certification Rate (%)
Domestic	Manufacturing	4	4	100
	Parts centers ¹⁾	29	29	100
	Subsidiaries ²⁾	4	4	100
Overseas	Manufacturing ³⁾	15	13	86.7
Total		52	50	96.2

Environmental Compliance

To ensure effective environmental compliance, our departments associated with GHG, air quality, chemicals and other environmental areas regularly review and respond to key domestic/overseas policies and regulations that apply to our business sites. In pursuing acquisitions and mergers, we conduct preliminary due diligence to go over environmental regulations and requirements and legal standards governing environmental/ecosystem protection, and develop improvement plans for identified environmental risks for environmental impact mitigation. In 2023, there were zero cases of serious environmental non-compliance (penalties of USD 10,000 and above).

[CASE] Establishing a Greenwashing Prevention System

To transparently and fairly communicate our environmentally friendly management performance to stakeholders, we implement a process to review the production and distribution of labels and advertising conveying green messages. The self-review we conducted in January 2024 allowed us to correct or remove content containing vague language⁴⁾ to minimize potential consumer misunderstandings. We will continue to implement this internal review process to prevent the risk of greenwashing.

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 site 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 inspections 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

We conducted a range of tailor-made environmental training to help our employees raise awareness on the rapidly-evolving environmental issues and strengthen their response capabilities. In addition to regular statutory training, we also provide independently-developed training courses through diverse on/offline formats (SH&E Academy and others).

Course	Employees Who Completed Training (domestic (non-consolidated))	Topic
Environmental compliance training	(for all employees) 9,581 persons	Environmental training modules as part of the company-wide compliance training
ESG mindset training	(for all employees) 6,448 persons	Importance of ESG management, understanding of LCAs including product carbon footprint and the importance of LCA management
Special lecture on biodiversity and deforestation	(for ESG key-men) 67 persons	Importance of biodiversity and deforestation management for businesses, relevant regulatory trends in Korea and overseas, best practices
SHE&E Academy environmental management training	(for applicants) 81 persons	Environmental policy directions and trends, understanding of pollutant-specific discharging/prevention facilities, facility inspection and management for regulatory compliance



- 1) HQ, parts centers (22), distribution centers (5), Cheonan Storage
- 2) MOTRAS, UNITUS, H Green Power, Hyundai IHL
- 3) Excluded sites not operable (before mass production, suspended manufacturing) as of the end of 2023
- 4) 13 cases concerning packaging boxes, the online automotive supplies brand store, YouTube/Instagram promotions and others



Appendix 'Certifications'

Metrics & Targets

Environmental Management

Environmental Non-compliance¹⁾

Category	Unit	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Incidences of regulatory non-compliance	Cases	2		0	2	1		0	1	0	0	0	0
Total penalties ²⁾	KRW	12,000,000		0	12,000,000	1,000,000		0	1,000,000	0	0	0	0
Liabilities related to environmental regulations	KRW				0				0				0

1) Domestic (non-consolidated) data, same standards as the ones specified in 3. Matters Related to Sanctions, Etc. - A. Status of Sanctions by Investigation-Judicial Authorities (Korean, p.343) in the 47th Annual Business Report

2) Include penalties on the Company only, and restated the 2022 data

Environmental Training

Category	Unit	2021		2022		2023	
		Domestic (non-consolidated)		Domestic (non-consolidated)		Domestic (non-consolidated)	
Completion rate of environmental training ¹⁾	%				70.0		55.0
Employees subject to training	Persons				10,798		11,726
Employees who completed training	Persons				7,561		6,448

1) Environmental module as part of ESG mindset training, implemented from 2022

Climate Change Response

Governance

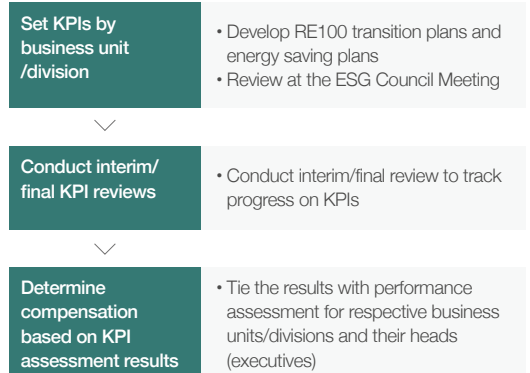
Climate Change Management System

Hyundai Mobis established the ESG Promotion Secretariat in 2021 and defined our mid/long-term net-zero goals and RE100 implementation plans. In 2022, we created the Green Strategy Team to take responsibility for climate change operations, and have been progressing towards our net-zero transition strategy in collaboration with site-level environmental management organizations including divisions.

Climate change-related pending issues are discussed each year at the ESG Council Meeting hosted by our CEO and attended by executives, and key agendas are reported to the Corporate Sustainability Management Committee. In 2023, specific net-zero implementation plans were reported to the Committee.

To create momentum for climate change management, performance in shifting to renewable energy and reducing GHG emissions is defined as one of our company-wide KPIs and reflected in organizational performance assessment. The organizational assessment results generated as such are tied to executives' assessment and compensation.

Climate Change-linked Compensation Determination Process

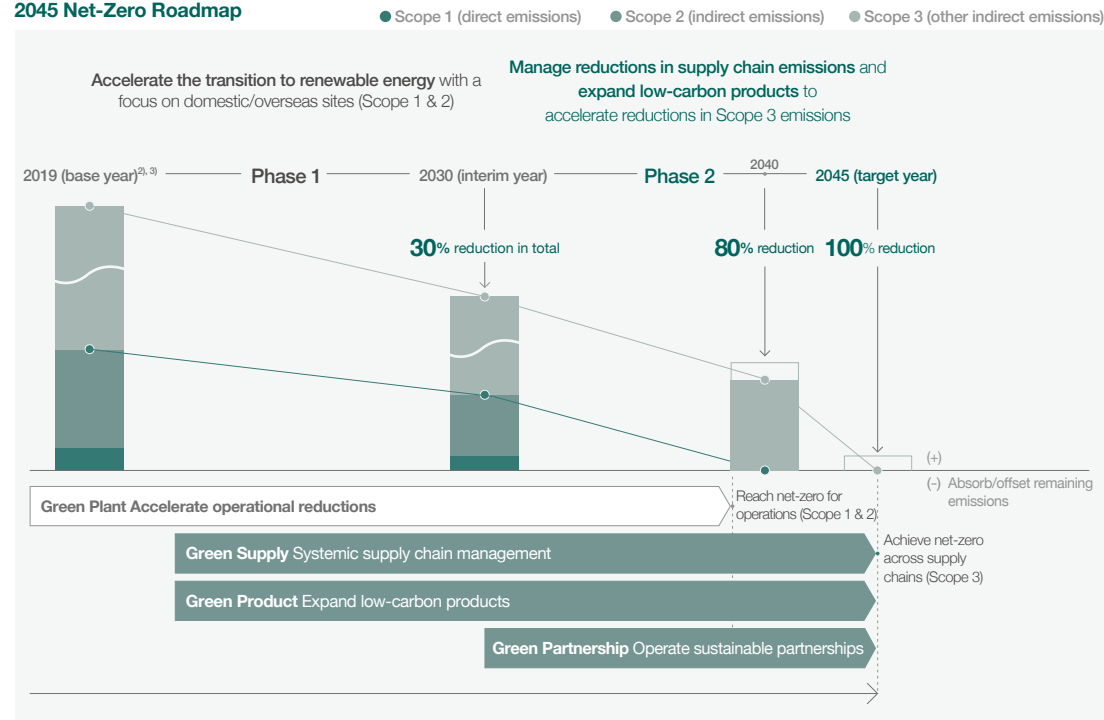


Strategy

Net-Zero Implementation Strategy

Hyundai Mobis made our net-zero commitment under the vision 'Green Transformation to 2045 Net-Zero', with a goal of reaching net-zero for business sites by 2040 and achieving net-zero 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 goals through phased implementation. We also aim to take a systemic net-zero approach by moving away from GHG-intensive products that may generate large amounts of fixed GHG emissions. Our net-zero goals and mid/long-term action plans were reported to the Corporate Sustainability Management Committee in 2021 and were made publicly available, and we progress towards these goals and plans with the Committee assuming management and oversight responsibilities through the reporting of specific implementation status in 2023. In October 2021, Hyundai Mobis became the first in the domestic automotive industry to join the SBTi¹⁾, globally pledging to set objective net-zero targets in line with the 1.5°C scenario of the Paris Agreement. As of the first half of 2024, work is ongoing to verify our net-zero goals.

2045 Net-Zero Roadmap



① Net-Zero Report 2023

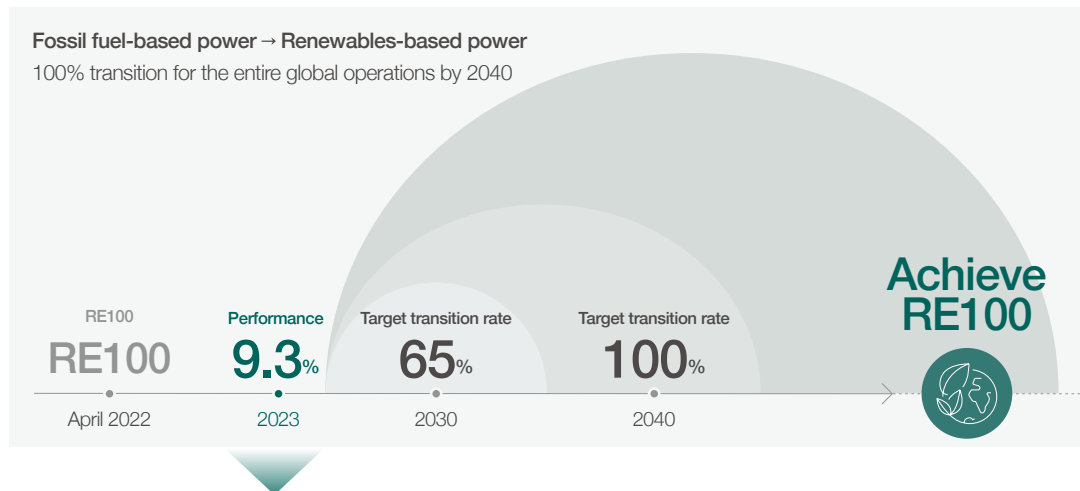
- ②
- 1) SBTi: Science Based Targets initiative
 - 2) Reflect consolidated GHG emissions (Scope 1: 0.05 million tCO₂eq, Scope 2: 0.33 million tCO₂eq, Scope 3: 2.4 million tCO₂eq)
 - 3) Year of goal setting: 2021

③ Climate Change Response 'GHG, Energy, and Electrification Product Targets'

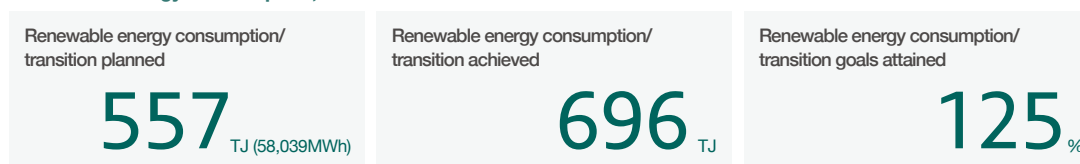
RE100 Implementation Strategy

As electricity consumption accounts for nearly 85% of our total energy consumption, we are pursuing the transition to renewable energy as key to our strategy to reach net-zero for business sites. We set our mid/long-term goal of transitioning to 35% renewable energy by 2025, 65% by 2030 and 100% by 2040 to meet our operational power needs, and defined our RE100 Roadmap which specifies the transition timeline by country and business site along with 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. We joined the RE100¹⁾ initiative in 2022 as the first Korean automotive company to do so, and are faithfully progressing towards our renewable energy transition goals through communication with stakeholders.

RE100 Roadmap and Implementation



Renewable Energy Consumption, Transition and Goal Attainment in 2023



Impacts, Risks, and Opportunities Management

Policy

Climate Change Mitigation and Adaptation Policy

To achieve net-zero and progressively transition into a renewable energy system, our climate change mitigation and adaptation policies are specified in B. Energy and D. Greenhouse Gas, 2. Basic Principle of our Environmental Management Policy. We encourage our suppliers and other stakeholders as well as our domestic/overseas operations to abide by these policies.

External Partnerships for Climate Change

Hyundai Mobis is committed to reaching net-zero by 2045 to help achieve the goal of curbing global warming preferably to below 1.5°C pursuant to the Paris Agreement, and serves as an active member of relevant external initiatives (UNGC, SBTi, TCFD Supporters and others). We also communicate with wide-ranging stakeholders, including trade associations (Seoul Chamber of Commerce and Industry, Korea Auto Industries Coop. Association), to proactively raise our voice and express our commitment. We also join Business Ambition for 1.5°C, Race to Zero, and other global net-zero campaigns, and promote transparent disclosure through our CDP²⁾ membership.

[Environmental Management Policy](#)

1) RE100: Renewable Electricity 100
2) CDP: Carbon Disclosure Project

[Appendix 'Sustainability Initiative Memberships'](#)



Identifying Impacts, Risks, and Opportunities

Interaction with Our Strategies and Business Models

We identified ‘climate change response’ as a material topic through materiality assessment. As countries around the world adopt climate change regulations and global customers raise their voice for climate change response, proactively addressing climate change risks has become an essential part of our efforts to gain business competitiveness. This prompted Hyundai Mobis to integrate climate change issues into our company-wide risk management process to address climate change risks. We take both 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. Key tasks are managed and evaluated under the company-wide performance management system, and key decision-making matters are escalated through the CRO to the CEO and the Corporate Sustainability Management Committee.

Climate Change Risk Management System



Climate Change Scenario Analysis

To identify a broad array of climate change impacts and ensure robust analysis, we conducted scenario analysis in line with Jupiter Intelligence, a climatic modeling tool, in 2023. From a scenario assuming an increased use of fossil fuels and reckless development to the below 1.5°C scenario pursued by the global community, we projected a range of possible futures under varying climate change scenarios to identify physical risks and transition risks and opportunities that may affect our operations. We referred to SSP 8.5, 4.5, and 2.6 scenarios¹⁾ laid out in the IPCC²⁾ 6th Assessment Report for physical risks, and to STEPS, APS, and NZ scenarios³⁾ based on the IEA⁴⁾ World Energy Outlook Report for transition risks and opportunities. The analysis processes and results will inform our efforts to review our business plans and reinforce strategic decision-making by taking into account the complex and uncertain climate change landscape.

The scope of such analyses includes our domestic/overseas manufacturing/distribution sites and major subsidiaries within the operational boundary of Hyundai Mobis which account for 99% of our consolidated revenue for FY2022. As to transition risks and opportunities, this extends further to analyze a portion of our value chain (upstream, downstream).

We defined short-term (0~3 years), mid-term (3~10 years), and long-term (11~25 years) time horizons by setting 2040, our target year of achieving net-zero for business sites, as the reference to analyze the likelihood and impact of respective risks and opportunities that may arise in 2025, 2030, and 2045 from various angles. This multi-faceted scenario analysis will drive our efforts to build resilience against the ongoing climate change.

Climate Change Scenario Analysis Methodology

Category	Type	Calculation Methodology
Physical risk	Acute	Flood
		Typhoon
		Wildfire
	Chronic	• Total loss amounts due to asset impairment and restoration
		• Revenue loss due to decreased labor productivity
Transition Risk and Opportunity		• Analyze domestic/overseas regulatory policies
		• Analyze domestic/overseas energy and automotive market outlooks
		• Analyze Hyundai Mobis' internal status and key strategic directions (management/net-zero strategies, etc.)
		• Benchmark peer groups/automotive value chains
		• Reflect expert insights

Climate Scenario Analysis Report

- 1) Physical scenarios
When considering temperature rise in 2100
- SSP 8.5: 4.4°C
- SSP 4.5: 2.7°C
- SSP 2.6: 1.8°C
- 2) IPCC: Intergovernmental Panel on Climate Change
- 3) Transition scenarios
When considering considering temperature rise in 2100
- STEPS: 2.5°C when business as usual is maintained
- APS: 1.7°C when country-specific NDCs/net-zero goals are achieved
- NZ: Limit global warming to 1.5°C and below, 1.4°C when net-zero is achieved
- 4) IEA: International Energy Agency

Key Climate Change Risks and Opportunities

Hyundai Mobis keeps identifying and monitoring potential climate risks and opportunities that may affect our operations amid the shifting business landscape. We conducted quantitative analyses on some risks and opportunities to understand their financial impact on the Company. For the analysis results for FY2022, you may refer to the table below and the Climate Scenario Analysis Report uploaded on our website. The analysis of key risks and opportunities for FY2022 revealed the need for managing heatwave risks over the mid-to long-term, and identified proactive climate change response efforts in line with the changing automotive industry structure as both a significant risk and an opportunity for Hyundai Mobis to build our market competitiveness in the upcoming years. The financial impacts outlined below are the summarized version of our analysis conducted based on the SSP 8.5 (4.4°C) scenario assuming high emissions for physical risks and the APS (1.7°C) and NZ (1.4°C) scenarios for transition risks and opportunities. It should be noted that the projected estimates contained herein are subject to change due to unpredictable and various possible futures. The analysis results for FY2023 will be disclosed in 2024 through separate reporting.

[Climate Scenario Analysis Report](#)

1) Renewable energy transition is gradually re-classified as opportunity beyond the mid-term horizon.

Time Horizon : Short-term Mid-term Long-term Financial Impact : Low Medium High

Category	Risk and Opportunity	Time Horizon	Description	Response Plan	Financial Impact		
					Short-term	Mid-term	Long-term
Physical risk	Acute	Flood	Increased exposure to flooding risks	- Conduct regular safety inspections at the site level, monitor asset losses, and roll out mitigation measures - Provide employee with regular natural disaster response training			
		Typhoon	Occurrence of typhoon damages caused by sustained tropical or subtropical low-pressure systems				
		Wildfire	Losses incurred due to annual fire incidents within 1km ² vicinity				
	Chronic	Heat wave	Decreased productivity due to prolonged abnormal high-temperature conditions lasting for several days	Implement the optimal indoor temperature program at the site level			
Transition risk	Regulation	Rise in GHG emissions credit prices	Rise in credit purchase costs due to increasing GHG emissions	- Continue to monitor credit prices to secure price competitiveness - Sell surplus GHG emissions credits			
	Technology	Transition to low-carbon infrastructure	Increase in fuel transition and infrastructure costs for low-carbon facilities	- Reduce Scope 2 emissions - Manage intensity-based emissions at the site level - Consider optimal timing through constant monitoring of renewable energy plans and costs			
	Market	Rise in electricity costs	Increase in electricity purchase costs due to rising national electricity costs	Save costs through renewable energy transition (achieve RE100)			
	Market	Changing customer behaviors	Decreased revenue due to lower priority for orders/ contracts when failing to meet customers' climate change requirements	Perform LCAs to secure the competitive edge of low-carbon products			
	Market	Rise in costs of procuring raw/ subsidiary materials	Increased costs of procuring raw/subsidiary materials due to suppliers' responding to climate change	- Strive to reduce Scope 3 emissions through partnerships with suppliers - Identify new supplies and expand strategic partnerships			
Transition opportunity	Products and services	Development and expansion of low-carbon products	Increase in revenue due to growing demand for low-carbon and carbon emission avoidance products	Strengthen core manufacturing technology capabilities and secure cost competitiveness for electrification products			
	Market	Expansion of new OE orders	Proactive climate change response for a stable expansion in global OE orders	Make continuous LCA-related investments to expand new OE orders			
	Resilience	Transition to renewable energy ¹⁾	Reduced costs of purchasing carbon credits resulting from renewable energy transition	Engage in constant monitoring on PPA and REC markets at the site (regional) level			

※ The analysis of our business strategies spanning the period up to 2030 is included for some risks and opportunities.

Activity and Resource

GHG Emissions Management

Scope 1 & 2 Emissions Management

We have established our GHG inventory covering CO₂, CH₄, N₂O, HFCs, PFCs, and SF₆ in line with the emission factors laid out in the IPCC¹⁾ guidelines, and are calculating our emissions accordingly. The MGMS²⁾, our in-house GHG emissions management system, helps us monitor energy consumption and GHG emissions across our domestic and overseas operations, and this allows us to systematically manage site-level annual GHG emissions reduction goals. In 2023, we shifted to EVs for corporate fleet vehicles at our domestic operations, along with optimizing the operational efficiency of turbo chillers and compressors and switching to LED lights to reduce energy consumption in the workplace. Overseas, we likewise engage in activities to lower our emissions by optimizing facility operations, switching to high-efficiency facilities, and transitioning to renewable energy through PV power generation and certificate purchases.

For improved consistency in our GHG emissions management, we have our domestic and overseas GHG emissions verified by third-parties each year. For subsidiaries, their 5-year Scope 1 and 2 emissions between the base year and 2023 received such third-party verification in the first half of 2024 to ensure completeness and reliability of our consolidated emissions data.

Joining the K-EV100 Campaign

Hyundai Mobis participates in the K-EV100 campaign, the Korean version of the EV100 initiative that intends 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, and 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 are building EV charging infrastructure across all our domestic operations, and are phasing in the transition into zero-emission vehicles for our corporate fleet. In 2023, we made this switch for 27 of 119 fleet vehicles owned or leased by domestic operations to reach 22.7% in transition to owned/leased zero-emission vehicles. We plan to install a total of 200 chargers including 12 fast chargers at our business sites by 2030 to expand our efforts to reduce carbon emissions in the workplace.

[CASE] Operating an Internal Carbon Pricing System

To consider potential risks associated with carbon costs, we set our internal carbon prices and conduct business accordingly by comprehensively taking into account future carbon price fluctuation scenarios and internal carbon prices set and operated by domestic and overseas companies.

In the investment planning phase, possible increases or decreases in energy consumption and GHG emissions are factored in to reflect internal carbon prices in assessing the appropriateness of investment agendas, making sure carbon impacts are considered throughout the process from the economic perspective.

Scope 3 GHG Management

Hyundai Mobis calculates GHG emissions by Scope 3 category to ensure systemic GHG emissions management across the entire value chain. We make Scope 3 disclosures in the chosen seven categories in accordance with the Corporate Value Chain (Scope 3) Accounting and Reporting Standard of the GHG Protocol, and are progressively extending the scope of calculations.

Furthermore, we are striving to reduce GHG emissions during the product usage phase by expanding our portfolio of electrification products, among other efforts, to decrease the carbon footprint across the entire value chain.

Supply Chain GHG Emissions Reduction Strategy

We recognize the importance of managing supply chain GHG emissions which account for a sizeable portion of our value chain GHG emissions, and collect and manage supplier-level GHG emissions through our ESG management platform that we use in making supply chain assessment. Based on 2023 emissions, we have collected GHG emission data from 87% of our domestic tier-1 suppliers and for the first time, we have conducted third-party verification of the GHG emissions from our domestic suppliers. This will guide our efforts to identify and categorize suppliers based on the characteristics of their GHG emissions, and develop GHG management plans tailored for different groups of suppliers to pursue effective pathways to reducing GHG emissions.



1) IPCC: Intergovernmental Panel on Climate Change

2) MGMS: Mobis Greenhouse gas Management System

Energy Management

Energy Consumption Management

Hyundai Mobis established the GMEMS¹⁾ 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 8,602TJ in 2023, up by 232TJ from 2022.

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 2023, we deployed a smart air-conditioning control system and installed a test bed for CIGS (Copper, Indium, Gallium, Selenium) thin-film PV modules made through novel lightweight PV power generation technology at our Ulsan Electrification Plant. Over KRW 100 million in electricity energy savings is expected as the smart air-conditioning control system will enable optimal connected controls over plant environmental data spanning temperature, humidity, particular matter, and CO₂ concentrations. The verification of power generation efficiency of CIGS thin-film PV modules also paved the way to expand the proportion of renewable energy.

Renewable Energy Transition Activity

Deploying PV Power Generators

We installed 2.5MWp-capacity PV power generators at four key manufacturing sites in Korea (Ulsan Electrification Plant, Daegu Electrification Plant, Gimcheon Plant, and Changwon Plant), which have been fully operational since 2023. This will allow us to meet 1% of our electricity consumption needs at domestic operations with renewable energy, along with 1,519tCO₂eq in reduced GHG emissions per year.

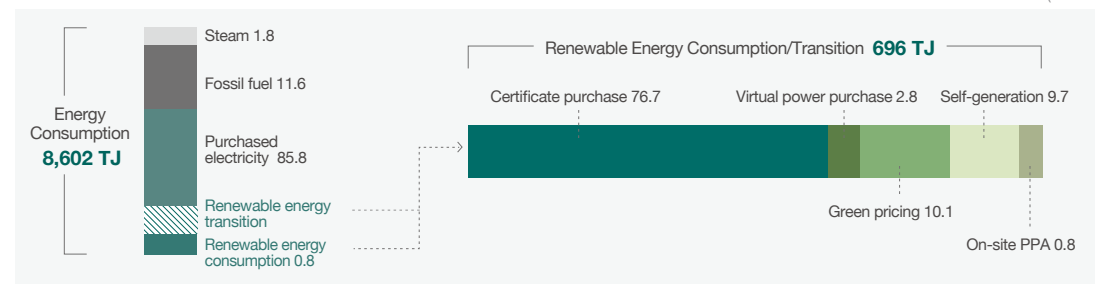
Diversifying Renewable Energy Sources

For successful renewable energy transition, we prioritize renewable energy procurement options in developing specific transition strategies. In 2023, we pursued 6 GWh-capacity VPPAs²⁾ for domestic operations, and are considering their continued expansion.

Our Indian corporation signed an on-site PPA to generate 5.5MWh rooftop PV power, which is currently under operation. This is expected to help our Indian corporation reach 22% in renewable energy transition for its power consumption in the workplace and a 5,898-ton reduction in annual GHG emissions.

Apart from this, our key global operations in Slovakia, Germany, and Turkey are purchasing renewable energy certificates (REC³⁾, iREC⁴⁾, GO⁵⁾) and joining green pricing programs to pursue transition towards renewable energy. Going forward, we will further boost our renewable energy transition activities by leveraging the PPA⁶⁾ option. As such, Hyundai Mobis keeps close taps on regional renewable energy policies and trends to establish our transition portfolio and build our track records in achieving economical and effective energy transition.

Energy Consumption and Renewable Energy Transition Options



Net-Zero Report 2023
'Renewable Energy Transition Cases' [↗](#)



- 1) GMEMS: Global Mobis Energy Management System
- 2) VPPA: Virtual Power Purchase Agreement
- 3) REC: Renewable Energy Certificate
- 4) iREC: International Renewable Energy Certificate
- 5) GO: Guarantee of Origin
- 6) PPA: Power Purchase Agreement

Developing Eco-friendly (Electrification) Products

Hyundai Mobis defines electrification products as eco-friendly, high value-added Core Parts, and are focusing our capabilities on developing technology and advancing mass-production capacity. To this end, we established and are commercializing our core parts portfolio spanning the full spectrum from storage (battery) to conversion (inverter) and driving (motor) of electrical energy required to power hybrid and electric vehicles. Going forward, we will continue to expand our electrification business.

In 2023, our electrification parts sales amounted to KRW 12.2 trillion to account for 20.7% of total, continuing its constant upward trend in alignment with our management approach. Our electrification product sales goal for 2031 is to achieve an CAGR of 14.7% (based on the annual estimates of 2023), and we are progressing towards this goal in line with our three-track approach of bolstering our cost competitiveness, technology competitiveness, and manufacturing competitiveness.

[Case] Hosting the Industry-Academia-Research 'Electrification Technology Forum'

To create an ecosystem of technology collaboration to drive our growth into a 'First Mover' in the global electrification market, we hosted the 1st Electrification Technology Forum in February 2024. This served to establish an ecosystem of technology collaboration with participants from over 10 universities and research institutes – Seoul National University, Hanyang University, and Korea Automotive Technology Institute – and over 30 companies holding innovative technology in this field. The forum provided an opportunity to discuss new technology ideas and R&D partnership opportunities for such key electrification parts as battery, traction, and power conversion systems.

Contribution to Reducing GHG Emissions

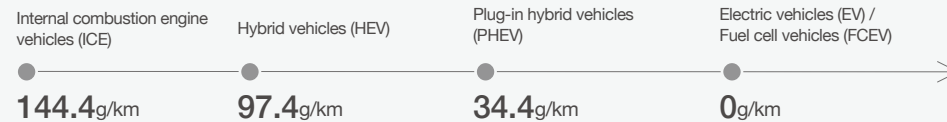
Hyundai Mobis supplies core parts for hybrid vehicles and plug-in hybrid vehicles, which have the potential to reduce 46.1g/km and 104.5g/km in CO₂ emissions respectively, against the average CO₂ emissions of 144.4g/km produced per internal combustion engine vehicle. Moreover, EVs and hydrogen cars emit zero carbon emissions themselves. When converted based on 2023 vehicle sales, these eco-friendly vehicles produce the effects of mitigating 1,692,393tCO₂eq in total annual GHG emissions. As another way to contribute to lowering GHG emissions, we work to change raw materials, reduce the number of parts, and simplify the structure to make modules and parts lightweight and improve fuel efficiency in the process.

GHG Emissions Reduction Effect

CO₂ emissions generated per vehicle¹⁾

Calculated for types of eco-friendly vehicles in Korea and overseas and for corresponding types of internal combustion engine vehicles

► (Average emissions per vehicle type X sum of production volume per vehicle type)/(total sum of production volume by type)



GHG emissions reduced through the parts mounted on eco-friendly vehicles in 2023 **1,692,393tCO₂eq**

Sum of total CO₂ emissions avoided (average reductions achieved X distances traveled) by vehicle type

※ Average reductions achieved: (average of maximum emissions and minimum emissions by type of corresponding ICE vehicle) – (average of maximum emissions and minimum emissions by type of eco-friendly vehicle)



- 1) Source
- CO₂ emissions by vehicle type: Official website of Hyundai Motor Company/Kia Corporation
 - Annual average mileage: 2021 Vehicle Mileage Statistics, Korea Transportation Safety Authority

Electrification Investment Performance and Plan

Hyundai Mobis continues to expand our investment in electrification parts to shift to an eco-friendly industrial structure, and strives to develop globally competitive products and ensure their reliable mass-production and supply. In 2023, we invested KRW 645.5 billion in expanding new equipment, which went to our Ulsan Electrification Plant to produce 200,000 units of BSA (Battery System Assembly) per year and to our Daegu Electrification Plant to produce 530,000 units of PE system per year respectively. Currently, we operate global electrification sites – six in Korea and three overseas – and will open six new sites starting with Indonesia to establish a global electrification value chain and ensure reliable supply chains in so doing.

To bolster our electrification R&D capabilities, we opened a new Electrification Research Center at our technical center of Uiwang to lead our overall next-generation electrification technology research, investing over KRW 137.4 billion in expanding research facilities and developing new products and technologies with an aim to build mid/long-term growth drivers.

Green Loan Procurement

In October 2023, Mobis America, Inc., our US corporation, successfully procured the Company's first overseas Green Loan valued at USD 940 million with 10-year maturity in accordance with the 'Sustainability Linked Loan Principles' set out by the international financial organizations of the LMA¹⁾, LSTA²⁾, and APLMA³⁾. The acquired funds will go to invest in new BSA and PE system plants in Savannah, Georgia, and Alabama in the US. As of the end of March 2024, investments are ongoing with the USD 269 million withdrawn from the approved amount of USD 940 million. This will enable us to establish a reliable eco-friendly parts supply chain and cater to the burgeoning EV demand in North America.

ESG Bond Issuance

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 ICMA⁴⁾ 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, demonstrating their compliance 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 technical center of Uiwang, expand the plant and add production lines for EV-exclusive parts manufacturing, and make equity investments in relation to electrification business.

Electrification Investments Made in 2023

KRW **783** billion
*For site development, facility expansion, and R&D investments

Electrification Investment Plan for 2024

KRW **1,3744** trillion



- 1) LMA: Loan Market Association
- 2) LSTA: Loan Syndications and Trading Association
- 3) APLMA: Asia Pacific Loan Market Association
- 4) ICMA: International Capital Market Association

Metrics & Targets

GHG, Energy, and Electrification Product Targets

GHG Management Targets

Our 2045 net-zero goal aligns with the scenario to curb global average warming to 1.5°C or below against our 2019 emissions calculated according to the GHG Protocol with a focus on transitioning to renewable energy and managing supply chain carbon emissions. This goal was set based on the feedback we gathered through communication with governments, customers and other stakeholders.

Category	Base Year	Unit	2030 Target	2040 Target	2045 Target
			Consolidated	Consolidated	Consolidated
Rate of progress towards net-zero ¹⁾		%	30	80	100
Rate of progress towards net-zero for operations (Scope 1 + 2)	2019	%	~	100	
GHG emissions target (Scope 1 & 2)		tCO ₂ eq	268,062	0	
Cumulative GHG emissions reduction target (Scope 1 & 2)		tCO ₂ eq	114,884	382,946	

1) Overall target including Scope 3 emissions

Energy Management Targets¹⁾

Hyundai Mobis set our 2040 RE100 goal to transition to 100% renewable energy to meet the power needs of our operations by 2040. This goal was set in consideration of the renewable energy policies, current energy mix ratios, and future directions of countries where we are based, through communication with customers and external stakeholders to collect their feedback.

Category		Unit	2022	2023			2025 Target	2030 Target	2040 Target
			Consolidated (partial ²⁾)	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total (Consolidated)	Consolidated	Consolidated
Renewable energy	Annual renewable energy consumption /transition target	TJ	404	73	70	413	557		
		MWh	42,083	7,634	7,333	43,073	58,039		
	Annual rate of progress towards using and transitioning to renewable energy	%	96.5	136.0	103.8	126.6	125.0		
	Rate of progress towards achieving RE100 in 2040 ³⁾	%	7.3 (5.4% when consolidated)	4.9	3.7	15.1	9.3	35	65

1) Reported since 2022

2) Not include data from domestic subsidiaries

3) (total renewable energy use and transition/total electricity consumption) X 100, Total electricity consumption: Consumption of non-renewable energy (electricity) and renewable energy (electricity)

Electrification Product Sales Targets

Hyundai Mobis set a goal of achieving a CAGR of 14.7% in overall electrification parts sales by 2031 (based on the annual estimates made in 2023).

Category	Base Year	Unit	2021	2022	2023	~2031 Goal
			Consolidated	Consolidated	Consolidated	Consolidated
Rate of progress towards the sales target		%	81.4	114.3	107.3	
Sales target	Reporting year	KRW 100 million	74,852	84,641	114,102	Achieve a CAGR of 14.7% (based on the annual estimates made in 2023)
Sales performance		KRW 100 million	60,931	96,759	122,476	

GHG Management

GHG Emissions (Scope 1+2)¹⁾

Category		Unit	2021				2022 ⁴⁾				2023			
			Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
GHG emissions (Scope 1 + location-based Scope 2)		tCO ₂ eq	173,416	17,241	200,705	391,362	93,863	107,845	194,419	396,128	104,234	109,006	188,885	402,125
GHG emissions (Scope 1 + market-based Scope 2)		tCO ₂ eq	173,416	17,241	195,430	386,086	93,863	107,845	188,464	390,173	100,704	105,618	178,419	384,741
By scope	Scope 1 emissions	tCO ₂ eq	22,093	452	32,545	55,090	7,395	15,824	32,338	55,557	7,434	14,850	30,420	52,704
	Operations subject to emissions trading regulations	tCO ₂ eq	22,093	0		22,093	7,395	9,301		16,696	7,434	8,409		15,843
	Percentage of operations subject to emissions trading regulations	%	100	0		40.1	100	58.8		30.1	100	56.6		30.1
	Scope 2 emissions (location-based)	tCO ₂ eq	151,323	16,788	168,161	336,272	86,468	92,021	162,081	340,570	96,800	94,156	158,465	349,421
	Scope 2 emissions (market-based)	tCO ₂ eq	151,323	16,788	162,885	330,997	86,468	92,021	156,126	334,615	93,270	90,768	147,999	332,037
	Virtual power purchase agreement (VPPA)	tCO ₂ eq									921	0	0	921
	Purchase of renewable energy certificates	tCO ₂ eq									2,609	919	10,212	13,740
	Green pricing program (green electricity products)	tCO ₂ eq									0	2,469	254	2,723
	Non-use of contractual means	tCO ₂ eq									89,740	87,380	137,532	314,652
	Category ³⁾													
By country ³⁾	Korea	tCO ₂ eq									100,704	105,618	~	206,322
	China	tCO ₂ eq											52,235	52,235
	US	tCO ₂ eq											45,723	45,723
	India	tCO ₂ eq									~	~	21,519	21,519
	Czech Republic	tCO ₂ eq											14,344	14,344
	Others	tCO ₂ eq											44,597	44,597
Total GHG emissions intensity (Scope 1+2) ³⁾		tCO ₂ eq/ KRW 100 million	0.63	~	~	0.93	0.28	~	~	0.75	0.26	~	~	0.65

1) Restated subsidiary data in line with enhanced GHG/energy verification, the number of domestic subsidiary sites increased following the establishment of subsidiaries specialized in manufacturing (MOTRAS, UNITUS) starting from 2022

2) Newly reported

3) Korea (non-consolidated): Scope 1 and Scope 2 emissions/non-consolidated sales, Total: Scope 1 and Scope 2 GHG emissions/consolidated sales (total sales)

4) Restated the 2022 data based on the GHG emissions verification conducted on domestic/overseas subsidiaries

GHG Emissions (Scope 3)¹⁾

Category		Unit	2021	2022	2023
			Domestic (non-consolidated)	Domestic (non-consolidated)	Domestic (non-consolidated)
Scope 3 GHG emissions ²⁾		tCO ₂ eq	23,008,206	23,879,943	25,246,032
Upstream	1. Purchased goods and services ³⁾	tCO ₂ eq	665,812	531,300	640,577
	5. Waste generated in operations ⁴⁾	tCO ₂ eq	2,977	2,706	1,442
	6. Business travel ⁵⁾	tCO ₂ eq	3,509	7,818	11,299
	7. Employee commuting ⁶⁾	tCO ₂ eq	1,471	1,480	1,576
	8. Upstream leased assets ⁷⁾	tCO ₂ eq	144	178	151
Downstream ⁸⁾	11. Use of sold products	tCO ₂ eq	22,108,365	23,073,183	24,300,960
	12. End-of-life treatment of sold products	tCO ₂ eq	225,928	263,277	290,027

1) Calculated emissions data in accordance with GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard, and made calculations of items for which category-specific calculation methods or coverage were changed by retrospectively including emissions from previous years

2) Percentage of Scope 3 emissions calculated based on primary data generated from actual activities in 2023: 99.5% (Scope 3 emissions calculated based on primary data / total scope 3 emissions X 100)

3) Based on tier-1 suppliers under the HQ's operating structure and outsourcing manufacturing plants

4) Based on waste generated from domestic operations

5) Based on domestic/overseas business travel, and calculated emissions by mode of transport (own vehicle, bus, train, domestic/international flight)

6) Based on commuter buses

7) Based on business sites leasing finished car sites out of domestic sales teams

8) Calculated data on downstream categories by reflecting the proportion of Hyundai Mobis' parts out of total emissions generated from operating and disposing of finished vehicles.

GHG Management Expenses¹⁾

Category		Unit	2021				2022				2023			
			Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Operational expenditure (OpEx)	Reporting year (current)	KRW million									981		1,053	2,034
	Beyond reporting year (future)	KRW million									865			865
Capital expenditure (CapEx)	Reporting year (current)	KRW million									4,138		834	4,972
	Beyond reporting year (future)	KRW million									1,656			1,656

1) Newly reported

Energy Management

Energy Consumption¹⁾

Category	Unit	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Energy consumption	TJ	3,563	359	4,330	8,251	1,918	2,234	4,218	8,370	2,165	2,261	4,176	8,602
	MWh	440,853	38,779	585,005	1,064,637	220,130	286,710	570,938	1,077,777	249,806	287,016	558,733	1,095,555
Energy consumption intensity ²⁾	TJ/ KRW 100 million	0.01	~	~	0.02	0.01	~	~	0.02	0.01	~	~	0.01
Energy consumption outside the organization ³⁾	MWh									3,614,769			3,614,769

1) Restated subsidiary data in line with enhanced GHG/energy verification, the number of domestic subsidiary sites increased following the establishment of subsidiaries specialized in manufacturing (MOTRAS, UNITUS) starting from 2022

2) Total energy consumption/consolidated sales (total sales)

3) Newly reported, energy consumption of domestic (non-consolidated) tier-1 suppliers

Energy Consumption (non-renewable)¹⁾

Category		Unit	2021				2022				2023			
			Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Non-renewable energy consumption		TJ	3,563	359	4,329	8,251	1,914	2,233	4,218	8,365	2,139	2,259	4,131	8,529
		MWh	440,853	38,779	584,983	1,064,615	219,714	286,541	570,913	1,077,167	247,109	286,392	554,054	1,087,555
Percentage of non-renewable energy consumption		%	100	100	100	100	99.8	100	100	99.9	98.8	99.9	98.9	99.2
By energy source ²⁾	Consumption of fossil energy	TJ	401	8	614	1,023	117	310	606	1,033	139	290	566	995
		MWh	111,478	2,236	170,689	284,404	32,526	86,230	168,336	287,092	38,631	80,756	157,221	276,608
Percentage of fossil energy consumption		%									6.4	12.8	13.5	11.6
Consumption of coal and coal product fuels		TJ									0	0	0	0
		MWh									0	0	0	0
Consumption of crude oil, petroleum products and other fuels		TJ									25	10	90	125
		MWh									6,939	2,674	25,082	34,694
Consumption of natural gas and other fuels		TJ									114	281	475	870
		MWh									31,692	78,082	132,139	241,913
Consumption of nuclear energy		TJ									0	0	0	0
		MWh									0	0	0	0
Percentage of nuclear energy consumption		%									0	0	0	0
Consumption of energy from unknown sources		TJ	3,162	351	3,715	7,228	1,797	1,923	3,612	7,332	2,000	1,968	3,565	7,534
		MWh	329,375	36,543	414,293	780,211	187,188	200,311	402,577	790,075	208,478	205,636	396,834	810,948
Purchased electricity ³⁾		TJ	3,162	351	3,559	7,071	1,797	1,923	3,461	7,181	1,999	1,965	3,419	7,383
		MWh	329,375	36,543	370,665	736,583	187,188	200,311	360,553	748,052	208,232	204,652	356,159	769,043
Steam		TJ	0	0	157	157	0	0	151	151	1	4	146	151
		MWh	0	0	43,629	43,629	0	0	42,024	42,024	246	984	40,675	41,904

1) Restated subsidiary data in line with enhanced GHG/energy verification, the number of domestic subsidiary sites increased following the establishment of subsidiaries specialized in manufacturing (MOTRAS, UNITUS) starting from 2022

2) Initiated reporting for some data due to change in classification criteria starting from 2023

3) Restated the 2021-2022 data due to change in management criteria starting from 2023 (including purchases made under the green pricing program in total purchases)

Energy Consumption (renewable)¹⁾

Category	Unit	2021				2022				2023				
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	
Percentage of renewable energy consumption/transition	TJ	0	0	367	367	4	0.6	385	390	100	73	524	696	
	MWh	0	0	38,264	38,264	416	169	40,141	40,725	10,381	7,999	54,532	72,912	
Percentage of renewable energy consumption and transition against total energy consumption ²⁾	%	0	0	8.5	4.5	0.2	0.0	9.1	4.7	4.6	3.2	12.5	8.1	
By energy source ³⁾	Renewable energy consumption	TJ	0	0	0.2	0.2	4	0.6	0.2	4.8	26	2	45	73
		MWh	0	0	22	22	416	169	25	610	2,697	624	4,678	7,999
	Self-generation	TJ	0	0	0.2	0.2	4	0.6	0.2	4.8	26	2	39	67
		MWh	0	0	22	22	416	169	25	610	2,697	624	4,096	7,417
	Using renewable raw materials as fuel ⁴⁾	TJ									0	0	0	0
		MWh									0	0	0	0
	Power purchase agreement (on-site PPA)	TJ									0	0	6	6
		MWh									0	0	582	582
	Renewable energy transition	TJ	0	0	367	367	0	0	385	385	74	71	479	623
		MWh	0	0	38,242	38,242	0	0	40,116	40,116	7,684	7,375	49,854	64,913
	Purchase of renewable energy certificates	TJ									55	19	460	534
		MWh									5,679	2,000	47,939	55,619
	Virtual power purchase agreement (VPPA)	TJ									19	0	0	19
		MWh									2,005	0	0	2,005
	Green pricing program (green electricity products)	TJ	0	0	18	18	0	0	19	19	0	52	18	70
		MWh	0	0	1,877	1,877	0	0	2,018	2,018	0	5,375	1,914	7,289
	Renewable energy consumption and transition intensity ⁵⁾	TJ/ KRW 100 million	0	~	~	0.001	0.000	~	~	0.001	0.000	~	~	0.001

1) Restated subsidiary data in line with enhanced GHG/energy verification, the number of domestic subsidiary sites increased following the establishment of subsidiaries specialized in manufacturing (MOTRAS, UNITUS) starting from 2022

2) (total renewable energy consumption and transition/total energy consumption) X 100

3) Initiated reporting for some data due to change in classification criteria starting from 2023

4) Biomass, biofuel, biogas and others

5) Total renewable energy consumption/consolidated sales (total sales)

6) Restated the 2022 data due to data errors (correction of conversion factor)

Energy Consumption (electricity)¹⁾

Category	Unit	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Electricity consumption	TJ	3,162	351	3,559	7,071	1,801	1,924	3,462	7,186	2,025	1,967	3,464	7,456
	MWh	329,375	36,543	370,687	736,605	187,604	200,480	360,578	748,662	210,929	205,276	360,837	777,043
Percentage of renewable energy consumption and transition against total electricity consumption ²⁾	%	0	0	10.3	5.2	0.2	0.0	11.1	5.4	4.9	3.7	15.1	9.3
Non-renewable electricity	TJ	3,162	351	3,558	7,071	1,797	1,923	3,461	7,181	1,999	1,965	3,419	7,383
	MWh	329,375	36,543	370,665	736,583	187,188	200,311	360,553	748,052	208,232	204,652	356,159	769,043
Green pricing program (green electricity products) ³⁾	TJ	0	0	18	18	0	0	19	19	0	52	18	70
	MWh	0	0	1,877	1,877	0	0	2,018	2,018	0	5,375	1,914	7,289
Renewable electricity	TJ	0	0	0.2	0.2	4	0.6	0.2	4.8	26	2	45	73
	MWh	0	0	22	22	416	169	25	610	2,697	624	4,678	7,999

1) Restated subsidiary data in line with enhanced GHG/energy verification, the number of domestic subsidiary sites increased following the establishment of subsidiaries specialized in manufacturing (MOTRAS, UNITUS) starting from 2022

2) (total renewable energy consumption and transition/total electricity consumption) X 100

3) Included as renewable energy transition

Energy Production and Sale¹⁾

Category	Unit	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Direct energy production	TJ	0		0.2	0.2	4	0.6	0.2	5	26	2	39	67
	MWh	0		20	20	416	169	25	610	2,697	624	4,096	7,417
Non-renewable energy production ¹⁾	TJ									0	0	0	0
	MWh									0	0	0	0
Renewable energy production	TJ	0		0.2	0.2	4	0.6	0.2	5	26	2	39	67
	MWh	0		20	20	416	169	25	610	2,697	624	4,096	7,417
Energy sales ¹⁾	TJ									0	0	0	0
	MWh									0	0	0	0

1) Newly reported

Pollution Management

Impacts, Risks, and Opportunities Management

Policy

Pollution Management Policy

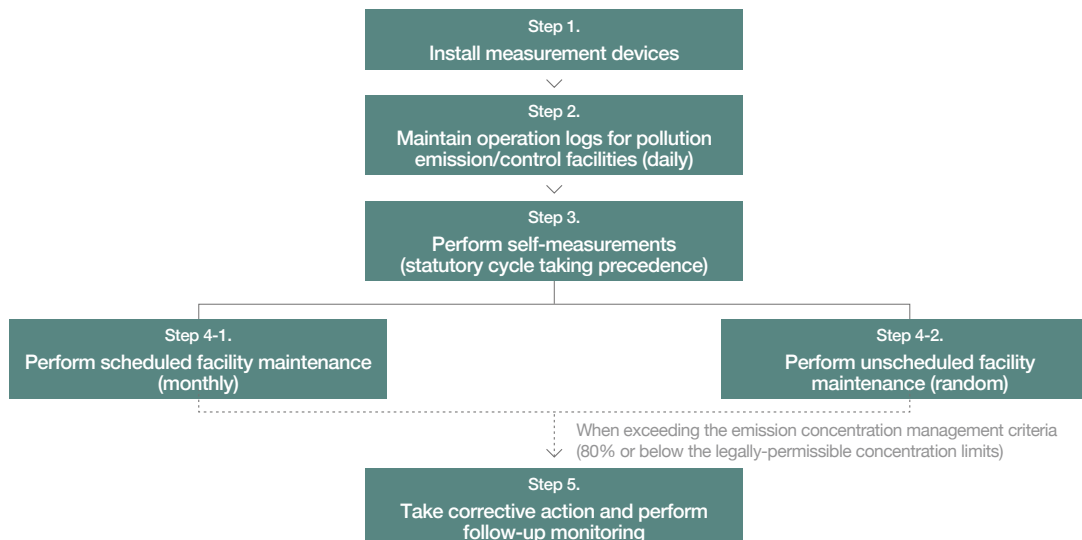
To identify the direct/indirect environmental impact factors stemming from pollutants generated from the manufacturing of automotive parts among others and minimize their impact on the environment, Hyundai Mobis establishes and implements our pollution management policy as specified in G. Other Environmental Pollutants, 2. Basic Principle of our Environmental Management Policy. We actively encourage our suppliers and other stakeholders as well as our domestic/overseas operations to abide by this policy.

Identifying Impacts, Risks, and Opportunities

Pollution Risk Management

To reduce air, water and other pollutants generated from product manufacturing, Hyundai Mobis internally applies more stringent management standards that are set at 80% of the legally-permissible discharge concentration limits pursuant to our internal regulations titled 'work standards on air/water pollutant prevention'. We have implemented a monitoring system for emission facilities and prevention facilities that complies with ISO 14001 certification standards to manage risks associated with pollutant emissions, including unexpected leakage incidents in each of our business sites.

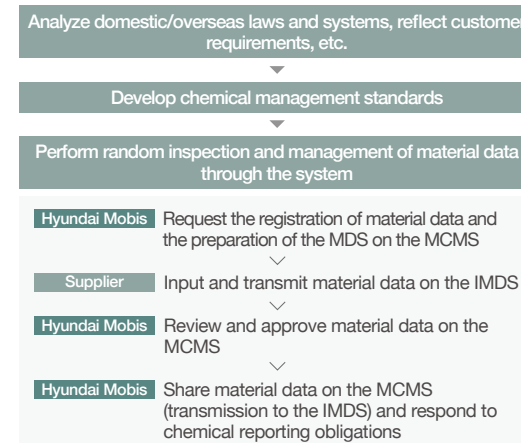
Pollution Risk Monitoring System



Managing the Risk of Chemical Substances

To mitigate risks associated with enhanced chemical regulations in Korea and abroad, including the Act on the Registration and Evaluation of Chemical Substances, the Chemical Substances Control Act, and the EU REACH¹⁾, we proactively prevent the use of hazardous materials for our products and operations while continuously monitoring the chemicals that we use through our chemical risk management system. For chemicals contained in products, we established the MCMS²⁾ as our internal system linked to the IMDS³⁾ to analyze and review products under development for their hazardousness early from the R&D phase while reviewing and managing material data from suppliers. Our internal management system, e-CMS⁴⁾, also allows us to establish a preliminary assessment process in receiving and handling chemicals within the workplace, and even chemicals that are consumed in trace amounts at the lab are meticulously managed to minimize associated risks.

Monitoring the Risk of Chemicals in Products



① Environmental Management Policy [↗](#)

- ②
- 1) EU REACH: Registration, Evaluation, Authorization and Restriction of Chemical
 - 2) MCMS: MOBIS Chemical Management System
 - 3) IMDS: International Material Data System
 - 4) e-CMS: e-Chemical Management System

③ Pollutant Management 'Pollutant Management Targets' [↗](#)

Activity and Resource

Workplace Pollutant Management

Air Pollution Management

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 manage all air pollutants generated from our operations for their monthly emission concentration through our health and safety platform. We ensure that facilities generating and controlling air pollutants are lawfully operated to optimize our environmental facilities and minimize the emission of air pollutants, and regularly replace old air environmental facilities and fillers with new ones to make necessary improvements while further bolstering environmental monitoring.

Water Pollutant Management

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 business sites is appropriately discharged through the sewage treatment plant. In discharging sewage and wastewater, we engage external accredited organizations to perform regular self-measurements at each discharging facilities on a frequency ranging from once a month to once every six months to keep monitoring water pollutant data and ensure we abide by our own internal standards as well as statutory standards.

[Case] Strengthening Our Global Environmental Management System

In 2024, we launched the Global SHE Support Team to ensure more systemic environmental management overseas, which enabled us to conduct on-site reviews on our air quality, water quality (sewage/wastewater), waste, and chemical management systems to quantify overseas environmental management standards and environmental data by region. This will guide our efforts to establish a self-directed environmental management system tailored to different business sites in respective global regions to take the lead in global environmental management all while proactively responding to pertinent laws and regulations.

Chemicals Management in the Workplace

Hyundai Mobis introduced the e-CMS¹⁾ as our internal chemical substance management system to protect our employees and the environment from any harm stemming from chemical substances and ensure appropriate chemicals management all while proactively responding to the increasingly enhanced chemical substance regulations. In this respect, we established a process connected to the procurement system to evaluate chemical products that we handle in the workplace (raw/subsidiary materials containing chemicals) for their regulatory compliance, hazards/risks, and handling process before receiving them so that chemicals that fail to meet legal requirements are subject to procurement control. This system will support us to ensure safety in handling chemicals and prevent chemical accidents and to progressively strengthen our chemicals management to minimize regulatory risks.

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 to bring the total number of hazardous substances that we manage to 32 excluding duplicates.

Managing Chemicals Contained in Products

The MCMS²⁾ 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 leveraging this to monitor substances for their regulatory non-compliance. Furthermore, we established a dedicated harmful substances analysis lab in 2021 and have since expanded our support and management for parts suppliers while performing internal product analyses. In the first half of 2024, we achieved the ISO 17025³⁾ certification to verify the credibility of the analysis data that we generate.

High Priority Hazardous Chemicals

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 that are projected to be subject to 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 in the process. This also supports our efforts to comply with the 'Global Standard for Four Heavy Metals', a voluntary program run by Hyundai Motor Group to meet Korean and European regulations on end-of-life vehicles.



- 1) e-CMS: e-Chemical Management System
- 2) MCMS: Mobis Chemical Management System
- 3) ISO 17025: International standards for testing and calibration laboratories

Metrics & Targets

Air and Water Pollution Management

Pollutant Management Targets

We manage the discharge of all air pollutants generated from our operations in accordance with our internal operational standards that are 80% or below the legal thresholds. While our broadening business footprint will lead to the establishment and expansion of production facilities and the resulting increases in air pollutant emissions, we will implement pollutant reduction policies by considering the installation of optimal control facilities and managing the efficiency of control facilities to ensure our discharge of pollutants do not exceed the set operational standards.

Emission of Air Pollutants¹⁾

Category	Unit	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary ³⁾	Overseas Subsidiary ⁴⁾	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary ⁵⁾	Total
Emission of Air Pollutants	ton	26.33			26.33	7.24	9.36	75.36	91.96	8.67	15.62	136.15	160.44
By substance													
Nitrogen oxide (NOx)	ton	6.62			6.62	2.67	1.58	9.79	14.04	4.30	2.36	23.94	30.61
Sulfur oxide (SOx)	ton	0.10			0.10	0.36	0	1.00	1.36	0.11	0	3.47	3.57
Particulate matter (PM)	ton	2.76			2.76	0.60	1.59	9.07	11.26	1.01	2.34	22.56	25.91
Total hydrocarbon (THC)	ton	16.85			16.85	3.61	6.19	55.50	65.30	3.25	10.92	86.18	100.35
Air pollutant emissions intensity ²⁾	ton/ KRW 100 million	0.00010	~	~	0.00002	0.00002	~	~	0.00018	0.00002	~	~	0.00027

1) Calculated emissions based on emission factors for each representative gas in accordance with the air pollution process test standards, include outsourcing

2) Domestic (non-consolidated): Total air pollutant emissions/non-consolidated sales, Total: Total air pollutant emissions/consolidated sales (total sales)

3) Based on the two subsidiaries of MOTRAS and UNITUS for 2022, and based on all five subsidiaries starting from 2023

4) Restated the 2022 data due to errors (calculation error)

5) Extended the scope of facilities subject to calculation since 2023 in line with enhanced environmental management for overseas subsidiaries

Emission of Water Pollutants

Category		Unit	2021				2022				2023			
			Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary ⁴⁾	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary ⁵⁾	Total
Water pollutant emissions ¹⁾		ton	0.676			0.676	0.082		556.012	556.094	0.006	5.915	787.682	793.604
By substance	Biochemical oxygen demand (BOD)	ton	0.043			0.043	0		61.410	61.410	0	2.807	133.982	136.790
	Chemical oxygen demand (COD) ²⁾	ton	0.060			0.060			299.830	299.830		2.110	335.008	337.118
	Total organic carbon (TOC) ²⁾	ton					0.026		34.045	34.071	0.002	0.110	69.762	69.874
	Total nitrogen (TN)	ton	0.138			0.138	0.040		99.690	99.730	0.000	0.272	189.072	189.344
	Normal hexane (N-H)	ton	0.002			0.002	0.000		7.147	7.147	0	0.030	0.698	0.728
	Total phosphorus (T-P)	ton	0.413			0.413	0.002		2.550	2.552	0.003	0.060	2.227	2.289
	Suspend solids (SS)	ton	0.020			0.020	0.014		51.340	51.354	0.001	0.526	56.934	57.461
Water pollutant emissions intensity ³⁾		ton/ KRW 100 million	0.000002	~	~	0.000002	0.000000	~	~	0.001071	0.000000	~	~	0.001339

1) Domestic(non-consolidated) data limited to direct discharges

2) Initiated reporting TOC starting from 2022 in line with the change in organic matter measurement metric for domestic (non-consolidated) operations (COD → TOC), follow country-specific legal standards for overseas operations

3) Domestic (non-consolidated): Total water pollutant emissions/non-consolidated sales, Total: total water pollutant emissions/consolidated sales(total sales)

4) Restated the 2022 data due to errors (calculation error)

5) Extended the scope of facilities subject to calculation since 2023 in line with enhanced environmental management for overseas subsidiaries

Pollution-related Expenses¹⁾

Category		Unit	2021				2022				2023			
			Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Operational expenditure (OpEx)	Reporting year (current)	KRW million									6,046		1,527	7,572
	Beyond reporting year (future)	KRW million									6,793			6,793
Capital expenditure (CapEx)	Reporting year (current)	KRW million									1,664		2,568	4,231
	Beyond reporting year (future)	KRW million									486			486

1) Newly reported, include expenses associated with air/water pollution management and waste

Pollution Incident-related Expenses¹⁾

Category		Unit	2021		2022		2023	
			Domestic (non-consolidated)		Domestic (non-consolidated)		Domestic (non-consolidated)	
Operational expenditure (OpEx)	Reporting year (current)	KRW million						0
Capital expenditure (CapEx)	Beyond reporting year (future)	KRW million						0

1) Newly reported

Managing Chemicals/Substances of Concern

Chemicals in Products Management Targets

Concerning hazardous chemicals contained in products, Hyundai Mobis keeps close tabs on pertinent regulations and stakeholder requirements to set our management targets accordingly.

We will control the content of mercury within all automotive headlamps supplied to North America within the set threshold by 2024, and keep the content of copper and copper compounds within brake friction materials to 0.5% and below by 2025.

Substances of Concern in Products¹⁾

Key substances of concern that are contained in our products by way of parts procurement include diboron-trioxide used for lamp production, and nearly 80% of substances of very high concern are attributable to the use of nickel for battery production.

Category		Unit	2021	2022	2023
			Consolidated	Consolidated	Consolidated (partial)
Amounts received through purchased (procured) parts	Hazardous chemicals	ton			146
	Chemical substances of very high concern	ton			11,213

1) Newly reported, does not include data from domestic subsidiaries, substances of concern classified in accordance with EU REACH.

Chemicals/Substances of Concern in the Workplace¹⁾

Category	Unit	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary ³⁾	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Chemicals received (handled) in the workplace	ton	1,936.71			1,936.71	2,378.63			2,378.63	2,786.91			2,786.91
Chemicals discharged/transported in the workplace	ton	27.88			27.88	150.04	543.81		693.85	147.08	99.08		246.16
Substances of concern received (handled) in the workplace ²⁾	ton									7.50			7.50

1) Classification of chemicals/substances of concern pursuant to Article 11 of the Chemical Substances Control Act

2) Newly reported

3) Based on the two subsidiaries of MOTRAS and UNITUS for 2022, and based on all five subsidiaries starting from 2023 / restated the 2022 data due to data errors (calculation errors)

Natural Capital Management

Impacts, Risks, and Opportunities Management

Policy

Water Resources Protection Policy

Our water resources protection policy is specified in C. Water, B. Basic Principle of our Environmental Management Policy, and addresses water recycling and water storage as well as inspections on water supply areas at risk of water scarcity or depletion.

Biodiversity Protection Policy

In 2023, we announced our biodiversity protection policy that we stipulated to prevent the degradation and/or loss of biodiversity caused by our business activities across all countries and regions where we operate. This guides our efforts to abide by laws and regulations governing biodiversity protection in the countries where we are based while expanding our activities to survey, conserve, and restore biodiversity in the vicinity of our operations and nearby areas. The establishment and amendment of our biodiversity policy requires approval of our executives, and matters related to activities operated to reduce our impact on biodiversity are deliberated and decided at the Corporate Sustainability Management Committee.

Deforestation Prevention Policy

In 2023, we announced our deforestation prevention policy to ensure no net deforestation by preventing and minimizing forest destruction and to promote forestation in the vicinity of our operations and nearby areas. This policy applies to all our operations including subsidiaries, and we recommend our suppliers and partners to abide by this policy.

Identifying Impacts, Risks, and Opportunities

Water Stress Analysis

To apply rigorous management standards to water stress and sewage/wastewater in step with the mounting importance of water resources, Hyundai Mobis harnesses the Water Risk Filter of the WWF¹⁾ to identify and assess our domestic and overseas operations for their water stress level while taking stock of our water withdrawal and consumption. In 2024, we further subdivided the questionnaire to analyze risks facing our manufacturing sites, which revealed that their basin risk was generally high while operational risk was relatively low.

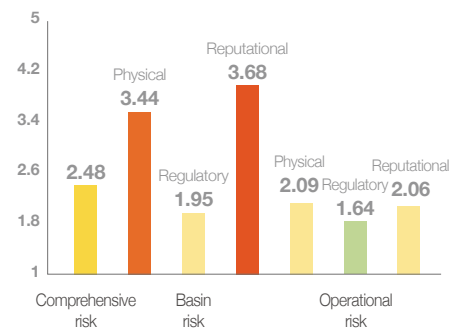
Basin Risk²⁾

Throughout our manufacturing sites, their physical risk (water scarcity, flooding) and reputational risk (biodiversity) were rather high. Since the effluents we discharge impact the basin ecosystems, we are performing biodiversity risk analyses and taking mitigation activities including restoring ponds and improving reservoirs located near our operations.

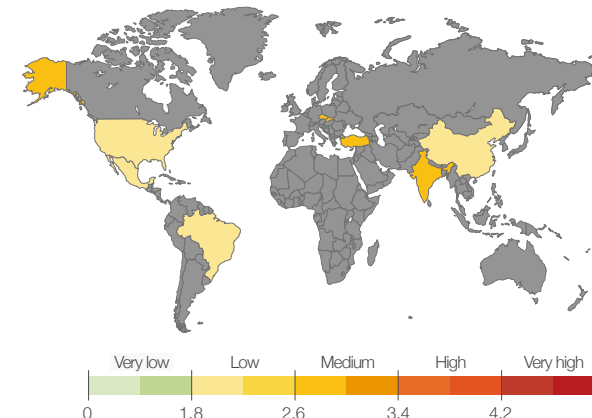
Operational Risk³⁾

Operational risk was low overall, and our overseas corporations engage in water quality environmental management spanning water quality management, regulatory compliance, and reputation management. For operations located in areas at increased operational risk, we will actively review and adopt the latest technologies to continue with our efforts to minimize water stress.

Water Stress Analysis Results



Analysis of Water Stress Areas



[Environmental Management Policy](#)

[Biodiversity Protection Policy](#)

[Deforestation Prevention Policy](#)



1) WWF: World Wide Fund for Nature

2) Geographical risks in areas where corporations are located (physical, regulatory, reputational)

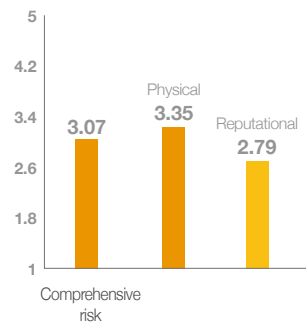
3) Operational risks that arise in the management of corporations

Biodiversity Risks Analysis

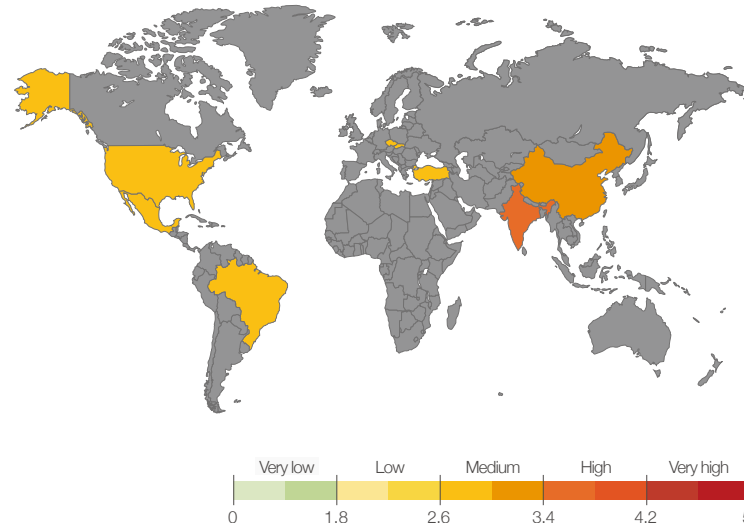
To duly recognize the needs for biodiversity protection and minimize the environmental impact of our operations, we applied the Biodiversity Risk Filter (BRF) of the WWF¹⁾ in analyzing all our manufacturing sites in Korea and overseas for physical and reputational risks. In so doing, we identified key risks at the domestic and overseas business site level based on dependency and impact risk metrics.

By type of risk, physical risks including pollution and natural disasters proved to be high. By region, Korea and India faced high risks. Based on such analysis results, we are currently monitoring biodiversity in the vicinity of our operations and taking broader actions in line with the set mitigation hierarchy.

Biodiversity Risk Analysis Results



Identifying Biodiversity Risks by Area



Activity and Resource

Prevention and Mitigation:

Water Resources Management in the Workplace

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.

Water Consumption at Domestic business sites by Source of Withdrawal

Unit: Ton

Category		2023 Domestic (non-consolidated)
Total water consumption (withdrawal)		661,801
R&D centers (3 locations ²⁾)	Tap water	170,587
	Underground water	-
Manufacturing sites (4 locations)	Tap water	176,336
	Underground water	-
Parts centers (26 locations ³⁾)	Tap water	291,385
	Underground water	23,493



- 1) WWF: World Wide Fund for Nature
- 2) Include the Seosan proving ground
- 3) Include distribution centers and parts centers

Water Stress Management

Water stress analysis results showed that our Indian corporation faced relatively high physical risks in the operational risk category. In response, our Indian corporation deploys reverse osmosis for primary wastewater treatment by installing a semipermeable membrane between two solutions of different concentrations and applying high pressure to the higher-concentration solution so that the solution moves towards the lower-concentration solution while recycling the water treated through reverse osmosis. This is coupled with zero liquid discharge which treats concentrated water through evaporation for recycling as a way to mitigate water stress risks.

Regeneration and Restoration: Promoting Biodiversity near the Miho River

To preserve and promote biodiversity in the vicinity of our operations, Hyundai Mobis has engaged in biodiversity promotion activities for the Miho River located near our Jincheon Plant. The river flows within the 108 ha-sized Meer Forest that we created for 10 years between 2012 and 2021, and we signed an MOU with Jincheon-gun, North Chungcheong, and HANGANG, a social cooperative, in 2023 to conserve the ecosystem of the Miho River in a systemic manner by releasing Miho Spine Loaches, a class 1 endangered wildlife species, and restoring local habitats. Since 2023, we have planted 30 goldenrain trees and 150 Korean willow trees along with employees to take on a more proactive role in creating habitats near the river.

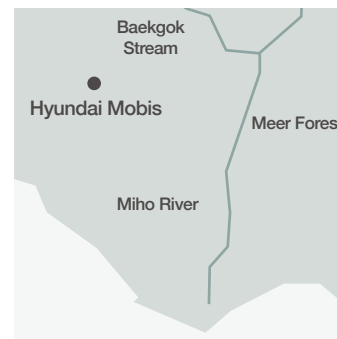
Mid/long-term Operational Goals



Ecological Impact Survey

Performing independent ecological impact surveys each quarter, we conduct comparative analyses between the survey findings and the results of the small-scale environmental impact assessments conducted back in 2013 when creating the Meer Forest to monitor ecological impacts in the vicinity of our operations. As a result of monitoring in 2023, we identified a number of legally protected species that newly appeared, including otters and white-tailed eagles that are categorized as class 1 endangered wildlife species and leopard cats categorized as class 2 endangered wildlife species. We also witnessed changes in the ecosystem with the number of bird species increasing from 19 in 2012 to 31 in 2023. In tandem with this, we analyzed topographical changes including the terrestrialization of sandbars that results in reduced habitat areas to identify potential threats to the ecological structure, and have engaged in habitat formation activities to mitigate such threats.

Areas Surveyed for Ecological Impact



Engaging Stakeholders in Biodiversity Efforts

To transparently disclose the progress made on the project and environmental impacts, we regularly perform environmental monitoring that engages our employees, related government agencies, civic groups, and local community members.

This is done by organizing ecosystem monitoring groups (citizen scientists) joined by specialists in the six areas of plants, birds, amphibians/reptiles, fish, insects, and mammals along with local residents to conduct joint surveys throughout the four seasons.

[HMG Journal 'Meer Forest' \(Korean\)](#)

[Community 'Sustainable Planet'](#)

Metrics & Targets

Water Resources Management

Water Consumption

Category	Unit	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary ²⁾	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Water consumption (withdrawal)	ton	849,259			849,259	466,434	444,416	840,497	1,751,347	661,801	379,056	784,821	1,825,678
By source of withdrawal	Tap water	828,139			828,139	443,304	444,416	821,727	1,709,447	638,308		759,640	1,397,948
	Underground water	21,120			21,120	23,130	0	18,770	41,900	23,493		25,181	48,674
Water consumption (withdrawal) intensity ¹⁾	ton/ KRW 100 million	3.11	~	~	2.04	1.37	~	~	2.52	1.70	~	~	3.08

1) Domestic (non-consolidated): Water consumption/non-consolidated sales, Total: Water consumption/consolidated sales (total sales)

2) Based on the two subsidiaries of MOTRAS and UNITUS for 2022, and based on all five subsidiaries starting from 2023

Water Recycling

Category	Unit	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary ²⁾	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Water recycled/reused	ton	0			0	0	0	68,604	68,604	0	0	76,179	76,179
Percentage of water recycled/reused ¹⁾	%	0			0	0	0	8.2	3.9	0	0	9.7	4.2

1) Water recycled and reused/total water withdrawn

2) Based on the two subsidiaries of MOTRAS and UNITUS for 2022, and based on all five subsidiaries starting from 2023

Biodiversity Management

Biodiversity-related Expenses¹⁾

Category	Unit	2021		2022		2023	
		Domestic (non-consolidated)		Domestic (non-consolidated)		Domestic (non-consolidated)	
Operational expenditure (OpEx)	Reporting year (current)	KRW million					160
Capital expenditure (CapEx)	Reporting year (current)	KRW million					294

1) Newly reported

Resource Use and Circular Economy

Impacts, Risks, and Opportunities Management

Policy

Resource Use and Circular Economy Policy

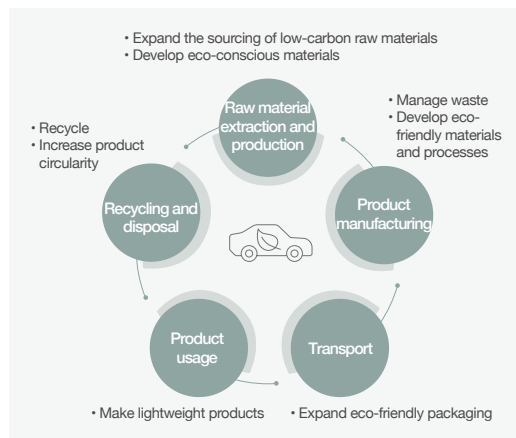
Our resource use and circular economy policies are specified in E. Waste and F. Disposal Products, B. Basic Principle of our Environmental Management Policy.

Identifying Impacts, Risks, and Opportunities

Risk Analysis

Hyundai Mobis conducts GHG-based environmental impact assessments in line with the LCA¹⁾ process from the extraction of raw materials to parts manufacturing, transport, use, and recycling & disposal. This integrated LCA process allows us to use the analysis results in exploring ways to improve our resource use and circularity.

Circular Economy Strategy Aligned with Product Lifecycle Assessment

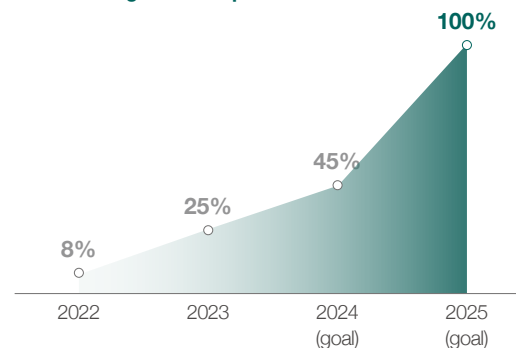


Product Lifecycle Assessment

As a global automotive parts company, Hyundai Mobis performs LCA to assess the environmental impact of our products throughout their lifecycle, ranging from the extraction of raw materials to product manufacturing, use and disposal, to preemptively respond to the Europe's Carbon Border Adjustment Mechanism and Batteries Regulation. We conduct full LCAs in accordance with the ISO 14040²⁾ and 14044³⁾ international standards.

In 2023, we collected primary and secondary data in each phase of the lifecycle to calculate phase-specific emissions and build our own LCI DB⁴⁾. In tandem with this, we are developing our calculation process, starting with establishing a lifecycle phase-specific, product-specific framework. Such efforts resulted in a surge in the coverage of products which received LCAs, from 8% in 2022 to 25% in 2023, and our goal is to perform LCAs on all our products by 2025.

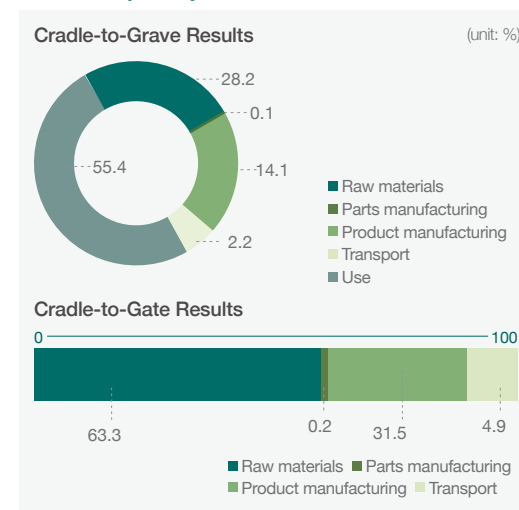
LCA Coverage Roadmap



LCA Results for Center Lamps

We chose center lamps as a key pilot product and conducted LCAs accordingly. Global warming was selected as the scope of environmental impact, and emissions were calculated for three types of greenhouse gases (CO₂, CH₄, N₂O). To calculate phase-level emissions, primary and secondary data were collected in each lifecycle phase to ultimately identify lifecycle GHG emissions (carbon footprint) per center lamp. To produce quantifiable results, we employed the GREET Model⁵⁾ developed by the Argonne National Laboratory of the US. For further details on phase-specific results and their implications, please refer to our Net-Zero Report 2023.

Center Lamp Lifecycle Assessment Results



Environmental Management Policy [↗](#)
Net-Zero Report 2023 [↗](#)



- 1) LCA: Life Cycle Assessment
- 2) Basic principles for LCA
- 3) Procedures and requirements for LCA
- 4) LCI DB: Life Cycle Inventory Database
- 5) GREET Model: The Greenhouse gases, Regulated Emissions, and Energy use in Technologies Model

External LCA Partnerships

Hyundai Mobis conducts product LCAs¹⁾ to proactively respond to internal/external requirements and regulations associated with carbon footprint among others. We also use LCAs as a pathway towards achieving our 2045 net-zero goal to limit global warming well below 1.5°C in line with the Paris Agreement. We serve as an active participant in the specialist consultative body organized to ensure Korea's official feedback is incorporated into the global automotive LCA methodology development process. The consensus opinions produced through this consultative body are communicated to the A-LCA IWG²⁾ launched by the GRPE³⁾ under the United Nations Economic Commission for Europe (UNECE) WP.29, and are considered and reflected in establishing automotive LCA methodologies universally applicable throughout the world. As such, we continue with our communication and cooperation with wide-ranging stakeholders across the industry in Korea and overseas, associations, academia, and research institutes.

Activity and Resource

Raw Material Extraction and Production: 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 containing 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 progressively 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.

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.



1) LCA: Life Cycle Assessment

2) A-LCA IWG: Automotive-LCA Informal Working Group

3) GRPE: The Working Party on Pollution and Energy



Resource Use and Circular Economy
'Raw Material Recycling and Diversification Targets'

Product Manufacturing: Waste Reduction and Recycling

Hyundai Mobis supplies nearly 3.14 million tons¹⁾ of products based on our domestic and overseas manufacturing sites, and strives to reduce our consumption of raw/subsidiary materials along the entire manufacturing process and minimize the generation of waste through the segmented management of their sources.

This begins with increasing the proportion of recycled content 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, 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 84.5% in our recycling rate based on our domestic operations in 2023. The entire process from waste discharge to transport and disposal is reported to the government through the online legal waste treatment system (Allbaro system). 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.

Zero Waste to Landfill

In 2022, Hyundai Mobis became the first in the domestic automotive industry to achieve a ZWTL²⁾ designation (Changwon plant) awarded by UL, an international safety validation and testing organization. Our Changwon plant achieved a Gold rating under the ZWTL program for two straight years, and our Jincheon Plant was also certified to this program by reaching 100% recycling rates. With this, two of our domestic manufacturing sites successfully achieved their ZWTL designation.



1) Total shipment weight based on assembled products (ASSY)

2) ZWTL: Zero Waste To Landfill



Resource Use and Circular Economy
'Waste Management Targets'

[Case] Recycling (upcycling) Campaign for Employees

We launched the Zero Waste campaign to create our unique green culture and raise employees' awareness on proper waste sorting and waste recycling. The plastic bottle caps directly reclaimed by our employees were upcycled into key rings featuring Dang-gu, our company character, and over 3,000 caps were collected through the campaign.

[Case] Jincheon Plant Achieving the Resource Circularity Certification

In 2023, our Jincheon Plant achieved the resource circularity certification granted by the Ministry of Environment for the trays generated from the plant. This certification program was designed to increase the recycling of waste by recognizing materials that are less harmful and highly usable as circular resources and exempting them from waste regulations. While plastic-based trays had to be sold in their entirety, they gained recognition as circular resources under this certification program to help us save over 90 tons of waste per year.

Transportation:

Expanding Eco-friendly Packaging and Recycling

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) and lubricants 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 recycling 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.

A/S Parts Packaging:

Applying Recycled Plastics for Packaging

For conventional plastic packaging, we are increasing the proportion of recycled plastics (PCR¹⁾, PIR²⁾, and are opting for raw/subsidiary materials certified to the RCS³⁾ which evaluates finished products for their content of recycled materials and the GRS⁴⁾ which also evaluates finished products for their environmental and chemical compliance.

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 65% in 2023, and our goal is to maintain this level in 2024.

CKD Packaging:

Returnable Packaging

While conventional CKD⁵⁾ 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. Presently, we reached nearly 80% in transitioning to reusable packaging, which helped us save over KRW 1.1 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.

Product Usage:

Making Lightweight Products

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 and improve energy efficiency of our products all the way from the raw material phase. Aluminum is a lightweight metal and is highly recyclable, which lends itself for fuel efficiency improvement and carbon emissions reduction. We applied aluminum materials to the structural parts (chassis subframe, knuckle & carrier, and damper fork) that have traditionally been made from steel to achieve a 20~30% reduction in weight, and will keep exploring ways to expand the application of aluminum on an on-going basis.



- 1) PCR: Post-Consumer Recycled
- 2) PIR: Post-Industrial Recycled
- 3) RCS: Recycled Claim Standard
- 4) GRS: Global Recycled Standard
- 5) CKD: Complete Knock Down

Recycling and Disposal: Increasing Product Recycling Rates

Remanufacturing Second-life EV Batteries

In collaboration with Hyundai Motor Company and Hyundai Glovis, Hyundai Mobis is establishing a closed-loop battery recycling system in sync with the battery lifecycle. This involves reclaiming used batteries by leveraging our A/S parts distribution network, selecting those of top-tier quality with a high residual value, and feeding them back into producing recycled batteries for A/S parts or old vehicles.

In August 2023, Hyundai Mobis launched our EV battery remanufacturing service in the UK and Germany, and will expand this service to cover more brands and vehicle types to make our remanufacturing service available throughout Europe. Going forward, we will continue to increase battery recycling rates by leveraging our remanufacturing capabilities which serve to extend the service life of batteries to give them a second life.

Remanufacturing Electronic Parts

Hyundai Mobis operates MRCs¹⁾ 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. In 2023, 34,251 products were remanufactured in Korea and overseas, and these products were delivered to distributors and dealerships across the region.

Using Recycled Plastic

We are increasing the proportion of recycled content in plastic materials and are opting for raw materials that are recyclable in the product disposal phase.

For five automotive A/S parts (bumpers, moldings, undercovers, washer tanks, and coolant tanks), we faithfully fulfill our recycling obligations under the EPR²⁾ program to raise the recycling rates of five plastic-based A/S parts and minimize the environmental impact of our products in the process.

In 2023, we reclaimed 16,035 tons of waste plastic from our domestic A/S parts centers to reach a 51.6% recycling rate.



1) MRC: Multimedia Remanufacturing Center

2) EPR: Extended Producer Responsibility

Products remanufactured in 2023

34,251 products

*MRC operating performance in Korea and abroad

Metrics & Targets

Resource Use Management

Raw Material Recycling and Diversification Targets

Hyundai Mobis set a goal of recycling polymer materials contained in lamp housings, lenses, bumper covers, and BMA covers and of diversifying materials.

By consecutively implementing our recycling strategy from physical recycling to chemical recycling and the adoption of biomass materials, we aim to reach 50% in transitioning to the target materials by 2030.

Category	Base Year	Unit	2023	2026 Target	2030 Target
			Initial target items	Initial target items	Initial target items
Transition rate for target item materials ¹⁾	2023	%	0	20	50

1) PP, PC/ABS, transparent PC, MPPO-GF and others in the boundary of initial target items

Raw/Subsidiary Material Use (procurement)¹⁾

Category	Unit	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Raw/subsidiary material consumption (procurement)	ton					47,464			47,464	44,760	10,013	39,381	94,154
Key raw materials ²⁾	ton					42,152			42,152	36,835	10,013	39,381	86,229
By material													
Plastic	ton					11,023			11,023	1,686	10,013	39,381	51,080
Metal ³⁾	ton					31,129			31,129	35,149	0	0	35,149
Packaging ⁴⁾	ton					5,312			5,312	7,925	0		7,925
Consumption (purchase) of recycled raw/subsidiary materials	ton					955			955	3,298	0	0	3,298
Recycled raw materials	ton					0			0	0	0	0	0
Recycled packaging materials	ton					955			955	3,298	0		3,298
Percentage of using (purchasing) recycled raw/subsidiary materials	%					2.0			2.0	7.4	0	0	3.5

1) Reported since 2022, restated the 2022 data as 'domestic (non-consolidated)' due to change in classification criteria starting from 2023

2) Based on direct procurement (domestic data include CKD supply materials)

3) Breakdown of consumption in 2023: 9,944 tons of aluminum, 25,205 tons of steel

4) Based on petrochemical packaging materials

Waste Management

Waste Management Targets

Hyundai Mobis set a goal of receiving Zero Waste to Landfill (ZWTL) Validations¹⁾ for all our manufacturing sites by 2030. To achieve this goal, we are conducting preliminary waste audits across the entire operations, and this will base our efforts to select target business sites and their target ratings to progressively achieve zero waste to landfill.

Category	Unit	2021	2022	2023	2023 Target	2025 Target	2030 Target
		Domestic (non-consolidated)	Domestic (non-consolidated)	Domestic (non-consolidated)	Domestic (non-consolidated)	Domestic (non-consolidated)	Domestic (non-consolidated)
Zero waste to landfill (recycling rate)	%	63.6	77.1	84.5	80	90	Achieve zero waste to landfill for manufacturing sites

1) Assess business sites for their recycling of waste generated from operations and assign ratings

Waste Generation

Category	Unit	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Waste generation ¹⁾	ton	15,038			15,038	7,403	7,939	55,410	70,751	7,807	6,852	58,540	72,899
By type	Generation of designated waste	1,574			1,574	427	830	10,625	11,882	279	1,040	16,865	18,184
	Radioactive waste									0	0	0	0
	Other waste									279	1,040	16,865	18,184
	Generation of general waste ¹⁾	13,464			13,464	6,976	7,109	44,785	58,869	7,528	5,813	41,375	54,716
Waste generation intensity ²⁾	ton/ KRW 100 million	0.06	~	~	0.04	0.02	~	~	0.14	0.02	~	~	0.12

1) Restated the 2022 data due to change in classification criteria starting from 2023

2) Domestic (non-consolidated): Total waste generation/non-consolidated sales, Total: Total waste generation/consolidated sales (total sales)

Waste Disposal

Category		Unit	2021				2022				2023			
			Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary ³⁾	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Waste disposal (landfill, incineration, etc.)		ton	5,474			5,474	1,693	2,053	14,200	17,945	1,208	3,102	12,828	17,138
Waste disposal rate		%	36.4			36.4	22.9	25.9	25.6	25.4	15.5	45.3	22.0	23.5
By type ²⁾	Designated waste	ton	986			986	286	584	4,003	4,873	242	754	2,524	3,520
	Incineration (no energy recovered)	ton	986			986	275	584	~	~	234	65	319	619
	Incineration (energy recovered)	ton	0			0	0	0	~	~	8	0	1	8
	Landfill	ton	0			0	11	0	1,030	1,041	0	0	2,205	2,205
	Disposal/treatment process unknown	ton									0	688	0	688
	General waste	ton	4,488			4,488	1,406	1,469	10,197	13,071	966	2,348	10,304	13,618
	Incineration (no energy recovered)	ton	4,203			4,203	1,394	1,264	~	~	676	1,057	603	2,336
	Incineration (energy recovered)	ton	0			0	0	0	~	~	283	137	462	882
	Landfill	ton	285			285	12	205	8,887	9,104	7	173	9,238	9,418
	Disposal/treatment process unknown	ton									0	981	0	981
By method	Total incineration	ton	5,189			5,189	1,670	1,847	4,283	7,801	1,201	1,260	1,385	3,845
	No energy recovered	ton	5,189			5,189	1,670	1,847	3,983	7,501	910	1,122	922	2,955
	Energy recovered ¹⁾	ton	0			0	0	0	300	300	291	137	463	891
	Total landfill	ton	285			285	22	205	11,236	11,463	7	173	11,443	11,623
	Total waste treated through other methods ²⁾	ton									0	1,670	0	1,670
Waste treated without disposal (recycling, reuse)		ton	9,564			9,564	5,710	5,886	41,210	52,806	6,599	3,750	45,412	55,761
Percentage of waste treated without disposal		%	63.6			63.6	77.1	74.1	75.3	75.3	84.5	54.7	78.0	76.5
By type	Designated waste	ton	588			588	141	246	6,622	7,009	37	286	14,341	14,663
	Recycling/reuse	ton	588			588	141	246	6,622	7,009	37	286	14,341	14,663
	Waste made reusable through other methods ²⁾	ton									0	0	0	0
	General waste	ton	8,976			8,976	5,570	5,640	40,263	51,473	6,562	3,464	31,071	41,098
	Recycling/reuse	ton	8,976			8,976	5,570	5,640	40,263	51,473	6,562	3,341	31,071	40,975
	Waste made reusable through other methods ²⁾	ton									0	123	0	123
By method	Total recycling/reuse	ton	9,564			9,564	5,710	5,886	41,210	52,806	6,599	3,627	45,412	55,638
	Percentage of recycling/reuse	%	63.6			63.6	77.1	74.1	74.4	74.6	84.5	52.9	78.0	76.3
	Total waste made reusable through other methods ²⁾	ton									0	123	0	123

1) Restated the 2022 data due to data errors (changed in incineration with energy recovered)

2) Newly reported (sub-classification)

3) Based on the two domestic subsidiaries of MOTRAS and UNITUS for 2022, and based on all five subsidiaries starting from 2023

Management of Products Sold

Products Sold¹⁾

Category	Unit	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Total weight of products sold	ton					70,031	914,306	1,965,403	2,949,740	77,882	1,027,343	2,030,574	3,135,799

1) Based on the shipments of assembled products (ASSY) made by respective manufacturing sites, reporting since 2022

Product Remanufacturing¹⁾

Category	Unit	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Product remanufacturing performance	Product unit	3,816		23,191	27,007	3,817		28,310	32,127	3,735		30,516	34,251

1) MRC (Multimedia Remanufacturing Center) operating performance

Social

Employees
Supply Chain
Community
Customers

69
103
115
122

Mobis Parts America, LLC
(distribution center in the US)

Employees

At Hyundai Mobis, 46,183 employees are working in Korea and abroad, and they are supported with continued investment and equal opportunity to unlock their full potential and develop career. We provide a broad range of programs to boost work engagement and guarantee work-life balance, and conduct employee surveys each year to quantify their effectiveness. We joined the UN Global Compact in 2008, and have since committed to achieving its sustainable development goals in the areas of employees' human rights, labor standards, and the environment.

Strategy

Interests and Views of Stakeholders

We conduct the Culture Survey on all our employees each year to heed their feedback. Culture Agents chosen from respective divisions to lead our corporate culture improvement efforts analyze the survey results to develop activity plans accordingly. In 2023, this helped us identify the need for increased communication, support for enhancing job expertise, and the introduction of more efficient work practices, which were integrated in the activities CAs implemented to improve our corporate culture.



Visioning Sustainability
'Value Chain and Stakeholder' 📄

Materiality Assessment
'Material Topics' 📄

Material Impacts, Risks, and Opportunities and Their Interaction with Our Strategy and Business Model

'Corporate culture' and 'Talent recruitment and retention' were chosen as material topics through materiality assessment. Corporate culture, linked to employees' job satisfaction, is a crucial factor impacting employee retention, and securing the right talent is the key to ensuring corporate development. This is why we at Hyundai Mobis are engaging in improvement activities in line with Culture Survey assessment results and are operating diversified recruitment programs as a way to respond to material impacts and opportunities. Further details regarding material impacts, risks, and opportunities associated with employees are available in the 'Materiality Assessment - Material Topics' section of this report.

Impacts, Risks, and Opportunities Management

Policy

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 policy aligns 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 ILO¹⁾ Constitution, and the OECD²⁾ Guidelines for Multinational Enterprises.

In 2023, our human rights policy was updated to keep abreast of tightening human rights regulations, and consists of the following 10 principles.

Basic Principles

- Article 1.** Prohibition of child labor and forced labor
- Article 2.** Discrimination and harassment prevention
- Article 3.** Compliance with working condition
- Article 4.** Humane treatment
- Article 5.** Freedom of association and collective bargaining rights
- Article 6.** Security of occupational safety
- Article 7.** Protection of human rights of local residents and vulnerable social groups
- Article 8.** Protection of human rights of clients
- Article 9.** Responsible management of supply chains
- Article 10.** Security of environmental rights

Human Rights Management System

Hyundai Mobis established an internal management system to identify, prevent, and mitigate potential human rights risks that may affect employees, and is sharing its implementation results with internal and external stakeholders.

The progress made on our human rights management is managed and overseen through committee or management meetings attended by the highest decision-maker or decision-makers at key departments as well as working-level meetings led by decision-makers at departments in charge of human rights management. This involves reviewing the establishment and amendment of human rights policies, proposing opinions on the revision of internal regulations on HR systems, rules of employment, audit standards, implementing human rights risk assessments and making recommendations in line with the results, deciding on the investigation of human rights violation and deliberating on remedies, and other non-compliance with human rights protection.

Our human rights management efforts follow the principle of good faith with the Compliance Team playing a leading role as a responsible organization. We regularly review our human rights management procedures and methods and update our management system in full reflection of the evolving social landscape. Specific areas of management include the establishment and amendment of the human rights policy, the development of action plans, the assessment and management of human rights risks including human rights due diligence, the operation of grievance mechanisms, the conduction of internal training, and matters on internal/external communication.

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. For operational changes that are significant in ensuring the employment security of employees, their procedures and durations are stipulated in collective agreements, and full consultations are made with labor unions.

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. This D&I policy stipulates that we prioritize diversity in our employment and personnel planning to provide equal opportunity without discrimination. It is clearly specified in our D&I policy as well as our Code of Conduct 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.

- ② [Hyundai Mobis Code of Conduct](#)
- [Human Rights Policy](#)
- [D&I Policy](#)
- [Hyundai Mobis Code of Conduct for Business Partners](#)

- ① ILO: International Labour Organization
- ② OECD: Organisation for Economic Co-operation and Development

Safety, Health and Environment Management Policy

Hyundai Mobis announced our Safety, Health, and Environment (SHE) Policy and stipulated our SHE management policy to minimize safety and health-related hazards and risks and environmental impacts that arise from our products and activities associated with business operations. This policy aligns with pertinent laws as well as specifications laid out by ISO and other international standards, and applies to our domestic and overseas business sites and on-site suppliers.

SHE Vision and Management Manual

Vision: Create a 'safe' and 'healthy' workplace where all can feel safe to work

SHE Policy

First, we implement proactive safety management beyond legal and social requirements to 'protect the life and health of all employees'.

Second, we put effort to build a 'clean and healthy workplace' by minimizing the emission of environmental pollutants and managing employee healthcare.

Third, we improve and identify hazardous risk factors through voluntary participation by building a 'safety internalized' culture.

SHE Management System

In line with strengthening health and safety 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 CSO¹⁾. The SHE Division is responsible for advancing safety and health management at Hyundai Mobis by ensuring fundamental safety across our operations, establishing a well-aligned management system, and building a unique safety culture. Regular safety and health meetings are held to discuss and improve pending issues while the Occupational Safety and Health Committee, consisting of equal numbers of labor and management members, serves to identify on-site risk factors through joint labor-management efforts and make necessary improvements. Key achievements and plans associated with safety and health are reported to the Board of Directors twice a year for approval.



Engagement Process

Our employees are free to access a range of communication channels to make their voices heard, and we fully review them to reflect and act on their feedback while making necessary improvements.

Operating Labor-Management Consultation Channels

There are three and five labor unions respectively in and out of Korea operating at Hyundai Mobis, which run according to the characteristics of their location and business site and the work performed. We engage in collective bargaining with each of these labor unions every year on wages and welfare & benefits through extensive consultations. We also convene Labor-Management Council meetings to bolster labor-management communication, promoting solidarity and building trust-based relationships in so doing. In 2023, we engaged in collective bargaining on 102 occasions and labor-management consultations on 31 occasions (excluding domestic subsidiaries). We also collect employee feedback through discussions held by job position/division, communities, and the intranet while sharing the results of labor-management consultations across the board.

Culture Survey

To take stock of our corporate culture and identify necessary improvements, Hyundai Mobis conducts the annual company-wide Culture Survey. The survey is performed in the second half of each year, the questionnaire is available in each country's language. We proceed with the survey process via e-mail with the help of third-party professional research companies to ensure the full confidentiality of responses. The Culture Survey allows us to paint a comprehensive picture of our corporate culture in the following three areas.

Company Vision/strategy (purpose), organizational structure/process, system/environment
Organization/individual Respect and trust, communication and empathy, responsibility and management, growth and development, sharing and cooperation, change and innovation
Result Job satisfaction, organizational satisfaction, corporate satisfaction

The Culture Index score was 80.7 points in 2023 (excluding domestic subsidiaries), and the analysis of area-specific results inform our efforts to pursue improvement in our corporate culture on multiple fronts.

Change Agent (CA)

Culture Agents (CA)²⁾ 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. In 2023, we launched the One-on-One program for leaders and team members to engage in communication on equal terms to facilitate communication, and opened top-tier Instructor Class to provide lectures designed to help bolster job-related expertise. The Work Diet campaign also served as our work efficiency improvement program to collect employees' feedback and explore solutions.



Safety, Health, and Environment Management Policy [↗](#)

'SHE management manual of Hyundai Mobis Co., Ltd.' on the website [↗](#)



1) CSO: Chief Safety and health Officer
 2) CA: Change Agent

Remedy Process and Grievance Mechanisms

Hyundai Mobis provides the grievance handling system for employees to manage reporting, counseling, and whistleblowing on all types of human rights violation and grievances.

Compliance Helpline

Compliance Helpline is our whistleblowing channel made accessible to all internal/external stakeholders to raise concerns in the areas of fair trade, corruption and bribery, and human rights violation among others, and its operation is outsourced to an independent professional third-party company through the deployment of security technology that entirely deletes any trace of IP information to protect the identity of whistleblowers. Compliance Helpline supports accessibility in the mobile environment through applications and QR codes as well as through PCs, and is made accessible 24/7. 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. Reviews made and actions taken are registered on the relevant system so that users may access the system to verify the results. For cases that could severely impact the freedom and rights of the victim or cause reputational risk against the Company, committee meetings attended by relevant decision-makers or management meetings are held to discuss remedy and improvement measures.

Whistleblowing Reports Received and Actions Taken (domestic, non-consolidated)

Type	Unit	Reports received	Actions taken ¹⁾
Fair trade/subcontract	Cases	3	3
Unfair business practices/receiving and providing unjustified profits		5	4
Human rights violation		11	10
Involving employees		8	7
Distribution of gray parts		0	0
Others		14	13
Return of gifts and others		7	7
Total		40	37

Grievance Handling Process



Hello, HR

Hello, HR is our grievance mechanism managed by Hyundai Mobis' HR department. Employees may raise any difficulties or concerns related to job stress, personal relationships, corporate culture, personal matters as well as system inquiries. Grievances are submitted under one's real name to swiftly verify the concerns raised and take appropriate action, and relevant details remain strictly confidential.

Category	Unit	Submitted	Substantiated ²⁾	Action Taken
Job-related and workplace difficulties and grievances	Cases	31	1	1

Gift Return Center

When our employees receive gifts from stakeholders for unavoidable reasons, they may access the gift return center to return the gifts and report this to the Company to officially confirm that they abided by Hyundai Mobis' compliance policy. In reporting the gifts received, employees should provide evidence including photos of the gifts and proof of return. Furthermore, they are required to report under their real name as the purpose of the gift return center is to officially confirm that the received gifts were returned and protect employees reporting their receiving of gifts in so doing.

⑦ Compliance Reporting/Whistleblowing Center Operation Guidance [↗](#)

'Compliance Helpline' on the website (Korean) [↗](#)

Gift return center (Korean) [↗](#)

⑦

1) 1 case of taking HR action, 4 cases of taking action to prevent reoccurrences (guide, training, etc.), 7 cases of verifying the return of gifts, and 25 other cases (unsubstantiated, settlement, etc.) (37 cases in total)

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

Actions to Mitigate Material Impacts

Human Rights Risk Management

Human Rights Risk Prevention Activity

Human Rights Training

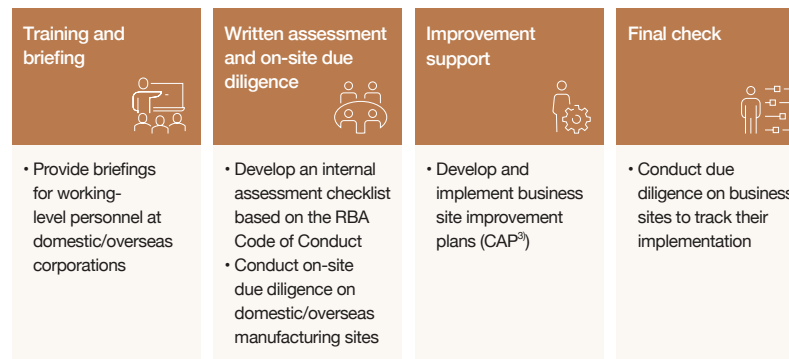
To minimize the possibility of any human rights risks within and among organizations, we provide all our employees (in Korea (non-consolidated), including contract and dispatch workers) with annual human rights training to raise their awareness on human rights.

Type	Details
Completion of human rights training	98.7% *Compliance training conducted in Korea (non-consolidated) in 2023 (human rights management module)

Human Rights Risk Review and Improvement

Hyundai Mobis operates a human rights risk review and improvement system in the areas of human rights, labor, ethics, and safety that may pose actual or potential impacts on our employees, including foreign workers. In 2023, we performed internal ESG assessments that span human rights and other ESG areas on domestic and overseas manufacturing sites. Written assessments and on-site due diligence were conducted in line with the RBA¹⁾'s VAP²⁾ to identify key human rights risks, and this process involved interviews with employees working at the sites. Respective business sites developed their improvement plans based on their assessment results, and re-visits were made to some sites to conduct closing audits and track their implementation status. The audit results and follow-up actions taken were reported to the CEO.

Human Rights Risk Review Process



② Visioning Sustainability
'ESG Assessment/Audit' ④

②
1) RBA: Responsible Business Alliance
2) VAP: Validated Assessment Program
3) CAP: Corrective Action Plan

Areas of Due Diligence

 Labor	Underage workers, working hours, non-discrimination, etc.
 Safety & Health	Safety, emergency response plans, occupational injuries and illnesses, hygiene, etc.
 Environment	Hazardous substances, waste, air, water management, etc.
 Ethics	Fair trade, data privacy, grievance handling, etc.
 Supply chain management	Risk assessment/management, responsible minerals sourcing, audits and evaluations, etc.

Potential Human Rights Issues

Hyundai Mobis identifies potential human rights issues in the human rights risk identification process to identify vulnerable groups within the value chain for respective human rights issues and engages in corresponding activities.

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 sustainability risks
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
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 sustainability risks
Humane treatment	Employees	- Set cultural ground rules - Operate channels to 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
Guarantee of occupational safety	Employees, suppliers	- Implement the mid/long-term safety and health strategy - Operate the Occupational Safety and Health Committee composed of equal numbers of labor and management representatives - Certify domestic/overseas operations to ISO 45001 and conduct 365-day Joint Patrols and other third-party audits - Provide regular health checkups for employees - Review suppliers for their sustainability risks
Protection of human rights for local residents and vulnerable groups	Local communities	- 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 - Operate the information security management system (disclose regulations and guidelines on the security portal, operate trainings, etc.)
Responsible supply chain management	Suppliers	- Review suppliers for their sustainability risks - Support shared growth
Guarantee of environmental rights	Local communities	- Reduce GHG emissions, facilitate the circular economy - Raise the bar on the management of pollutants and hazardous substances (meet the set legal thresholds and develop alternative materials)

[Case] Adopting rigorous recruitment screening procedures to prevent child labor at corporations in the Americas

In 2023, issues were raised with child labor in the automotive industry.

According to media reports, an automotive supplier located in the Americas was identified for hiring underage workers by federal regulatory authorities, and this was attributable to temporary work agencies submitting false personal information (using forged ID documents).

Hyundai Mobis corporations in this region have established and are operating the following identity verification procedures in their recruiting and business operations to prevent the risk of child labor.

Identity Verification Process/Check



① The hiring manager verifies the authenticity of the applicant's ID (including a visual check to ensure the photo matches the applicant)



② Conduct a double check on the accuracy of the information in the application form with the help of external organizations (HR research background check)



③ Conduct e-verifications (cross-reference the personal information provided by the applicant with records owned by the US government)



④ (post-hiring) The site manager conducts periodic on-site patrols

Diversity and Inclusion

Promoting Diversity and Inclusion

We selected the expansion of employees' diversity and inclusion as a key mid/long-term ESG task, and are tracking the internal goals that we set. The 'respect and trust' metrics in the Culture Survey questionnaire help us monitor our employees' awareness in all diversity areas including race and generational differences as well as gender. We also provide compliance training to all employees including leadership to raise awareness on non-discrimination among others. Such 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. We worked to increase our employment of people with disabilities through consulting provided by the Korea Employment Agency for Persons with Disabilities between 2022 and 2023, and developed employee manuals and provided counseling to help resolve workplace-related grievances with an aim to actively assist newly-hired individuals with disabilities in their onboarding process.

Employee Diversity Program

We encourage the operation of Employee Resource Groups (ERG¹⁾) and mentoring so that employees who come from diverse backgrounds and yet have common interests on diversity and inclusion can connect and find shared cultural grounds. 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 as well as Hyundai Mobis.

Program	Activity	Target
Women in Network(WIN) @MTCI	Female leaders communicate regularly (monthly) with female employees to engage in discussions and information sharing to help them improve work efficiency	Female employees
Mentoring and team building events	Support and enhance motivation for millennial-generation employees with personal and career development to bring in new talent while ensuring long-term employment of incumbent personnel	Millennial employees
Job training and counseling for employees with disabilities	Provide employees with disabilities with communication support and job training to facilitate their adaptation to work and help disseminate improved perceptions 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 lead to identical compensation, regardless of job level and/or gender, and fair compensation is provided according to one's job and competency. Currently, there exist discrepancies in wage averages between men and women due to the higher proportion and the longer service periods of male employees, which is inherent to the manufacturing industry. We expect such wage discrepancies to naturally reduce over time with the rising proportion of female employees in management positions and increases in the service period of female employees.



1) ERG: Employee Resource Group



Employees
'Employee Compensation'

Employees' Quality of Life

Working with Satisfaction 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 events gathering employees of the same job level, hosting in-house game tournaments, and launching MO;HAPPY merchandises and collaborative clothing.

Meet 	Once the difference is accepted, the difference will be converted into positive energy. A cup of coffee is a way to create bigger empathy as an act of communication. #Communication #Sympathy #Solicitude
Original 	Maximum effectiveness is produced when focused on the nature of work. Remove formalities and other unnecessities to reach the core nature. #MainReason #Nature
Harmony 	Cooperate as a team by taking responsibility for their roles. Doing so will lead to integrated power for innovation of future mobility. #Respect #Collaboration
Attitude 	Mindest of growing together is the work attitude of Hyundai Mobis. Instead of blaming the challenging co-worker, question what is next of the challenge. #Challenge #Support
Proactive 	Remote-working is a core system that creates autonomous & proactive culture. Regardless of where you work, smooth communication will be conducted and will produce the outcome. #Autonomous #Activeness
Pride 	As the product owner, we become clients ourselves, empathizing and present the best mobility experience to the client. #Client #Pride #Professionalism
Why 	Distinguishable results can be only made when set forth towards the same goal. Always remember the reason and goal of the work. #Goal #Meaning

Working with Self-Autonomy

Hyundai Mobis provides work arrangements that support self-directed engagement to help our employees strike the right balance between work and life. We will continue to explore ways to improve work efficiency, and embrace diverse work collaboration tools to flexibly navigate the shifting working environment landscape.

 'MOBIS LIFE' on the website [🔗](#)

Selective work hours 	Employees plan and flexibly adjust their own work hours according to their schedule and situation.
Hybrid work 	Work at home: We officially introduced work at home which was first initiated during the pandemic to help employees eliminate the burden of commuting and fully engage in their work. Remote office: We created eight remote offices in the Seoul metropolitan area to provide new work arrangements with an aim to retain the strengths of on-site work while offsetting any shortcomings of work-from-home.
Shuttle bus 	We operate nearly 60 shuttle bus routes in Seoul and Gyeonggi to support safe and convenient commutes for employees (based on the Mabuk Technical Center)
Casual dress code 	We introduced a casual dress code to ensure our employees engage in their work comfortably and freely while expressing their individuality.
PC-Off program 	This program turns off PCs when the set working hours are exceeded to enhance employees' focus during work hours while providing them the time needed to gain diverse experiences outside their work.
Horizontal job title system 	To create a horizontal corporate culture, we simplified our title system into the two levels of managers and senior managers (two levels of research engineer and principal research engineer for researcher positions)

Benefits 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. We also published the 'Management Support Guide' as our benefit information brochure, to help employees easily pinpoint and use the benefit programs that meet their needs.

⑦ Employees 'Work-Life Balance' 

Category	Details
Childbirth/ childcare support	Paid leave for prenatal exams
	Recognize attendance when employees in senior manager and higher positions go to their regular pregnancy check-ups
	Fully pay for reduced work hours during pregnancy
	Allow female employees before 12 weeks pregnant and after 36 weeks pregnant to work 2 fewer hours a day (either starting work later or finishing work earlier) while providing 100% pay
	Happy Travel for Children
	Support employees who are expecting, or have given birth to their baby, to use five-star hotels
	Paid childbirth 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
	Paid 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
Vacations	Reduced work hours for parents
	Provide reduced work hours of 2 hours/4 hours (either starting work later or finishing work earlier) 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
	Breast feeding room and lounge for pregnant women
	Provide new mother necessities including breast pumps, recliners, refrigerators, and others (operated at our Headquarters, Mabuk Technical Center, Uiwang Technical Center, and Jincheon Plant)
	In-house daycare center/outourced childcare center
	Yeoksam Seoul, Yongin Gyeonggi-do, Jincheon Chungcheongbuk-do, Changwon Gyeongsangnam-do (pay for 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/ childcare
	Grant expecting mothers with a parking space, congratulatory flowers, and benefit points, and employees with vouchers when their children enter elementary school

Category	Details
Healthcare	Healthy diet
	Provide healthy salads and low-sugar/sodium meals
	Regular health checkups
	Provide all employees with statutory general health checkups every year (every two years at the Headquarters) and additional checkups (for stomach ultrasounds and dyslipidemia) while recognizing attendance
	Provide additional checkups (for blood tumor examinations and thyroid ultrasounds) for employees aged 40 and over
	Comprehensive health checkups
	Provide all employees and their families (spouse, parents, and one of the spouse's parents) with annual comprehensive checkups with attendance recognized
	Fully support comprehensive checkups for employees aged 35 and older every three years and fully support comprehensive basic checkups for employees' spouse (1 person) every three years
	Obgyn exam
	Provide incumbent female employees with 5-item Obgyn exams once a year
Life/ convenience support	Medical expenses
	Fully pay for out-of-pocket expenses for treatments covered by health insurance
	Family events
	Provide vacation and financial support for family events
	Tuition for children
	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
	Provide settlement funds for new hires and housing support funds for employees once during their employment for housing purchase or lease
	Appointment and moving
	Provide support for employees relocating to other work locations including relocation and moving expenses
Cultural support	Company housing
	Provide new recruits and (unmarried) experienced hires, and employees relocating without their families with housing depending on their assignment
	Vehicle discounts
	Provide discounts on vehicle purchases and tires/parts/repairs in proportion to one's service years
	Points
	Provide benefit points redeemable at our employee shopping mall and offline partnership stores
	Personal pension
	Provide KRW 20,000 personal pension support per month for incumbent employees only
	Retirement pension
	Provide defined benefit or define contribution pension plan support (individual choice)
Cultural support	Partnership discounts, power sponsors
	Provide partnership promotion benefits for finance, weddings, bereavement, rental cars, and fitness
Cultural support	Hobby clubs
	Support activity expenses each month

Talent Analysis

Hyundai Mobis develops strategic workforce plans through talent analysis to secure future growth drivers. We reassign existing internal staff through training while hosting recruiting and competition events with external training institutes and through industry-academia partnerships to build a database of top talent, ensuring optimal HR management in the process.

4 Pillars of Workforce Planning



Employee Recruitment

Operating a Fair HR System

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

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 competency building through IDP¹⁾ - 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

Recruiting Top Talents

We strive to recruit exceptional talent with convergent thinking capabilities in line with the core values of Hyundai Motor Group. We operate wide-ranging promotion channels, including our recruitment website and our official YouTube channel, to help applicants better understand their preferred work areas and our products while proactively using virtual recruitment processes to make the recruitment process more convenient. 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 expand 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. Trainings and activities are followed by satisfaction surveys and assessment of understanding of participants to evaluate the effectiveness such trainings and activities.

Communication with Applicants

Hyundai Mobis produces a host of content to introduce applicants to our wide-ranging business divisions and job roles in a more understandable and intuitive manner. In 2023, we created a new recruiting website to aggregate and provide an at-a-glance view of such content. We provide detailed information on our organization and job descriptions for respective positions in our job postings, and facilitate applicants' exposure to recommended content tailored to their areas of application to maximize their convenience in the recruitment process. To expand our job introduction content, we continue to produce a series of video content providing a casual glimpse into our job roles and work routines while uploading written interviews specifying preparations required for each role and the ideal Hyundai Mobis employee. To help applicants understand Hyundai Mobis as a company and the roles they are expected to fill, we will produce content on an ongoing basis and share them on our official YouTube channel and Instagram account as well as on our recruitment website.

- Hyundai Mobis CAREERS (Korean) [↗](#)
- MOBIS LIVE (Korean) [↗](#)
- Hyundai Mobis Youtube [↗](#)
- Hyundai Mobis Instagram [↗](#)
- Hyundai Mobis Twitter [↗](#)
- 1) IDP: Individual Development Plan

Recruiting Key Mobility Talent

We developed our recruiting strategy to secure talent tailored 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

The 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 will prioritize an applicants' level of software competency and achievements made during training so that our hiring matches our distinctive developer staffing 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, AAM¹⁾, 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 Recruitment Alignment Track

We signed an MOU²⁾ 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 for the five years starting from 2023. These students will receive full scholarships and guaranteed R&D positions, along with master-degree scholarships for selected top 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. Hyundai Mobis will continue with our commitment to recruit talented professionals specializing in future automotive development and expedite our efforts to improve our fundamentals to evolve into a mobility software company.

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 has been split into the student and public categories since 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 Hyundai Mobis SW Algorithm Competition 2023 was attended by nearly 4,000 people, and those who ranked highest were exempted from the paper-based screening along with 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 mobility software development.

GRAB Program

At the CES where participants compete to showcase their future technology, Hyundai Mobis operates a one-night, two-day program inviting international students taking their master's and PhD degree courses at local prestigious universities to promote the Company and seize an opportunity to recruit such outstanding individuals. We implement this GRAB (Global Recruiting And Branding) program to communicate a suite of information on Hyundai Mobis, our business areas, and career opportunities through separate company briefings, exhibition area tours, and dinner networking events while engaging in counseling and interviews with international students interested in landing a job at Hyundai Mobis with the help of our HR personnel. Going forward, we will diversify our window of talent recruitment to bring in tailored talent so that we further advance our recruiting strategy.



1) AAM: Advanced Air Mobility

2) MOU: Memorandum of Understanding

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.

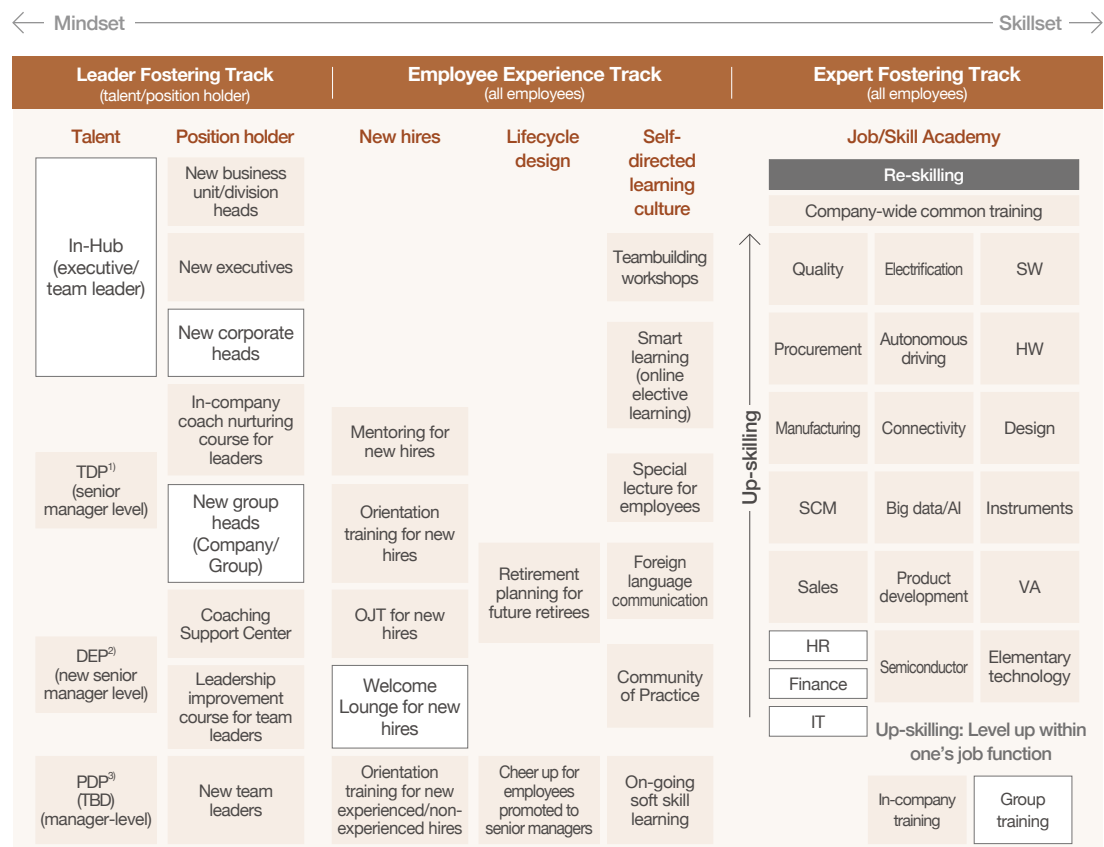
Talent Development Goals



Talent Development Program

Hyundai Mobis defined our training framework in line with our talent development strategy, and established a training system that aligns 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 development 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 trainer nurturing program to provide more practical and effective training based on real-world work experience.

In 2023, 60 in-company trainers operated 221 sessions of job training, and we leverage these trainers to pursue up-skilling internally. 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.

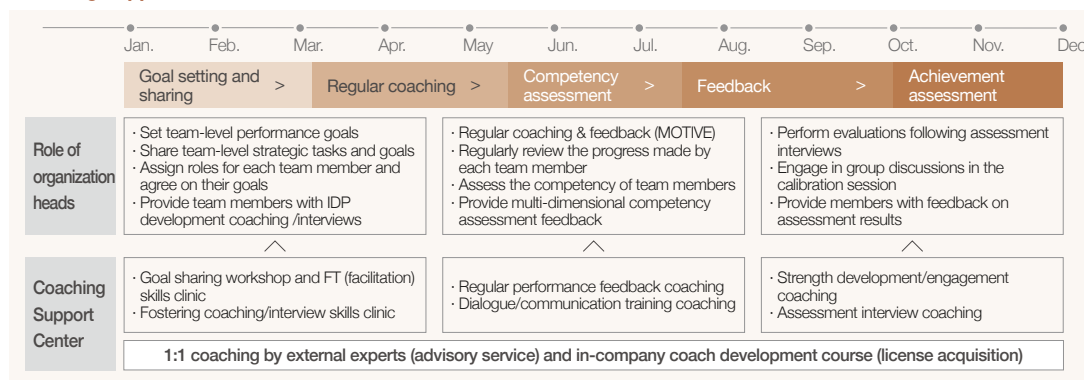


- ① TDP: Talent Development Program
 ② DEP: Development of Executive Pipeline
 ③ PDP: Potential Development Program

Leader Development Training

We set our course for nurturing leaders to help them gain insights to take the lead in the shifting business landscape in sync with our HR strategic directions and to support their personalized leadership development. In particular, newly-appointed group heads and team leaders are supported with timely leadership solutions that align with their performance management cycle to promote continuous growth. We also develop selected core talent at the senior manager level into team leader/cell leader candidates, and opened a new core talent development program for manager/researcher positions in 2023 to conduct training sessions for about 30 selected employees to nurture them into next-generation leaders and to boost their retention and motivation. Meanwhile, we support leadership resilience and coaching leadership enhancement courses so that leaders play a pivotal role in bolstering our organizational resilience and improve competency and performance at the employee and organizational levels even in the dynamic and unpredictable business landscape. In addition, we operate basic coaching courses for all employees and further assist in acquiring coaching licenses to disseminate a culture of coaching leadership. Leaders trained as in-company coaches play a central role through the Coaching Support Center in providing one-on-one coaching to employees and supporting one-stop services.

Coaching Support Center



Assignment/Promotion Onboarding System



Self-directed Learning Culture

Hyundai Mobis commits to building a self-directed learning culture for employees, and operates a range of programs to help them bolster job expertise.



1) OA: Office Automation

Advancing Training Infrastructure

To support our employees with a culture of systemic learning, we launched 'MobiSchool' as our 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 implemented an upgrade project to ensure this learning platform enables employees to share knowledge through both text and video formats while securing nearly 5,000 units of learning content to significantly broaden the pool of learning content. We also introduced Ubob as a new learning platform under MobiSchool to provide limitless e-learning services in terms of duration, session, or the number of courses. This will assist our employees in expanding their learning experience in the areas of job training, self-development, IT, OA¹⁾, and language skills on an on-going basis.

Supporting Master's Degree Courses at Seoul National University

We launched an engineering master's degree program in 2023 and selected five employees to attend this program. These employees are supported in paying for their overseas training and academic conference attendance along with scholarships, and are exempted from their work for one year to fully focus on their studies. This motivates employees to pursue further growth and provides the opportunity to engage in convergence research during their degree program to build cross-industry networks and enhance competency.

Support for License Acquisition

Hyundai Mobis operates the license acquisition support program for all employees (including contractors etc.). 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 260 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.

Operating and Supporting the Community of Practice

The Community of Practice (CoP) can be initiated by any group of three or more employees at Hyundai Mobis, 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 2023, 2,994 employees joined a total of 213 CoPs to further reinforce their competency by expanding their learning across such diverse areas of robotic technology, Python, and English language skills.

Hosting Team-building Workshops

We operate team-building workshops across the board to promote team-level competency development. This is led by in-company trainers who completed communication facilitator courses serving as dedicated coaches to facilitate overall training proceedings. In 2023, a total of 100 teams attended programs to identify their strengths and MBTI¹⁾ types and receive assessments under the Berkman method.

Retirement Support

As our society transitions into a super-aged society and we continue to enjoy greater longevity, we operate wide-ranging programs to assist our employees 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 concerned year receive career design training (2-days, 16-hours), and employees who will retire the following year are provided with lifecycle design training (1-day, 8-hour) to relieve any anxiety regarding retirement and reflect on the meaning of work and life. In 2023, we expanded the coverage of our retirement support to open a career transition support program (5-day, 40-hour) for senior manager-level employees in their 50's wishing to attend such a program. We also design programs customized for different positions (office positions/on-site positions) to provide useful information to participants.

Fostering Global Experts

Hyundai Mobis provides our top talent with an opportunity to work at major business sites 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 so that they quickly settle down in their new home. We provide employees with language learning opportunities to help develop global language skills and attitudes, and the number of applicants for such opportunities is on the constant rise.

Building 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 host the MSC²⁾ for software learning to help all our employees with software competency enhancement, and operate the 'Mobility SW Learning Platform' to make learning available year-round. In 2023, a total of 1,926 employees received training for four 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. In 2023, 10 employees successfully relocated to SW roles through this re-skilling program. 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 2023, 2,521 employees completed SW Academy courses to further bolster their job competency.

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 200 employees (in Korea) transferred to the position of their choice through Career Market over the past four years, which created synergy in sharing job experiences beyond organizational silos.



- 1) MBTI: Myers-Briggs Type Indicator
- 2) MSC: Mobis Software Conference

Applicants for language learning courses in 2023
(Domestic (non-consolidated))

6,781 persons

(Nearly 800 persons for Chinese, Japanese, and Spanish)
*2021: 6,043 persons, 2022: 6,437 persons

Achieved Lv. 4 and above levels out of SPA score holders

91 %

*SPA: Speaking Proficiency Assessment
(Hyundai Motor Group's English speaking proficiency test composed of eight levels in total)

Performance Assessment 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. This is paired with year-end organizational assessments (division and team-based) to determine the final performance of employees by including individual assessment results.

Performance Compensation System

Hyundai Mobis established a non-discriminatory, fair compensation system and provides all our employees with compensation which consists of base pay, performance pay, overtime allowances, and bonus. 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 which reflect individual work goals and achievements. Meanwhile, the Proud Mobis Employee Award is given to best practices in the workplace. This event recognizes and awards (monetary bonus) 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.

Pursuant to Article 23 of the Compliance Control Standard, rewards or promotions could be recommended for employees for their contribution in preventing or reducing damages to the Company, and the 'Model Employee Award' is presented to employees who achieved outstanding performance in relation to our management guidelines at the end of each year.

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 2023, 78,023 shares were distributed and deposited for all members of the employee stock ownership program in line with the labor-management agreement reached. In addition, 18 vested shares per person were distributed to 1,982 employees through the employee contributions made in March 2023. This was followed by year-end income deductions and dividend payments.

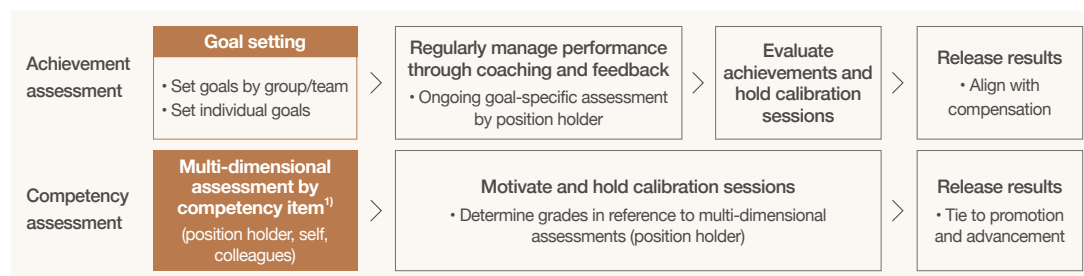
*As of the end of Dec. 2023

Shares Owned	Ownership
360,566 shares	0.38%

1) Competency items: Hyundai Mobis' Identity (challenge/cooperation), work expertise, leadership, adherence to compliance principles

Employees
'Employee Compensation' 

Performance Appraisal Process



Performance Appraisals Conducted in 2023

Category	Baseline Employees (persons)	Employees Subject to Appraisals (persons)	Employees Assessed (persons)	Proportion of Employees Assessed against Employees Subject to Appraisals (%)
Regular performance assessment	46,183	23,191	23,125	99.7
Multi-dimensional assessment	46,183	11,080	11,018	99.4

Safety and Health

Hyundai Mobis puts safety and health before all else throughout our business operations and considers safety management our utmost priority. Our safety and health implementation strategy is established and executed in alignment with our goal of meeting global standards in our safety culture and system.

Safety and Health Implementation Strategy

Establish a risk-based safety management system	- Identify and analyze risks, develop countermeasures, and make improvement - Develop a risk management system for high-consequence injuries - Strengthen safety audits 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
Reinforce suppliers' safety capabilities	- Raise CEO's safety awareness - Maintain an adequately staffed safety workforce and strengthen their expertise
Create an autonomous, healthy, workplace (3 Ups)	- 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)	- Achieve Zero Waste to Landfill validations (Recycle) - Reduce the additional emission of air pollutants (Reduce) - Reduce water consumption while increasing water reuse (Reuse)

Occupational Safety and Health System

Internal Safety System and Culture Assessment Methodology: MSRS

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 (MSRS¹⁾) 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.

Safety and Health Management System

As of December 2023, 17 domestic overseas manufacturing sites 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.

Health and Safety Management System Certifications

*As of Dec. 2023

Category		Business Sites Subject to Certification	Business Sites Certified	Certification Rate (%)
Domestic	Manufacturing	4	4	100
	Parts centers ²⁾	29	29	100
	Subsidiaries ³⁾	4	4	100
Overseas	Manufacturing ⁴⁾	15	13	86.7
Total		52	50	96.2

Safety Management for On-site Suppliers

Hyundai Mobis develops and implements safety and health action plans in conjunction with our 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 to make 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 information in real time with our suppliers.



- 1) MSRS: Mobis Safety Rating System
- 2) Headquarters, parts centers (22), distribution centers (5), Cheonan Storage
- 3) MOTRAS, UNITUS, H Green Power, Hyundai IHL
- 4) Exclude locations not operable (before mass-production, manufacturing halted, etc.) as of the end of 2023



Employees

'Safety Management Targets'

Appendix 'Certifications'

Fostering a Safety and Health Culture

SH&E Academy

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 established the Hyundai Mobis SH&E¹⁾ Academy in 2023 in Cheonan Asan, South Chungcheong, to provide specialized working-level training and level-specific tailored training. Along with various specialized training, the Academy also introduced Virtual Reality experience training to create a highly-immersive learning environment.

Executives: Safety leadership training (annual)
Supervisor: Supervisor mindset enhancement training in addition to statutory training (annual)
All employees: Basic/Master safety specialization training (year-round)
Online training: Position holders, new hires, expatriates (on an as-needed basis)

In 2023, the SH&E Academy provided 25 on/offline courses, which were completed by 3,261 employees.

Providing Safety Awareness-raising Content

Our safety and health division monitors safety trends and accidents on a weekly basis and makes the data available for our employees. 'Hyundai Mobis Safety Mode', our safety-themed YouTube channel, is up and running to effectively communicate safety messages. We also launch accident prevention campaigns, produce content on daily safety tips, and regularly send safety clip newsletters to ensure our employees stay alert to safety issues.

Operating the SHE Reporting Channel

To establish a self-directed safety culture among employees, we operate the SHE reporting channel in web and mobile environments to share accidents, report risk factors, and make inquiries. Once a report is submitted, responsible personnel take action and make improvements as quickly as possible. Rewards are provided to high-frequency participants and excellent contributors (5 persons each on a monthly basis) and excellent proposal makers (2 persons each quarter) to increase motivation and encourage participation in this channel.

8 Major Safety Rules

Hyundai Mobis abides by the eight major safety rules established for key types of risk to raise safety awareness among employees and ensures safety awareness is embedded into our employees' daily routines.

8 Major Safety Rules

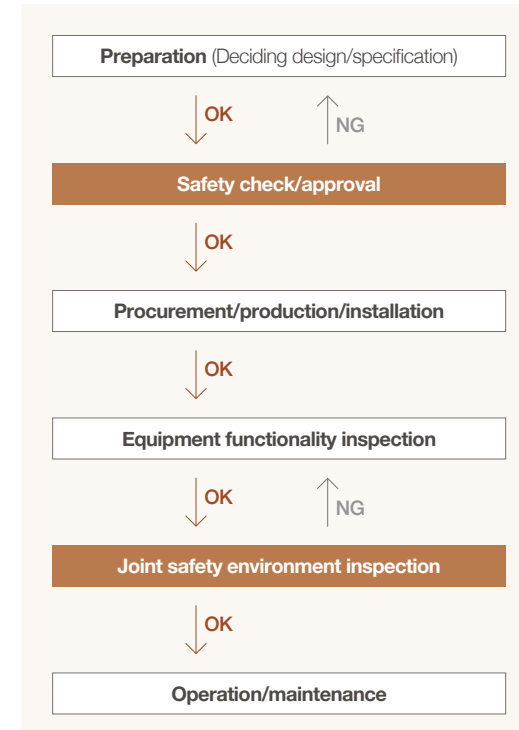
- Do not use your mobile phone while working or walking.
- Smoke only at the designated spot.
- Be sure to wear protective gear properly according to the nature of the work.
- Do not disengage any of the safety devices installed on facilities.
- Do not enter an area where facilities are running or logistics work is in progress without authorization.
- Honor the speed limit within company premises.
- Use the pedestrian-only passage when you walk around the site.
- Follow the procedures for authorization for precautionary safety measures.

Workplace Safety Risk Inspection

Operating the Preemptive Safety Audit System

To ensure the safety of our facilities and equipment in the workplace, we operate the preemptive safety audit system to make sure the equipment and/or auxiliary facilities that we invest in meet pertinent domestic/international specifications. This helps us improve the safety of our facilities under operation, and conduct regular inspections on basic safety specifications to fundamentally reduce risk factors.

Preemptive Safety Audit System



1) SH&E: Safety, Health, Environment

Employees who completed training at the SH&E Academy in 2023

3,216 persons

Implementing the DFS System

Hyundai Mobis established and mandated the use of the DFS¹⁾ system as the first to do so in the domestic manufacturing industry. Designed to proactively discover and assess risks and develop countermeasures to eliminate safety risks throughout the facility lifecycle and prevent accidents from occurring, the DFS system has been deployed at 18 domestic/overseas business sites, including our North American plant supplying EV parts and our European battery plant as well as our integrated distribution center and technical centers in Korea. We also established 56 standards covering seven areas including machinery, electricity, firefighting, and fire in reflection of on-site feedback while ensuring the expertise of our DFS system by receiving verifications by technical advisors and enhancing its credibility through the final verification and certification performed by Bureau Veritas, a global certification body. Implementing the DFS system mandated that key structures of our battery handling facilities be equipped with fire-resistant features to prevent their complete burn-down in the event of large-scale fires while presenting enhanced seismic performance standards by categorizing risks according to the specific use of work areas to guarantee the safety of resident workers.

Safety Environment Inspection

To establish safety and health in the workplace and minimize the occurrence of high-consequence injuries, we launched 365 Joint Patrols 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 monthly activities. Focus areas across processes, tasks, and facilities are selected by respective business divisions to mandate monthly intensive inspections on high-risk areas to prevent high-consequence injuries, and inspections are made on items considered to be high-risk factors as monthly themes. We also provide intensive guidance and advice by management system including our safety and health management system, safety and health training system, and accident management system. In 2023, we introduced the integrated SHE platform to conduct system-based safety environment inspections.

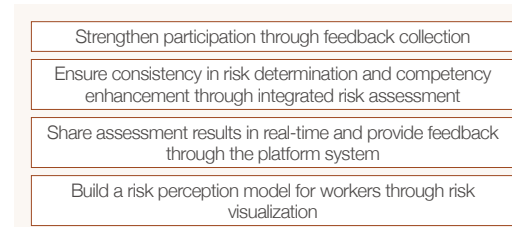
Risk Assessment

Hyundai Mobis' risk assessment process is in accordance with the Occupational Safety and Health Act and the Serious Accidents Punishment Act. We identify the characteristics of assessment target sites in advance and engage workers in assessing these business sites to render risk assessments more effective. For identified risks, their risk level is determined according to scale and likelihood, and measures are developed to mitigate these risks and actionable plans are implemented such as change in equipment. Finally, overall assessment results are shared with affected workers, included in training, and communicated on an ongoing basis through TBMs²⁾ and internal bulletin boards. We move beyond statutory risk assessment to establish our unique risk assessment standard model and received the Most Excellent Prize for risk assessment best practices at the Occupational Safety and Health Month (Jul.) event hosted by the Ministry of Employment and Labor and the Korea Occupational Health and Safety Agency. Conducting integrated, company-wide risk assessments as part of this standard model enabled us to uncover 33,752 risks in 2023, and work is underway to make improvements on 950 risks identified in need of such improvements.

Risk Assessment Process



Risk Assessment Implementation Strategy



Response to Safety Accidents and Emergencies

Hyundai Mobis operates our emergency response system to take immediate action when an accident occurs. All our business sites independently manage their emergency response manuals and conduct regular (annual) emergency response training to bolster our preparedness. We also distribute evacuation and rescue supplies for emergency situations. First aid training and exercise sessions are conducted for our personnel at the Headquarters, and 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. To protect our employees from musculoskeletal diseases caused by repetitive work, we assess hazards straining the musculoskeletal system and engage in various preventive activities by providing exercise programs for concerned workers and independently developing carts designed to reduce musculoskeletal strains.

If and when any unfortunate incident occurs in spite of our best efforts, we take prompt action according to the set response manuals to minimize any resulting injuries. All workers in our workplace are entitled to suspend or refuse work at their own discretion in the presence of any urgent risk of injury. For work-related injuries and acquired disabilities that are recognized as occupational injuries, we take proactive action by providing rehabilitation support among others. Meanwhile, the increased risk for large-scale disasters such as earthquakes and typhoons that threaten the safety of our operations prompted us to establish 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 regular practical drills to enhance our emergency preparedness.



1) DFS: Design for Safety

2) TBM: Tool Box Meeting

Employee Health Management

Hyundai Mobis is expanding safety and health infrastructure to provide a healthy workplace for employees and is undertaking tailor-made support activities.

Pain management: Exercise therapy, musculoskeletal disease prevention program based on 3D body shape analysis

Smoking: Support for smoking cessation, counseling program

Obesity and chronic disease prevention: Health counseling, daily routine improvement program, group weight-loss program, virtual mobile app-based aerobic exercise program

In recognition of such efforts, we achieved the 'Health-friendly Business' certification granted by the Ministry of Health and Welfare and the Korea Health Promotion Institute, and our Mabuk Technical Center and Jincheon Plant were named for 'Excellence in Worker Health Promotion' by the Korea Occupational Health and Safety Agency.

Measuring Health Management Performance

We conducted EHP¹⁾ 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 business site's activities (activity level) by potential health risks (requirement level), was factored in identifying vulnerable management items, and cerebro/cardiovascular conditions, stress, and daily habits were chosen as three priority items. We are currently working to make company-wide improvements in alignment with health tasks.

Health Integrated Management System (HIMS)

To establish employees' self-initiated healthcare practices, we installed a total of 88 InBody BMI (Body Mass Index) analysis devices while developing an HIMS²⁾ 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 including the cumulative management of individual health checkup 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.

Support for Medical Expenses

Hyundai Mobis helps our employees pay for comprehensive health checkups as well as statutory checkups 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. We cover 50% of the comprehensive checkup costs for all employees, and 100% support every three years.

Operating the Health Management Center and the Psychological Counseling Center

Hyundai Mobis operates specialized 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 with general health counseling for disease prevention. We also leverage employees' health checkup 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 checkup data accumulated on our health management system to provide follow-up care so that we manage employee health on an on-going basis.

Nurturing CPR First Responders (Life Guardian)

To safeguard the life of our employees and to keep abreast with the government agencies' serious accidents 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 AED³⁾. Upon completion of training, they are appointed as Life Guardians in their respective workplace to help keep their coworkers safe and healthy. In 2023, a total of 179 employees received CPR refresher training, 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 units of AED 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 in the workplace and further focus on keeping our employees safe and healthy.

②

1) EHP: Enterprise Health Promotion

2) HIMS: Health Integrated Management System

3) AED: Automated External Defibrillator

Metrics & Targets

Grievance Handling and Human Rights Impacts

Human Rights Grievance Handling¹⁾

Category	Unit	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Percentage of total human rights grievances handled	%					100			100	91.7	83.3	92.6	91.1
Received	Cases					14			14	12	6	27	45
Handled						14			14	11	5	25	41

1) Domestic (non-consolidated): Cases handled through Compliance Helpline and Hello HR, Domestic and Overseas Subsidiary: Cases handled through respective grievance handling channels

Compliance Grievances Handling Channel¹⁾

Category	Unit	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Percentage of compliance grievances handled	%					100			100	92.5	83.3	90.3	90.5
Received	Cases					42			42	40	6	207	253
Handled						42			42	37	5	187	229

1) Domestic (non-consolidated): Cases handled through Compliance Helpline, Domestic and Overseas Subsidiary: Cases handled through respective grievance handling channels

Human Rights Training (Compliance Training)

Category	Unit	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Percentage of employees who completed human rights training	%	95.9				97.8				98.7	65.7	61.3	76.6
Number of employees who completed human rights training ¹⁾	Persons	9,047				9,769				9,581	3,456	6,277	19,314

1) Excluded on-site, temporary/dispatch workers in Domestic (non-consolidated), restated the 2022 data due to data errors (not included training provided to new hires)

Human Rights Risk Management

Category			2021				2022				2023			
			Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Written	Assessment rate	%					100		100	100	50.0		100	90.0
	Business sites subject to assessment ¹⁾	Sites					4		15	19	4		16	20
	Business sites assessed	Sites					4		15	19	2		16	18
Risk identification	Percentage of risks identified ²⁾	%					0		26.7	21.1	50.0		62.5	61.1
	Business sites identified for risks	Sites					0		4	4	1		10	11
On-site	On-site assessment rate	%					0		100	100	100		70.0	72.7
	Business sites that received on-site assessment	Sites					0		4	4	1		7	8
Risks for which action was taken	Percentage of risks for which action was taken	%									35.7		75.0	70.2
	Identified risks	Risks									14		100	114
	Serious human rights violation ³⁾	Cases									0		0	0
	Risks for which action was taken	Risks									5		75	80
	Human rights violations ³⁾ for which improvement plans were developed	Cases									~		~	~
	Human rights violations ³⁾ for which action was taken	Cases									~		~	~

1) Based on manufacturing sites, excluded sites not operable (before mass-production, manufacturing suspended etc.) (MCZ-OS&MUA added and MCJ excluded compared to the previous year)

2) Percentage of business sites identified for risks out of business sites assessed

3) Newly reported, referring serious human rights violations such as forced labor and child labor

Labor Management (Collective Bargaining)

Category		Unit	2021				2022				2023			
			Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Labor union membership ratio ¹⁾		%	53.0			53.0	51.0			51.0	51.8	96.3	66.6	72.7
Percentage of employees covered by collective agreements		%	100			100	100			100	100	100	99.9	100
By region	Employees subject to collective agreements	Persons					11,635			11,635	11,572	9,380	11,700	32,652
	Employees covered by collective agreements	Persons					11,635			11,635	11,572	9,380	11,691	32,643
	Korea	%									100	100	~	100
	China	%											99.8	99.8
	Americas	%									~	~	100	100
	Europe	%											100	100
	Asia Pacific/ others	%											~	-
Labor-management consultation ²⁾		Times	76			76	59			59	74	174	59	307
Collective bargaining		Times	66			66	49			49	67	100	35	202
By region	Korea	Times	66			66	49			49	67	100	~	167
	China	Times											~	~
	Americas	Times											21	21
	Europe	Times									~	~	14	14
	Asia Pacific/ others	Times											~	~
Labor-management consultation		Times	10			10	10			10	7	74	24	105
By region	Korea	Times	10			10	10			10	7	74	~	81
	China	Times											~	~
	Americas	Times									~	~	20	20
	Europe	Times											4	4
	Asia Pacific/ others	Times											~	~

1) Percentage of total employees covered by officially elected employee representatives

2) Labor-management communication on maintaining and improving labor conditions

Work-Life Balance

Corporate Culture

Category	Unit ²⁾	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Culture survey scores ¹⁾	%, points	76.7		66.3	72.8	77.9		69.0	74.8	81.7	~	78.8	80.7

1) Survey questionnaire changed in 2023, domestic subsidiaries are equally surveyed but their results are not disclosed

2) Change in unit due to change in survey: Positive responses (%) in 2021 and 2022, average scores (point) in 2023

Family-related Leave

Category	Unit	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Total employees subject to parental leave ¹⁾	Persons									3,359	1,824	2,628	7,811
Percentage of male employees	%									88.9	98.1	60.8	81.6
Percentage of female employees	%									11.1	1.9	39.2	18.4
Percentage of employees with unspecified gender	%									0	0	0	0
Total employees who took parental leave	Persons	165			165	197		1,021	1,218	524	195	1,031	1,750
Percentage of male employees	%	30.9			30.9	39.1		66.0	61.7	74.4	89.7	60.4	67.9
Percentage of female employees	%	69.1			69.1	60.9		34.0	38.3	25.6	10.3	39.6	32.1
Percentage of employees with unspecified gender	%	0			0	0		0	0	0	0	0	0

1) Newly reported

Characteristics of Employees

Employment Status

Category		Unit	2021				2022				2023			
			Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Total employees ¹⁾		Persons	10,838		22,864	33,702	11,635	9,459	21,490	42,584	12,104	9,920	24,159	46,183
By gender	Male	Persons	9,510		16,681	26,191	10,090	8,826	15,104	34,020	10,464	9,238	17,138	36,840
	Female	Persons	1,328		6,183	7,511	1,545	633	6,368	8,546	1,640	682	7,000	9,322
	Other	Persons					0	0	18	18	0	0	21	21
	Percentage of female employees	%	12.3		27.0	22.3	13.3	6.7	29.6	20.1	13.5	6.9	29.0	20.2
By type of employment ²⁾	Permanent employees	Persons	10,381		19,225	29,606	11,104	8,570	18,198	37,872	11,541	9,215	18,871	39,627
	Male	Persons	9,268		13,400	22,668	9,780	7,971	12,571	30,322	10,130	8,591	12,819	31,540
	Female	Persons	1,113		5,825	6,938	1,324	599	5,623	7,546	1,411	624	6,045	8,080
	Other	Persons	0		0	0	0	0	4	4	0	0	7	7
	Temporary employees	Persons	457		3,639	4,096	531	889	3,292	4,712	563	705	5,036	6,304
	Male	Persons	242		3,281	3,523	310	855	2,533	3,698	334	647	4,149	5,130
	Female	Persons	215		358	573	221	34	745	1,000	229	58	887	1,174
	Other	Persons					0	0	14	14	0	0	0	0
	Percentage of temporary positions ³⁾	%	4.2		15.9	12.2	4.6	9.4	15.3	11.1	4.7	7.1	20.8	13.7
	Non-guaranteed hours employees	Persons									0	0	252	252
	Male	Persons									0	0	170	170
	Female	Persons									0	0	68	68
	Other	Persons									0	0	14	14
By nationality	Korea	Persons	10,806			10,806	11,604		493	12,097	12,078	9,920	294	22,292
	China	Persons	7			7	7		3,893	3,900	7	0	3,581	3,588
	US	Persons	6			6	6		2,996	3,002	6	0	3,530	3,536
	India	Persons	0			0	7		3,121	3,128	5	0	5,297	5,302
	Czech Republic	Persons	0			0	0		2,034	2,034	0	0	2,586	2,586
	Slovakia	Persons									0	0	2,112	2,112
	Germany	Persons									2	0	387	389
	Mexico	Persons									0	0	2,597	2,597
	Others	Persons	19			19	11		8,949	8,960	6	0	2,318	2,324
	Unidentified	Persons	0			0	0		4	4	0	0	1,457	1,457

1) Total headcount in domestic (non-consolidated) includes 3 registered executives as compared to B. Overview of Employees and Others (Korean, p.322) of the 47th Annual Business Report

2) Include short-term workers, no daily workers

3) Restated the 2021 data due to data errors (percentage calculation errors)

Employment Status

[illegible]

Category		Unit	2021				2022				2023			
			Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
By job position/ group	Executives	Persons	90			90	81		37	118	87	17	17	121
	Male	Persons	90			90	81		37	118	87	17	17	121
	Female ¹⁾	Persons	0			0	0		0	0	0	0	0	0
	Other	Persons	0			0	0		0	0	0	0	0	0
	Percentage of female executives	%	0			0	0		0	0	0	0	0	0
	Management positions ²⁾	Persons	8,126		6,161	14,287	8,859	1,318	6,687	16,864	9,352	1,395	5,805	16,552
	Male	Persons	7,374		4,264	11,638	7,896	1,176	5,191	14,263	8,300	1,243	4,183	13,726
	Female	Persons	752		1,897	2,649	963	142	1,492	2,597	1,052	152	1,616	2,820
	Other	Persons	0		0	0	0	0	4	4	0	0	6	6
	Percentage of female employees in management positions	%	9.3		30.8	18.5	10.9	10.8	22.3	15.4	11.2	10.9	27.8	17.0
	- Senior management positions	Persons	5,052			5,052	5,369		1,784	7,153	5,828	770	1,833	8,431
	Male	Persons	4,862			4,862	5,141		1,492	6,633	5,552	750	1,459	7,761
	Female	Persons	190			190	228		289	517	276	20	371	667
	Other	Persons	0			0	0		3	3	0	0	3	3
	Percentage of female employees in senior management positions	%	3.8			3.8	4.2		16.2	7.2	4.7	2.6	20.2	7.9
	- Junior management positions	Persons	3,074			3,074	3,490		4,903	8,393	3,524	625	3,972	8,121
	Male	Persons	2,512			2,512	2,755		3,699	6,454	2,748	493	2,724	5,965
	Female	Persons	562			562	735		1,203	1,938	776	132	1,245	2,153
	Other	Persons	0			0	0		1	1	0	0	3	3
	Percentage of female employees in junior management positions	%	18.3			18.3	21.1		24.5	23.1	22.0	21.1	31.3	26.5
	Non-management positions	Persons	2,622		16,703	19,325	2,695	8,141	14,766	25,602	2,665	8,508	18,337	29,510
	Male	Persons	2,046		12,417	14,463	2,113	7,650	9,876	19,639	2,077	7,978	12,938	22,993
	Female	Persons	576		4,286	4,862	582	491	4,876	5,949	588	530	5,384	6,502
	Other	Persons	0		0	0	0	0	14	14	0	0	15	15
	Percentage of female employees in non-management positions ³⁾	%	22.0		25.7	25.2	21.6	6.0	33.0	23.2	22.1	6.2	29.4	21.9
By age group	Under 30	Persons	1,542		8,031	9,573	1,968		6,523	8,491	2,127	1,989	8,166	12,282
	30 and over and under 50	Persons	6,805		12,812	19,617	7,085		12,561	19,646	7,340	7,106	13,111	27,557
	50 and over	Persons	2,491		2,021	4,512	2,582		2,406	4,988	2,637	825	2,805	6,267
	Unidentified	Persons	0		0	0	0		0	0	0	0	77	77
	Percentage of employees under 30	%	14.2		35.1	28.4	16.9		30.4	25.6	17.6	20.1	33.8	26.6
	Percentage of employees 30 and over and under 50	%	62.8		56.0	58.2	60.9		58.5	59.3	60.6	71.6	54.3	59.7
	Percentage of employees 50 and over	%	23.0		8.8	13.4	22.2		11.2	15.1	21.8	8.3	11.6	13.6
	Percentage of employees with unspecified age	%	0		0	0	0		0	0	0	0	0.3	0.2

1) Restated the 2022 overseas data due to data error (reclassification)

2) Restated the 2022 data as executives were excluded from the scope of management positions (separately disclosed)

3) Restated the 2021 data due to data errors (percentage calculation errors)

Category	Unit	2021				2022				2023				
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	
Other categories	STEM* positions (permanent positions in the R&D Center)	Persons	3,595		1,201	4,796	4,117		1,311	5,428	4,499	150	1,466	6,115
	Male	Persons	3,215		875	4,090	3,606		964	4,570	3,925	122	1,082	5,129
	Female	Persons	380		326	706	511		347	858	574	28	382	984
	Other	Persons	0		0	0	0		0	0	0	0	2	2
	Percentage of female employees in STEM positions	%	10.6		27.1	14.7	12.4		26.5	15.8	12.8	18.7	26.1	16.1
	Profit-generating positions (for management positions)	Persons	1,170		495	1,665	1,216		2,881	4,097	1,254	19	4,703	5,976
	Male	Persons	1,042		354	1,396	1,079		1,962	3,041	1,109	15	3,333	4,457
	Female	Persons	128		141	269	137		905	1,042	145	4	1,364	1,513
	Other	Persons	0		0	0	0		14	14	0	0	6	6
	Percentage of female employees in profit-generating positions	%	10.9		28.5	16.2	11.3		31.4	25.4	11.6	21.1	29.0	25.3
	Employees with disabilities	Persons	138		182	320	148		160	308	128	250	159	537
	Percentage of employees with disabilities	%	1.27		0.80	0.95	1.27		0.7	0.9	1.0	2.5	0.7	1.2

*STEM: Science, technology, engineering and mathematics

Internal Recruitment

Category	Unit	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Positions filled through open positions	Persons	94			94	56		369	425	18	10	153	181
Percentage of positions filled through open positions ¹⁾	%	9.6			9.6	4.5		8.6	7.7	2.4	1.2	6.1	4.4

1) Employees relocated through the open position program/(employees relocated through the open position program + newly recruited employees)X100, restated the 2021 and 2022 data due to data errors (percentage calculation errors)

New Employee Hires

Category		Unit	2021				2022				2023			
			Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
New employees of permanent positions		Persons	888			888	1,181		3,928	5,109	732	800	2,368	3,900
Percentage of new employees ¹⁾		%	8.2			8.2	10.2		18.3	12.0	6.0	8.1	9.8	8.4
By gender	Male	Persons	707			707	938		2,284	3,222	614	755	1,547	2,916
	Female	Persons	181			181	243		1,625	1,868	118	45	819	982
	Other	Persons					0		19	19	0	0	2	2
	Percentage of male	%	79.6			79.6	79.4		58.1	63.1	83.9	94.4	65.3	74.8
	Percentage of female	%	20.4			20.4	20.6		41.4	36.6	16.1	5.6	34.6	25.2
	Percentage of other	%					0		0.5	0.4	0	0	0.08	0.05
By age group	Under 30	Persons	528			528	834		1,886	2,720	451	262	1,146	1,859
	30 and over and under 50	Persons	298			298	347		1,746	2,093	279	533	1,021	1,833
	50 and over	Persons	62			62	0		296	296	2	5	198	205
	Unspecified	Persons	0			0	0		0	0	0	0	3	3
	Percentage of new employees under 30	%	59.5			59.5	70.6		48.0	53.2	61.6	32.8	48.4	47.7
	Percentage of new employees 30 and over and under 50	%	33.6			33.6	29.4		44.5	41.0	38.1	66.6	43.1	47.0
	Percentage of new employees 50 and over	%	7.0			7.0	0		7.5	5.8	0.3	0.6	8.4	5.3
	Percentage of new employees with unspecified age	%	0			0	0		0	0	0	0	0.13	0.08
By region	Percentage of new employees in Korea	%					23.1		~	23.1	18.8	20.5	~	39.3
	Percentage of new employees in China	%							4.2	4.2			3.3	3.3
	Percentage of new employees in the Americas	%							38.4	38.4			37.7	37.7
	Percentage of new employees in Europe	%						~	24.9	24.9	~	~	11.8	11.8
	Percentage of new employees in Asia Pacific and others	%							9.4	9.4			7.9	7.9
By type	New employees in future new industry sectors	Persons					175			175	168			168
	Percentage of new employees in future new industry sectors	%					14.8			14.8	23.0			23.0
New employees of Temporary positions		Persons					357		3,653	4,010	406	1,792	6,778	8,976
Recruiting costs		KRW	1,966,646,874			1,966,646,874	2,545,812,355		2,173,124,631	4,718,936,986	2,931,000,882	197,605,649	4,491,585,783	7,620,192,314
Average recruiting costs per person ²⁾		KRW	2,214,692			2,214,692	1,655,275		286,654	517,484	2,575,572	76,237	491,098	591,814

1) Percentage of new employees against total headcount, direct recruitment

2) Average recruiting costs per person: Total annual expenditures for recruitment/total number of new employees

Turnover

Category		Unit	2021				2022				2023			
			Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Turnover		Persons	661			661	895		6,965	7,860	671	1,590	9,539	11,800
Turnover rate ¹⁾		%	6.1			6.1	7.7		32.4	23.7	5.5	16.0	39.5	25.6
By gender	Male	Persons	510			510	717		5,170	5,887	520	1,510	7,966	9,996
	Female	Persons	151			151	178		1,785	1,963	151	80	1,560	1,791
	Other	Persons	0			0	0		10	10	0	0	13	13
	Turnover rate for males	%	4.7			4.7	6.2		24.1	17.8	4.3	15.2	33.0	21.6
	Turnover rate for females	%	1.4			1.4	1.5		8.3	5.9	1.2	0.8	6.5	3.9
	Turnover rate for others	%	0			0	0		0.05	0.05	0	0	0.05	0.03
	Turnover rate for unspecified age	%	0			0	0		0	0	0	0	0.03	0.02
By age group	Under 30	Persons	329			329	341		4,271	4,612	225	825	6,971	8,021
	30 and over and under 50	Persons	112			112	209		2,330	2,539	134	693	2,209	3,036
	50 and over	Persons	220			220	345		364	709	312	72	351	735
	Unspecified	Persons	0			0	0		0	0	0	0	8	8
	Turnover rate of age under 30	%	3.0			3.0	2.9		19.9	13.9	1.9	8.3	28.9	17.4
	Turnover rate of age 30 and over and under 50	%	1.0			1.0	1.8		10.8	7.7	1.1	7.0	9.1	6.6
	Turnover rate of age 50 and over	%	2.0			2.0	3.0		1.7	2.1	2.6	0.7	1.5	1.6
Voluntary turnover		Persons	248			248	280		3,605	3,885	181	400	6,178	6,759
Voluntary turnover rate ²⁾		%	2.3			2.3	2.4		16.8	11.7	1.5	4.0	25.6	14.6
By gender	Male	Persons	185			185	212		2,259	2,471	135	371	4,996	5,502
	Female	Persons	63			63	68		1,344	1,412	46	29	1,176	1,251
	Other	Persons	0			0	0		2	2	0	0	6	6
	Turnover rate for males	%	1.7			1.7	1.8		10.5	7.5	1.1	3.7	20.7	11.9
	Turnover rate for females	%	0.6			0.6	0.6		6.3	4.3	0.4	0.3	4.9	2.7
	Turnover rate for others	%	0			0	0		0.01	0.01	0	0	0.02	0.01
	Turnover rate for unspecified age	%	0			0	0		0	0	0	0	0.01	0.00
By age group	Under 30	Persons	154			154	159		1,923	2,082	75	203	4,283	4,561
	30 and over and under 50	Persons	85			85	109		1,448	1,557	78	187	1,706	1,971
	50 and over	Persons	9			9	12		234	246	28	10	187	225
	Unspecified	Persons	0			0	0		0	0	0	0	2	2
	Turnover rate of age under 30	%	1.4			1.4	1.4		8.9	6.3	0.6	2.0	17.7	9.9
	Turnover rate of age 30 and over and under 50	%	0.8			0.8	0.9		6.7	4.7	0.6	1.9	7.1	4.3
	Turnover rate of age 50 and over	%	0.1			0.1	0.1		1.1	0.7	0.2	0.1	0.8	0.5
Turnover rate of unspecified age		%	0			0	0		0	0	0	0	0.01	0.00

1) Turnover rate = (number of total leavers)/(total number of employees)X100, include fixed-term workers (contract workers, trainees, etc.) leaving due to contract termination

2) Voluntary turnover rate = (total number of leavers-number of employees who voluntarily resign or resign through dehiring)/total number of employees, exclude retirement, fatalities, dismissals, relocation to Group affiliates, and contract termination

Training and Competency Development

Training Status

Category		Unit	2021				2022				2023			
			Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Employees who completed training ¹⁾		Persons	10,748			10,748	11,691		20,957	32,648	10,085	8,474	47,941	66,500
Total annual training hours ²⁾		Hours	554,197			554,197	833,257		236,578	1,069,835	566,310	173,951	234,098	974,359
Average training hours per person ³⁾		Hours/ person	51.6			51.6	71.3		11.3	32.8	46.8	17.5	40.2	37.1
By gender ⁴⁾	Male	Hours					727,374		162,822	890,196	482,910	164,605	155,171	802,686
	Female	Hours					105,883		73,756	179,639	83,400	9,346	75,739	168,485
	Other	Hours					0		0	0	0	0	3,188	3,188
	Average training hours for males	Hours/ person					72.1		10.8	35.3	46	18	9	22
	Average training hours per females	Hours/ person					68.5		11.6	22.7	51	14	11	18
By job position ⁵⁾	Senior positions (senior and higher positions)	Hours	322,679			322,679	459,691		25,352	485,043	308,785	16,654	62,549	387,988
	junior positions (below senior positions)	Hours	231,518			231,518	373,566		211,226	584,792	257,525	140,996	171,549	570,070
By type of training	Online training	Hours	437,905			437,905	551,795		90,931	642,726	393,374	140,196	51,111	584,681
	Offline training	Hours	116,292			116,292	281,462		145,647	427,109	172,936	33,755	182,987	389,678
Training expenses		KRW	8,026,929,756			8,026,929,756	13,181,727,128		3,859,854,832	17,041,581,960	15,105,477,568	1,683,950,893	6,997,386,579	23,786,815,040
Average training expenses per person ⁶⁾		KRW/ person	746,830			746,830	1,127,511		184,180	521,979	1,247,974	169,753	289,639	515,056

1) Eliminated duplicates in domestic (non-consolidated) data

2) The 2021 and 2022 domestic (non-consolidated) data cover domestic subsidiaries, data for domestic subsidiaries have been separately disclosed since 2023

3) Change in calculation criteria starting from 2023 (total training hours/total employees)

4) Training data for some overseas subsidiaries were not disaggregated by gender, and such data were included in the scope of data with 'other'

5) Data for some subsidiaries were not included as their training data were not disaggregated by job position

6) Change in calculation criteria starting from 2023 (total training expenses/total employees)

Training Program

Category		Unit	2021	2022	2023
			Domestic (non-consolidated)	Domestic (non-consolidated)	Domestic (non-consolidated)
License acquisition		Cases	66	284	200
Community of Practice		Persons	1,020	1,218	1,531
Mentoring		Persons	651	1,043	1,317
Knowledge (year-round learning content)		Persons	16,709	31,184	59,569
SW Academy		Persons	1,322	2,101	2,521
Mobility SW learning platform		Persons	2,633	2,490	1,926
Retirement support training ¹⁾	Employees eligible for retirement support training	Persons	281	321	312
	Employees who received retirement support training	Persons	229	248	246

1) Retirement preparation education for employees scheduled to retire, including life planning and financial planning (for employees in the current year and the previous year of retirement), Restated the 2021 data due to the unification of the aggregation standard (added the number of employees eligible for/received training in the previous year before retirement age)

Assessment and Compensation

Regular Performance Assessment¹⁾

Category		Unit	2021				2022				2023			
			Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Reference employees		Persons	10,838			10,838	11,635		17,824	29,459	12,104	9,920	24,159	46,183
Target employees		Persons	8,665			8,665	9,398		12,696	22,094	9,920	1,294	11,977	23,191
By gender ²⁾	Male	Persons									8,623	1,167	8,324	18,114
	Female	Persons									1,297	127	3,647	5,071
	Other	Persons									0	0	6	6
Employees who received performance assessment		Persons	8,665			8,665	9,398		10,474	19,872	9,920	1,294	11,911	23,125
By gender	Male	Persons									8,623	1,167	8,286	18,076
	Female	Persons									1,297	127	3,620	5,044
	Other	Persons									0	0	5	5
Percentage of assessments performed		%	100			100	100		82.5	89.9	100	100	99.4	99.7
By gender	Percentage of assessed male employees	%									100	100	99.5	99.8
	Percentage of assessed female employees	%									100	100	99.3	99.5
	Percentage of assessed employees with unspecified gender	%									0	0	83.3	83.3

1) MBO (Management By Objectives)-based assessment

2) Newly reported

Multi-dimensional Assessment¹⁾

Category		Unit	2021				2022				2023			
			Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Reference employees		Persons	10,838			10,838	11,635			11,635	12,104	9,920	24,159	46,183
Target employees ²⁾		Persons	8,303			8,303	9,016			9,016	9,515	501	1,064	11,080
Employees assessed		Persons	8,303			8,303	9,016			9,016	9,515	501	1,002	11,018
Percentage of assessments performed		%	100			100	100			100	100	100	94.2	99.4

1) 360-degree assessment and others

2) Exclude on-site workers, contract workers, dispatch workers, and basketball team members

Employee Compensation

Category			Unit	2021	2022	2023
				Domestic (non-consolidated)	Domestic (non-consolidated)	Domestic (non-consolidated)
Total compensation(pay) ¹⁾			KRW million	1,009,606	1,223,642	1,445,902
By gender ²⁾	Male	Total	KRW million	923,409	1,106,667	1,297,409
		Average	KRW million			127
	Female	Total	KRW million	86,197	116,975	148,493
		Average	KRW million			91
	Other	Total	KRW million			0
		Average	KRW million			0
	Average pay gap ratio (male/female) ³⁾		%			28.7
By job position (executives)	Average base salary	Male	KRW million	335	349	352
		Female	KRW million	0	0	0
	Average total pay ¹⁾	Male	KRW million	400	453	464
		Female	KRW million	0	0	0
By job position (management)	Average base salary	Male	KRW million	75	77	80
		Female	KRW million	59	60	60
	Average total pay	Male	KRW million	97	110	135
		Female	KRW million	68	78	107
By job position (non-management)	Average base salary	Male	KRW million	103	109	123
		Female	KRW million	72	85	92

1) Base salary + bonus + benefits

2) Restated the 2021 and 2022 total pay data due to change in management criteria (base salary → total pay), have reported on average pay since 2023

3) ((average pay for males) - (average pay for females)) / (average pay for males) X 100

Safety and Health Management

Safety Management Targets

Hyundai Mobis set our safety management goals of 'reducing serious accidents injuries and serious regulatory non-compliance to zero' and 'establishing a safety culture on par with global standards'. We developed our independent safety system and culture assessment methodology (MSRS*) which covers Korea's Serious Accidents Punishment Act and other SHE regulations, and defined our mid/long-term goal of reaching Lv.7 by 2025 in Korea in line with this system. Our safety system and culture are assessed through the methodologies used by global certification agencies, and risks and vulnerabilities are identified through objective methods to pursue fundamental improvements. We also set and progress towards our annual safety management targets, including business unit/division-level implementation of inspection improvement, which is coupled with 'safety discussions' to share our targets and plans with employees and discuss relevant matters.

Category	Unit	2022		2023		2025 Target	
		Domestic (non-consolidated)		Domestic (non-consolidated)		Domestic (non-consolidated)	
MSRS assessment ¹⁾	Lv.	Lv.4		Lv.5		Lv.7	

*MSRS: Mobis Safety Rating System

1) For domestic and overseas manufacturing sites

Status of Safety and Health for Employees

Category	Unit	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary ²⁾	Total
Work-related injuries ¹⁾	Fatalities	Persons								1		0	1
LTIFR*		Cases/ million hours		0.356	0.520	1.014		0.561	0.722	0.747		4.263	3.007
		Cases/ 200,000 hours		0.071	0.104	0.203		0.112	0.144	0.149		0.853	0.601
	Lost-time injuries	Cases		15	34	24		24	48	18		185	203
	Number of days lost	Days								920			920
Work-related illnesses ¹⁾	Fatalities	Persons								0		0	0
OIFR**		Cases/ million hours			0.13	0.17			0.17	0			0
	Recordable illnesses	Cases			3	4			4	0			0

*LTIFR: Lost Time Injuries Frequency Rate

**OIFR: Occupational Illness Frequency Rate

1) Newly reported, key types of work-related illnesses: Acute musculoskeletal diseases, hearing impairments

2) Injury rates increased due to enhanced management standards for overseas subsidiaries in 2023 (cases reported to the government → Injuries which resulted in 1 or more days of lost time)

Characteristics of Non-employee Workers

Status of Non-employee Workers

Category	Unit	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Non-employee workers ¹⁾	Persons									2,956	6	1,240	4,202

1) Newly reported, refer to workers affiliated with staffing agencies (cleaners, staff directly engaging in manufacturing, etc.)

Status of Safety and Health for Non-employee Workers¹⁾

Category		Unit	2021		2022		2023	
			Domestic (non-consolidated)		Domestic (non-consolidated)		Domestic (non-consolidated)	
Work-related injuries	Fatalities	Persons						0
LTIFR ^{*2)}		Cases/ million hours		2.537		3.407		2.999
		Cases/ 200,000 hours		0.507		0.681		0.600
	Lost-time injuries	Cases						9
Work-related illnesses ³⁾	Fatalities	Persons						0
	Recordable illnesses	Cases						2

*LTIFR: Lost Time Injuries Frequency Rate

1) Workers affiliated with domestic (non-consolidated) staffing agencies (staff directly engaged in manufacturing), Newly reported, except for LTIFR

2) Have changed the scope of managing domestic (non-consolidated) non-employee workers since 2023, excluded the 2021 and 2022 overseas data in line with the re-definition of safety and health standards for overseas operations (under review)

3) Key types of work-related illnesses: Acute musculoskeletal diseases, hearing engaged

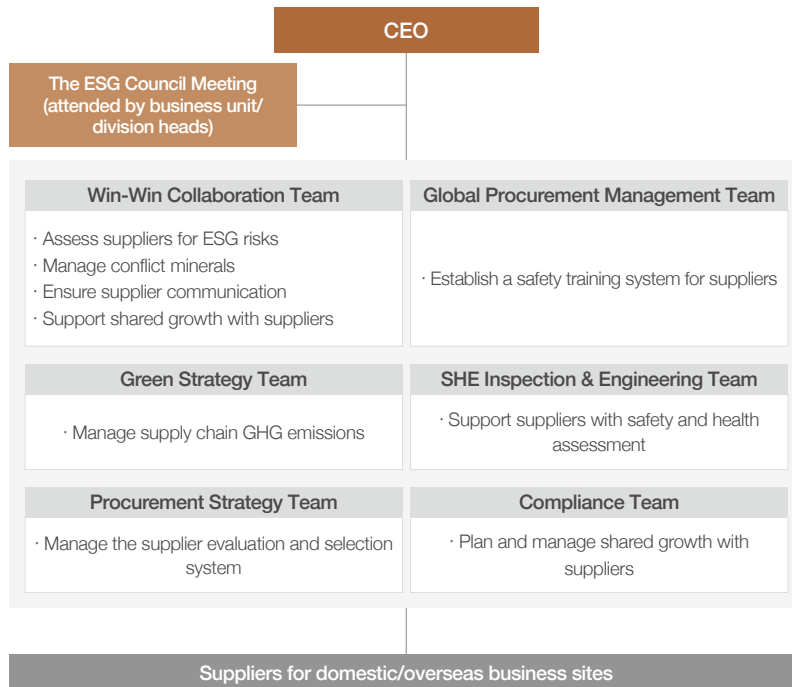
Supply Chain

Hyundai Mobis recognizes the entire value chain in journeying towards a sustainable future, and supports and manages our suppliers to fulfill their social and environmental responsibility in line with our Code of Conduct for Business Partners. The Hyundai Mobis Code of Conduct for Business Partners aligns with the Sustainability Practical Guidance of Drive Sustainability, and also referred to the RBA¹⁾ Code of Conduct to demand that our suppliers establish corresponding operational practices.

Governance

The ability to manage suppliers across ESG areas is a direct determinant of a company's competitive edge. Hence, Hyundai Mobis has established a company-wide supply chain management system to bolster our ESG management throughout the entire value chain.

Supply Chain Management System



Strategy

Interests and views of stakeholders

We host a suite of events each year to heed the voices of our suppliers. PARTNERS DAY attended by CEOs of our suppliers provided us with the valuable feedback that sharing our mid/long-term strategies helped suppliers with their business operations and policy-making, which prompted us to actively engage with suppliers in the areas that we focus on in our business conduct. Committee discussions, held by type of business to provide suppliers with the opportunity to make specific inquiries related to working-level operations, served to receive proposals from suppliers to share our plan to respond to ESG regulations, supplier training materials, and measures to improve production efficiency and stabilize A/S parts supply. We make sure such proposals are communicated to our manufacturing sites to reflect supplier feedback, and share necessary data and provide consulting services to help suppliers enhance their response capabilities.

Material Impacts, Risks, and Opportunities and Their Interaction with Our Strategy and Business Model

'Supply chain sustainability management' was chosen as a material topic through materiality assessment. As sustainability regulations and guidelines cover supply chains in their scope, this may pose regulatory risks. Supply chain management is also instrumental in ensuring uninterrupted parts supply/demand and production. Recognizing the importance of supply chain management, Hyundai Mobis is advancing our activities to extend and manage the scope of our supply chain sustainability assessments. The material impacts, risks, and opportunities associated with workers within our value chain and the resulting business impacts are detailed in the 'Materiality Assessment - Material Topics' section of this report.



1) RBA: Responsible Business Alliance



Visioning Sustainability
'Value Chain and Stakeholder'

Materiality Assessment
'Material Topics'

Impacts, Risks, and Opportunities Management

Policy

Supplier 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 (ethics, environment, labor/human rights, safety/health, management system, due diligence of supply chain). For domestic suppliers, it is specified, depending on their size, that their CEO sign 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 core 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 to raise their awareness on the importance of supply chain ESG management while sharing information on our current supply chain ESG management practices and assessment results.

ESG Management Areas under the Code of Conduct for Business Partners

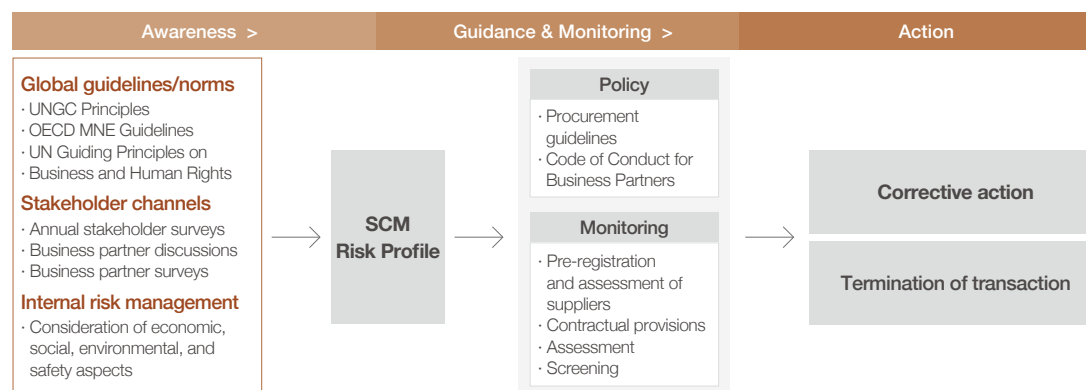
Supply Chain ESG Management Areas

Ethics	Environment	Labor/ Human Rights	Safety/Health	Management system	Due Diligence of Supply Chain
- Transparent Management and Anti-corruption - Prevention of Conflict of Interest - Protection from Unfair Trading - Prevention of Counterfeit Parts - Compliance of Restriction on Exports and Economic Sanctions - Protection of Information - Protection of Intellectual Property - Responsible Purchasing of Materials	- Construction of Environmental Management System - Management of Use of Energy and Greenhouse Gas Emissions - Management of Water Resources - Management of Air Pollutants - Management of Resource Circulation and Waste - Management of Chemicals - Animal Welfare - Protection of Biodiversity and Prohibition of Deforestation	- Prohibition of Child Labor - Prohibition of Forced Labor - Prohibition of Discrimination and Harassment - Compensation and Welfare - Management of Working Hours - Humane Treatment - Freedom of Associations and Collective Bargaining Right - Ethical Recruitment	- Construction of Safety and Health Management System - Safety Management of Machine · Equipment · Facility - Response against Emergency - Management of Accidents - Diagnosis of Safety - Health Care - Safety and Health of Contractor	- Disclosure of Corporate Statement - Appointment of Manager - Inspection of Risk - Education and Communication - Management of Information - Operation of Grievance Settlement System - Preparation of Relief Plan - Management of Suppliers (sub-supplier) - Compliance with the Code of Conduct	- Identify, assess, mitigate, and monitor the mitigation of sustainability risks that may occur within supply chains - Prepare a six-step due diligence process with reference to the OECD Due Diligence Guidance for Responsible Business Conduct



Hyundai Mobis Code of Conduct for Business Partners [↗](#)

Supplier Management System



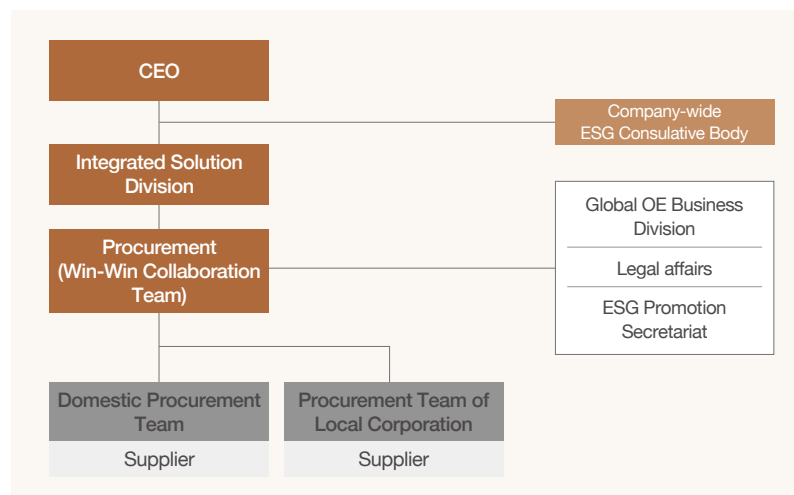
Responsible Minerals Sourcing Policy

Hyundai Mobis is keenly aware of the potential human rights violation and environmental destruction in our manufacturing operations that may arise during the mining of conflict minerals (tin, tantalum, tungsten, and gold, 3TG hereinafter) in conflict areas¹⁾ along with cobalt, mica and others, and continue with risk management to fundamentally address such issues. To this end, we have established our management process governing cobalt, mica and other conflict minerals as well as 3TG in accordance with the OECD Guidelines, SEC²⁾'s requirements for companies pursuant to the US Doff-Frank Act, and EU's Conflict Minerals Regulation. We also specify the responsible use of conflict minerals in our Code of Conduct for Business Partners to encourage our suppliers to do business with RMAP³⁾-conformant refiners and smelters. Hyundai Mobis will duly fulfill the duties stipulated by relevant laws and stakeholders and continue to improve our conflict minerals management system to minimize any negative impact on society and the environment.

Responsible Minerals Management System

Our Win-Win Collaboration Team is in charge of conflict minerals management and engages in conflict minerals risk management in collaboration with respective procurement teams while closely cooperating with relevant divisions.

Organizational Chart for Responsible Minerals Management



Conflict Minerals Management Process

Hyundai Mobis is teaming up with our suppliers to establish a sustainable supply chain system to ensure 3TG, cobalt, and mica are not used throughout 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 made this policy available on our website while assessing and reflecting the use of responsible mineral use within our annual 'supplier sustainability risk assessments' and conducting training on responsible minerals sourcing for procurement personnel. For companies supplying us with EV parts and/or items for global car OEMs, we collect data on their use of 3TG, cobalt, and mica and on refiners and smelters who operate along our supply chains through the use of the CMRT⁴⁾ and the EMRT⁵⁾ provided by the RMI⁶⁾. Also we replace identification of the origin of minerals by checking whether our suppliers do business with RMAP-conformant smelters. If any transactions with non-RMAP-conformant refiners and/or smelters are identified within our supply chains, we request improvements and continuously monitor their implementation. 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.

Conflict Minerals Management Process

Establish a management process	- Establish a code of conduct and a conflict minerals policy - Build a cooperation system with relevant divisions
Raise awareness	- Raise awareness among employees and suppliers (training, etc.) - Pledge to abide by the code of conduct - Assess suppliers for sustainability risks
Identify and assess supply chain risks	- Assess the use of responsible minerals including conflict minerals - Collect CMRT and EMRT data (paper-based) - Conduct supplier risk assessment
Develop risk response strategies	- Request improvements concerning non-RMAP-conformant refiners and smelters - Monitor the progress made
Report the progress made	- Sustainability reports - Responsible minerals reports - Customer response

²⁾ Responsible Sourcing Policy for Minerals [↗](#)

Responsible Minerals Report [↗](#)

¹⁾ Conflict areas: 10 African countries of Democratic Republic of the Congo, Congo, Central African Republic, South Sudan, Uganda, Rwanda, Burundi, Tanzania, Zambia, and Angola

²⁾ SEC: Securities and Exchange Commission

³⁾ RMAP: Responsible Minerals Assurance Process

⁴⁾ CMRT: Conflict Minerals Reporting Template

⁵⁾ EMRT: Extended Minerals Reporting Template

⁶⁾ RMI: Responsible Mineral Initiative

Engagement Process

We regularly visit suppliers each year to further lend an ear to their candid feedback, and do our utmost to pursue mutual growth with suppliers through continuous exchange and support so that we generate even greater synergy together.

PARTNERS DAY

To assist our suppliers in strengthening sustainability management, we host PARTNERS DAY each year with our procurement team taking the lead and with our CEO and CEOs of suppliers in attendance. In 2023, 206 suppliers participated in the event to share their activities in 2022, and outstanding suppliers were selected and awarded in recognition of their contribution. In tandem with this, a seminar was held to communicate Hyundai Mobis' mid/long-term strategies, electrification technology trends, ESG supply chain/net-zero efforts, and 2023 procurement policy. We follow up on the event to gather suppliers' feedback and opinions, and we integrated such feedback in conducting the 'electrification technology trend seminar' in a more in-depth manner.

Committee Operated by Type of Business

Each year, we operate discussions by type of business in the first and second half of the year to bolster regular information sharing and communication. In 2023, we hosted seminars on the automotive industry and technology, shared growth trends, and workplace safety. As part of such events, we provided suppliers with the opportunity to voice their difficulties to help maintain a reliable supply system, and work is underway to resolve such difficulties.

Remedy Process and Grievance Mechanisms

Hyundai Mobis operates multiple communication channels to identify supplier needs and resolve their grievances. To ensure increased accessibility, we opened a grievance handling channel on our website for our suppliers to access.

Grievance Mechanism for Suppliers

The MPOS¹⁾ grievance report center is made accessible to employees at all our tier-1, tier-2, and tier-3 suppliers. 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 relevant action plans and results, and the entire process follows the principles of confidentiality, identity protection, and exemption.

Category	Unit	Received ²⁾	Substantiated ³⁾	Action
Job-related or workplace difficulties/ grievances	Cases	3	0	0

Compliance Helpline

Compliance Helpline is made accessible to external stakeholders as well as internal workers, and suppliers may use this channel to make inquiries or raise concerns year-round in relation to fair trade or subcontract practices. Further details on Compliance Helpline are available in the 'Employees-Compliance Helpline' section of this report.

Type	Unit	Received	Action
Human rights violation			
Related to value chain workers (suppliers)	Cases	3	3



Employees

'Compliance Helpline'



1) MPOS: Mobis Procurement Operation System

2) Type: Institutional improvement, transparency/ethics, system improvement

3) Cases that require action out of cases submitted to the supplier grievance reporting center each year

Actions to Mitigate Material Impacts

Supply Chain Overview

As of the end of December 2023, Hyundai Mobis engaged in mass production transactions and development operations with 586 tier-1 suppliers out of 1,438 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 incumbent supplier as part of our efforts for continuous supplier screening and management¹⁾. 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 MSQ²⁾ and SQ³⁾ certification systems. In tandem with this, 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, etc.

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 as product safety and quality pose key risks due to the inherent characteristics of the industry we are associated with. Our standard contract includes provisions on the 'compliance with the Code of Conduct for Business Partners' to request suppliers to understand and abide by our supply chain ESG policy. Meanwhile, any newly-registered suppliers wishing to obtain orders and supply their products must score 70 and higher out of 100 points in the supplier ESG assessment to be deemed eligible in advance.

For existing suppliers, comprehensive evaluations are made, including ones made through the MQRS⁴⁾, to ensure sustainable competitiveness in terms of quality, delivery, and technology. MQRS assessments are performed every three years, along with the assessments made each year to rate suppliers through the MSEM⁵⁾. Comprehensive 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-assessments 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 demand that tier-1 suppliers assess tier-2 and tier-3 suppliers for their compliance with our Code of Conduct for Business Partners and 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.



- 1) Supplier screening factors (domestic (non-consolidated))
 - Total tier-1 suppliers: 586 companies
 - Significant tier-1 suppliers: 401 companies
 - Percentage of spend on significant suppliers in tier-1: 72.9% (purchase amounts from major tier-1 suppliers/ total purchase amounts from tier-1 suppliers X 100)
 - Significant suppliers in non tier-1: 43 companies
 - Significant suppliers (tier-1 + non tier-1): 444 companies
- 2) MSQ: Mobis Supplier Quality
- 3) SQ: Supplier Quality
- 4) MQRS: Mobis Quality Rating System
- 5) MSEM: Mobis Supplier Evaluation and Management system

Supply Chain Assessment/Selection System

New supplier	1	2	3	4	5	6	7
	Register as a new supplier	Pledge to comply with the Code of Conduct and sign the standard contract	Receive quality management system assessment (MQRS), financial risk assessment, and supplier ESG assessment (pre-screening)	Hold operating structure deliberation meetings (on an as-needed basis)	Achieve MSQ/SQ certifications as needed by type of business	Proceed with bidding/ screening	Select
Existing supplier	1	2	3	4	5		
	Renew the standard contract which includes provisions on compliance with the Code of Conduct	Receive quality management system assessment (MQRS), comprehensive assessment (MSEM), and supplier ESG assessment	Hold disciplinary action deliberation meetings (when risks occur)	Proceed with bidding/ screening	Select		

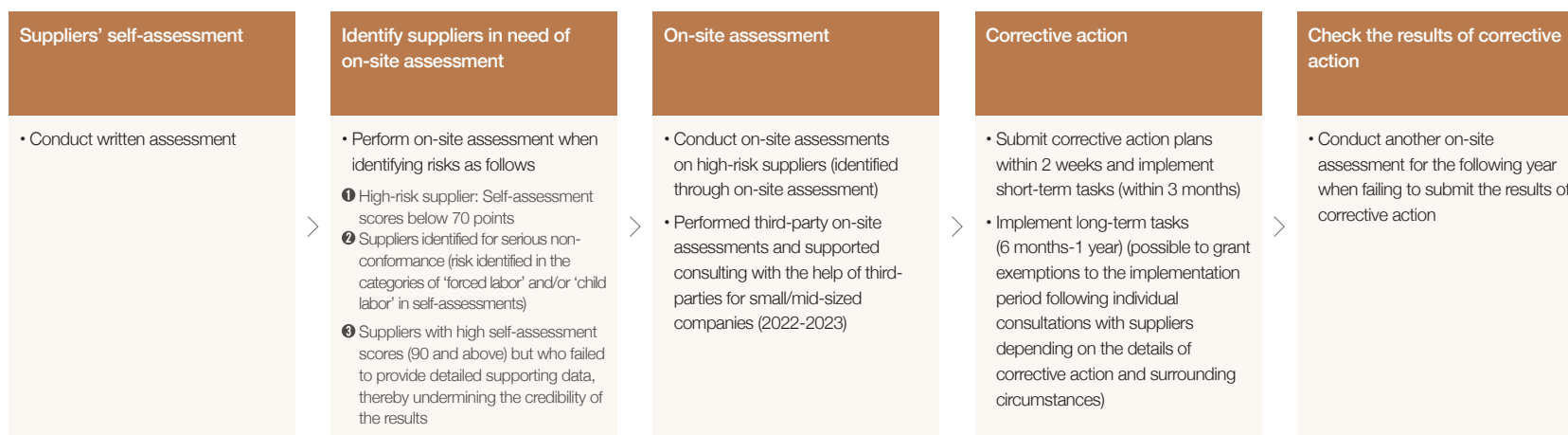
Supplier Assessment Items

Key Management items	ESG Perspective
Quality Quality management system, receiving defect rates	Safety/environment Risk management, on-site safety management, prohibition of hazardous substances, environmental management
Technology Basic/future competence and execution capabilities	
Delivery Out-of-Stock items/ compensation	Ethics Win-win collaboration Support for transparent management
Win-win partnership Payment terms	Conflict minerals management

Supplier Sustainability Risk Assessment

To assess overall ESG risks in the areas of ethics, environment, labor/human rights and safety/health, we conduct annual supplier ESG assessments on tier-1 suppliers for the Headquarters, core tier-2 suppliers, and all new suppliers. We have established a systematized assessment process on the Hyundai Mobis ESG management platform, which allows us to manage data on a cumulative basis and analyze assessment results more systematically. We continue to upgrade the assessment questionnaire to keep abreast of ESG assessment questionnaires, industry initiative requirements and legal requirements. Besides, we 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 in the process. We went beyond suppliers at the Headquarters to local suppliers for European corporations in conducting risk assessments in 2023, and will progressively expand the scope of risk management in 2024 to include suppliers working with our corporations in Mexico and Jiangsu, China, to establish a more robust risk management system.

Risk Assessment Process



Key Corrective Actions Taken

Issue	Action
Need to include a notice detailing 'ERP access path for objection procedures/timeline/contact person/ verification of hours worked' in sending paystubs in relation to overtime pay	Included information detailing how to check daily overtime hours and raise objections in the paystubs
Need to establish anti-sexual harassment guidelines (clarify investigation procedures, victim protection procedures, and disciplinary procedures)	Prepared and disclosed anti-sexual harassment guidelines across the board and conducted employee training
Need to operate whistleblowing channels on anti-corruption, conflicts of interest, human rights, and ethics among others	Aligned regulations on grievance counseling and notified the whistleblowing channel on the bulletin board placed in the workplace to operate a freely-accessible reporting mechanism
Need to include currently-used hazardous chemical materials to the ongoing workplace risk assessment process	Included items on hazardous chemical substances that the plant receives and uses in the risk assessment process
Need to prepare and issue paystubs in local languages for foreign workers in addition to the labor contract	Made the paystubs available in Vietnamese and distributed them to foreign workers
Need to establish energy and GHG management regulations in alignment with the existing environmental policy	Planning to achieve ISO 14001 (2024), and established energy and GHG management regulations and management plans



Supply Chain
'Supplier Sustainability Risk Management'

Percentage of suppliers that received sustainability risk assessments (written assessments)

89.9%

*For suppliers doing business with our domestic (non-consolidated) operations and corporations in Slovakia and the Czech Republic

Supplier sustainability risk assessments conducted (on-site visit)

100%

*For high-risk suppliers

Supporting Suppliers with ESG Capacity Building

Supplier ESG Training

Hyundai Mobis provides ESG training to CEOs and top management of our 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 benchmarks.

Category	Training Overview	Training Provided
PARTNERS DAY	Hyundai Mobis' supply chain ESG management system (Code of Conduct for Business Partners, shared growth programs, ESG risk assessment), supply chain GHG management plans, conflict mineral management, etc.	206 companies

Safety and Health Support for Suppliers

Hyundai Mobis fully supports suppliers with safety and health improvement activities by performing free-of-charge safety inspections and sharing the results and by providing relevant safety guides. Since 2023, we have participated in the safety and health partnership project between large businesses and SMEs led by the Ministry of Employment and Labor to prevent occupational injuries occurring at SMEs. Our Changwon Plant initiated such efforts for its on-site and off-site suppliers by sharing with them risk management techniques, distributing protective gear, and hosting safety seminars.

Program	Overview	Performance
Conduct safety inspections for suppliers	Assist small/mid-sized suppliers with free-of-charge safety inspections and manage their continuous improvement to comply with applicable laws and prevent injuries	60 companies (period: Apr. ~ Aug. 2023, 18 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 '2023 supplier safety inspection result briefing and sharing of key risk factors'	169 companies (H1) 171 companies (H2)
Join the safety and Health partnership project between large businesses and SMEs	Join the safety and Health partnership project between large businesses and SMEs led by the Ministry of Employment and Labor and the Korea Occupational Health and Safety Agency to support SMEs with consulting, training, campaigns, and supplies and reduce the gap among businesses with the help of large businesses	7 suppliers at the Jincheon Plant 8 suppliers at the Changwon Plant

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. Such efforts earned us the 'Best' rating for five straight years in the 2022 Shared Growth Index assessment conducted in 2023.

R&D Cooperation to Enhance Suppliers' Self-reliance

We make our patents available for suppliers and grant them our patent license at no cost to help enhance their R&D capabilities. We also support them with technology development expenses and pursue joint technology development to strengthen their technology development capabilities. Furthermore, we provide suppliers with access to our certified test centers so that they reduce the financial burden of testing expenses, and financially assist them in purchasing testing equipment, paying for test fees, calibrating testing equipment, and acquiring necessary licenses. Our assistance for suppliers spans the entire spectrum of parts development from the early development phase to the completion phase to aid in their efforts to accumulate technology development capabilities.

Providing Funding Support and Improving Payment Terms for Suppliers

We operate a range of funding support programs including win-win collaboration loans and future growth funds as well as win-win growth funds raised 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 up-front investments, supporting them with uninterrupted cash flow. Our win-win payment system, designed to improve payment terms 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.

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

We are committed to sharing the benefits of win-win partnerships with tier-2 and tier-3 suppliers, and are 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. To raise the proportion of cash payments between tier-1 and tier-2 suppliers, our shared growth stimulus program offers incentives to tier-1 suppliers in proportion to the cash payments made to improve payment terms for tier-2 suppliers. 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 GPC¹⁾ serves as our dedicated supplier training facility to support suppliers with their employees' training at no cost.

② 'Fair Trade and Win-win Partnership' on the website [↗](#)

Supply Chain 'Shared Growth' 

② 1) GPC: Global Partnership Center

Support for Productivity Improvement and Advisory for Suppliers

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 construction support	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

Promoting SW Technology Development and Competitiveness for Suppliers

In step with the SDV²⁾ transition in the automotive industry, Hyundai Mobis signed an MOU in 2023 with the National IT Industry Promotion Agency on 'open source SW-based digital transformation in the automotive manufacturing sector' to help suppliers sharpen their competitive edge in software development. Under this MOU, we provide suppliers with open source use cases and analysis data while the Agency establishes a win-win partnership system to support SW application. For open source compliance management through public-private partnerships, we also support suppliers with license verification and expert developer training programs to help reduce their burden while promoting their SW technology development.

Performance Sharing and Other Support

Hyundai Mobis signs the performance sharing agreement with suppliers each year to engage in joint efforts for development, cost savings, and productivity gains to progress towards shared goals and fairly distribute the outcomes generated. To support suppliers with attracting and recruiting top talent, we collaborate with Hyundai Motor Group to hold annual job fairs to help resolve labor shortages. Since 2019, we have teamed up with the Industrial Bank of Korea to operate our online employment center for suppliers on the iONE-JOB website to help small/mid-sized companies tackle their staffing challenges while providing youth job seekers with employment opportunities.

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

Effects of Win-Win Programs

Program	Overview	Performance
Support for entering overseas markets	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	NDA ³⁾ signed with and RFQ ⁴⁾ received from overseas buyers KRW 23.12 billion
Productivity improvement	Provide small/mid-sized suppliers lacking basic technology with resident expert guidance by business type to support productivity improvements	Cost saved KRW 25.18 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 1.44 billion
Cost saving	Support suppliers working with Hyundai Mobis in the Chinese market in reducing manufactured parts test/analysis costs	Costs saved KRW 180 million
	Provide A/S parts sales and inventory data to suppliers and share the savings generated in inventory management cost to help reduce costs	Costs saved KRW 200 million
	Support suppliers with test equipment purchase/calibration and test fee payments to help reduce costs	Costs saved KRW 220 million



iONE-JOB website (Korean) [↗](#)



- 1) Initial products, interim products, and final products
- 2) SDV: Software Defined Vehicle
- 3) NDA: Non-Disclosure Agreement
- 4) RFQ: Request for Quotation

Metrics & Targets

Profile of Suppliers

Status of Suppliers

Category	Unit	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Total suppliers ¹⁾	Companies	3,372		598	3,970	3,037		685	3,722	3,280		748	4,028
Parts suppliers ²⁾	Companies	1,410		598	2,008	1,360		685	2,045	1,438		748	2,186
Mass-production	Companies	~		598	~	~		685	~	698		748	1,446
Tier-1	Suppliers involved in direct development	Companies		598	1,186	614		685	1,299	586		748	1,334
Major tier-1 suppliers	Operating structure (screening) ³⁾	Companies			395	399			399	401			401
Core tier-1 suppliers ⁴⁾	Suppliers under the core business operating structure	Companies				54			54	57		12	69
Major tier-2	Major tier-2 suppliers	Companies				27			27	43			43
Major tier-2 suppliers	Tier-2 suppliers for major tier-1 suppliers	Companies											
A/S, supplies, packaging	Companies	~			~	~			~	1,099			1,099
Non-parts suppliers	Companies	1,962			1,962	1,677			1,677	1,842			1,842

- 1) Overseas subsidiary data cover suppliers involved in direct development only
2) Overseas subsidiary data cover suppliers involved in direct development only, exclude suppliers involved in multiple areas spanning mass-production, A/S, supplies, and packaging
3) Based on the criteria reflected in year-end final operating structure deliberation meetings
4) Domestic (non-consolidated): KRW 1 billion and over in purchase amounts for the direct development of core parts (electrification etc.), Overseas subsidiary (corporations in Slovakia and the Czech Republic): KRW 20 billion and over in annual purchase amounts

Status of Purchase Amounts

Category	Unit	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Total purchase amounts ¹⁾	KRW 100 million	228,229		139,841	368,070	283,091		176,864	459,956	332,968		187,791	520,759
Parts suppliers	KRW 100 million	221,056		136,100	357,156	276,929		170,906	447,836	325,057		178,887	503,944
Mass-production	KRW 100 million	189,271		125,970	315,241	244,151		160,769	404,920	289,677		167,681	457,358
Tier-1	Suppliers involved in direct development	KRW 100 million				98,403		60,248	158,652	115,990		71,018	187,008
Major tier-1 suppliers	Operating structure (screening)	KRW 100 million								84,586			84,586
	Proportion of operating structure (screening) purchases ²⁾	%								72.9			72.9
A/S, supplies, packaging	Non-mass-production suppliers	KRW 100 million		10,131	41,915	32,779		10,137	42,916	35,380		11,206	46,586
Non-parts suppliers	Others	KRW 100 million		3,741	10,914	6,162		5,958	12,120	7,911		8,904	16,815

- 1) Restated the 2021 and 2022 data due to the further classification of purchase amounts (AS, supplies, packaging, and others)
2) Proportion of purchases made from suppliers under the operating structure against purchases made from tier-1 suppliers (direct development) (on the year-end basis), newly reported due to change in criteria

Supplier Sustainability Risk Management

KPIs and Targets

To establish sustainable supply chains, Hyundai Mobis tracks the KPIs and targets that we set in relation to supplier ESG assessment. These targets were designed to take into account existing assessment results and the status of target suppliers, and we disclose our performance and targets for respective KPIs to ensure suppliers continuously recognize and understand these KPIs.

Category	Unit	2021	2022	2023	2024 Plan	2025 Target
		Domestic (non-consolidated)	Domestic (non-consolidated)	Domestic (non-consolidated)	Domestic (non-consolidated)	Domestic (non-consolidated)
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	80	90
Completion of deliberations on disciplinary action for suppliers whose non-compliance with the Code of Conduct resulted in media coverage of the issues ¹⁾	%	100	100	100	100	100

1) Zero occurrences, and noted as 100%

ESG Assessment and Actions

Category	Unit	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary ⁵⁾	Total
Supplier ESG assessment rate (self-assessment)	%	93.2			93.2	92.0			92.0	92.9		75.3	89.9
Assessment (paper-based)	Target suppliers	Companies	410		410	399			399	378		77	455
	Tier-1	Initial ¹⁾	Companies		390	395			395	399		104	503
		Final ²⁾	Companies		375	373			373	359		77	436
	Tier-2	Initial ³⁾	Companies		58	44			44	27			27
		Final ⁴⁾	Companies		35	26			26	19			19
	Suppliers that completed assessment	Companies	382		382	367			367	351		58	409
	Tier-1	Suppliers assessed	Companies		347	342			342	332		58	390
		Percentage of suppliers assessed	%		92.5	91.7			91.7	92.5		75.3	89.4
	Tier-2	Suppliers assessed	Companies		35	25			25	19			19
		Percentage of suppliers assessed	%		100	96.2			96.2	100			100
Identification	High-risk suppliers	Companies	23		23	12			12	16		1	17
	Percentage of high-risk suppliers ⁶⁾	%	6.0		6.0	3.3			3.3	4.6		1.7	4.2
	Tier-1	High-risk suppliers	Companies		16	10			10	12		1	13
		Percentage of high-risk suppliers	%		4.6	2.9			2.9	3.6		1.7	3.3
	Tier-2	High-risk suppliers	Companies		7	2			2	4			4
		Percentage of high-risk suppliers	%		20.0	8.0			8.0	21.1			21.1

1) Total domestic (non-consolidated) suppliers under the operating structure

2) Domestic (non-consolidated) 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) For suppliers doing business with our corporations in Slovakia (MSK) and the Czech Republic (MCZ, MCZ-OS)

6) Percentage of suppliers identified as high-risk out of suppliers who completed assessment

ESG Assessment and Actions

Category			Unit	2021				2022				2023			
				Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Supplier ESG due diligence rate (on-site assessment)			%	100			100	100			100	100		100	100
Due diligence (on-site assessment ¹⁾)	Tier-1	Suppliers assessed	Companies	16			16	10			10	12		1	13
		Percentage of suppliers assessed	%	100			100	100			100	100		100	100
	Tier-2	Suppliers assessed	Companies	7			7	2			2	4			4
		Percentage of suppliers assessed	%	100			100	100			100	100			100
	On-site assessment performed on suppliers that requested assessment ²⁾		Companies									1			1
	Suppliers that received corrective action		Companies	23			23	12			2	16		1	17
	Suppliers that received recommendations		Companies	0			0	0			0	0		0	0
Supplier ESG performance improvement rate (improvement)			%	100			100	100			100	100		100	100
Mitigation and improvement action	Number of high-risk suppliers that established corrective/recommended improvement plans		Companies	23			23	12			12	16		1	17
	Percentage of establishing (submitting) corrective/recommended improvement plans		%	100			100	100			100	100		100	100
	Number of suppliers assisted in implementing corrective action plans		Companies					10			10	16			16
	Number of suppliers participating in capacity-building programs		Companies					363			363	378		20	398
Suppliers with which transaction was terminated due to negative impact			Companies	0			0	0			0	0			0
Completion rate of deliberation on sanctions ³⁾			%	100			100	100			100	100			100

1) Domestic on-site assessment period: Jun. ~ Dec. 2023, Overseas on-site assessment period: Mar. ~ May 2024 (paper-based assessment in 2023)

2) Newly reported, have received requests for on-site assessment from suppliers wishing to elevate their ESG management performance

3) Suppliers whose non-compliance with the Code of Conduct for Business Partners was made public by media (News Watches)

Shared Growth

Support Program¹⁾

Category		Unit	2021	2022	2023
			Domestic (non-consolidated)	Domestic (non-consolidated)	Domestic (non-consolidated)
Fair trade agreement signed	Companies that signed the agreement	Companies	333	335	330
	Purchase amounts ²⁾	KRW 100 million	55,981	64,402	62,239
	Direct support (mold development costs) ³⁾	KRW 100 million	869	797	1,100
	Indirect support (Hybrid support)	Funding for loan support	KRW 100 million	2,715	2,715
		Loan support	KRW 100 million	1,971	2,218
		Contribution to special support funds	KRW 100 million	25	41
	Win-win payment system	Hyundai Mobis to tier-1 suppliers	KRW 100 million	66,761	78,316
		Tier-1 to tier-2 suppliers	KRW 100 million	1,723	1,631
Support for tier-2 and 3 suppliers	Fair trade agreement signed	Tie-2 suppliers who signed the agreement with tier-1 suppliers	Companies	229	150
		Tier-3 suppliers who signed the agreement with tier-2 suppliers	Companies	69	74
	Dedicated funding support for tier-2 suppliers	Deposit	KRW 100 million	30	30
		Support ³⁾	KRW 100 million	13	15
	Dedicated training support for suppliers	Training conducted by the Global Partnership Center	Persons	11,885	14,165
Supplier ESG management training		Companies	410	399	378
PARTNERS DAY ESG training		Companies	191	190	206
Safety inspections conducted for suppliers		Companies	45	74	60
Safety training for suppliers	H1	Companies	175	185	169
	H2	Companies	171	173	171

1) Based on actual amounts

2) Purchase amounts refer to the purchases made from suppliers who signed the agreement in the concerned year

3) Restated the 2022 data due to data errors (direct support for mold development costs and dedicated funding support for tier-2 suppliers)

Community

Hyundai Mobis identifies the local communities in the vicinity of our operations that could be potentially affected by our business conduct while broadening our initiatives to bring greater social value. The CSR¹⁾ framework guides our efforts in operating community programs and creating sustainable future value.

Strategy

Interests and Views of Stakeholders

We identified potential environmental impacts on areas in the vicinity of our Jincheon Plant, and signed an MOU with Jincheon-gun to establish a biodiversity ecosystem in reflection of community characteristics, along with environmental conservation activities. This involved the hosting of a biodiversity forum to heed the voice of local communities while monitoring the progress made, and the results will be fully integrated in our future activities. In launching Corporate Social Responsibility (CSR) activities, we survey beneficiaries and participants – relevant local community members and employee volunteers – to measure their satisfaction so that we identify possible improvements and incorporate stakeholder feedback.

Material Impacts, Risks, and Opportunities and Their Interaction with Our Strategy and Business Model

'Talent recruitment and retention' was chosen as a material topic through materiality assessment. Hiring new employees helps create jobs for local communities, and the resulting generation of household income contributes to a self-reinforcing cycle of economic activity. Recruiting and retaining talent for emerging businesses in step with the rapidly-shifting industry landscape also helps us build our competitive edge and become a first-mover in the market for increased sales. Material impacts, risks, and opportunities related to communities as well as business impacts are further detailed in the 'Materiality Assessment - Material Topics' section of this report.

CSR Implementation Roadmap

~2016	Establish a CSR system (4 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 (6 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
2021~2023	Expand value creation through the transition of the CSR system • Improved the efficiency of our 6 MOVEs projects • Responded to the evolving future mobility landscape • Launched employee-led volunteer programs
2024~	Disseminate impacts through the establishment of a new CSR system • Establish a new CSR system • Realign existing programs while exploring new ones • Strengthen community CSR activities • Respond to evolving future mobility business and interacting with society



1) CSR: Corporate Social Responsibility



Visioning Sustainability
'Value Chain and Stakeholder'

Materiality Assessment
'Material Topics'

Impacts, Risks, and Opportunities Management

Policy

Hyundai Mobis’ Code of Conduct, human rights policy, diversity & inclusion policy, environmental management policy, biodiversity protection policy, and deforestation prevention policy cover communities in their scope of application, and these policies are made publicly available on our company website.

Engagement Process

We identify the impacts and needs of local communities in accordance with our internal CSR work standards, and plan our CSR activities with the CSV Strategy Team taking the lead. We collect feedback from local communities through interaction with stakeholders from relevant organizations and communities, and take stock of sponsorship applications and disaster situations through business site-level communication channels. In 2023, we hosted the Biodiversity Jincheon Forum to conduct interim reviews on the progress made, and this helped us establish a monitoring system to improve the effectiveness of our CSR activities. We also follow up on CSR activities by surveying participants to gauge their satisfaction.

Remedy Process and Grievance Mechanisms

Compliance Helpline

Compliance Helpline is accessible to external stakeholders as well as internal workers, and community stakeholders may use this channel to make inquiries or raise concerns year-round in relation to human rights violation and other issues. Further details on Compliance Helpline are available in the ‘Employees-Compliance Helpline’ section of this report.

Category	Unit	Submission	Action
Human rights violation			
In relation to local communities	Cases	0	0

Actions to Mitigate Material Impacts

Hyundai Mobis established a new CSR system under the mid/long-term CSR vision of becoming a ‘Beautiful Companion for Sustainable Future’. CSR programs are undertaken across the three focus areas of ‘Responsible Mobility’, ‘Safe Society’, and ‘Sustainable Planet’, and work is underway to discover and establish new CSV programs.



Employees ‘Compliance Helpline’

Strategic System



Responsible Mobility

We facilitate mobility for children with disabilities and work to improve social perceptions on disability with an emphasis on mobility.

-  1 **Support** Improve accessibility to economic/social support for the underprivileged
-  3 **Healthcare** Promote access to healthcare through improvements in the telehealth treatment environment
-  4 **Education** Expand educational curricula to improve awareness on diversity and inclusion

Facilitating Mobility for Children with Disabilities

Offering Tailormade Assistive Devices and Hope Kits

Hyundai Mobis provides children with disabilities facing difficulties with physical activities with tailormade assistive devices and posture correctors as a way to support the mobility rights of transportation-disadvantaged individuals. Supporting the convenient mobility of these children leads to an increased opportunity to become an active member of society and makes it easier for them to receive medical treatments at home, aiding in their health promotion and rehabilitation treatment as a result. In 2023, we manufactured and delivered customized assistive devices for a selected group of 182 children with disabilities. This comes in tandem with the provision of 'Hope Kits' containing daily necessities, along with the help of our employee volunteers.

Trip for Families with Disabled Children

We operate the 'Hyundai Mobis Trip for Families with Disabled Children' program joined by our employees volunteering as care providers. This ensures families of these children, who are equally challenged in their mobility, take much-needed rest and spend quality time together, which is not so readily available in their everyday life. We also hold review contests and satisfaction surveys to identify and make necessary improvements. In 2023, we provided glamping family trips for 15 families and our employees accompanied these trips as volunteers, which served to build wider internal consensus on disability-themed CSR activities.

Publishing Children's Books to Improve Perceptions on Disability

We have been publishing children's books to improve perceptions on disability since 2014 to address and resolve some common misconceptions and biases about disability in our society. In 2023, we published a book titled <Don't Call Me> and distributed 3,500 copies of this book free-of-charge across disability welfare centers, local children's centers and public children's libraries. To ensure these books lead to effective improvements in perceptions on disability, we hosted a book content contest at two elementary schools located near a special education institution. In 2023, a public competition was held for the book <Rolie's Universe> published in 2022 to select and award 36 submissions in the essay/drawing categories.

Safe Society

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.

-  1 **Support** Reduce road accidents involving children
-  4 **Education** Expand road safety education 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 education 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. According to the road safety study findings published in 2018 by the Traffic Science Research Institute of the Korea Road Traffic Authority, transparent umbrellas produced the effects of preventing 30% of accidents involving child pedestrians. To date, over 1.36 million transparent umbrellas have been distributed with 2,310 elementary schools joining hands. This campaign was honored with the Minister of the Interior and Safety Award at the 2023 Safety Culture Awards in recognition of its contribution to promoting road safety for children.

Hands-on Road Safety Education for Children

Hyundai Mobis provides 'A Path to School', a road safety education application for children, 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 is being widely used as a tool to provide road safety education for children at schools and in communities. In 2023, we also operated a mobile hands-on road safety education program for children: six transportation experience booths were set up in the categories of pedestrians, automobiles, airplanes, ships, and subway to conduct tailormade hands-on safety education in collaboration with specialized organizations. Looking ahead, Hyundai Mobis will remain committed to building broader social interest and consensus on road safety.

Satisfaction Survey on the Transparent Umbrella Distribution Campaign in 2023¹⁾

Category of Social Value	Survey Question	Score
Importance of CSR	Recognize that corporate CSR activities bring positive social impact	96.9
Interest in road safety	Pedestrian safety on rainy days, social interest	93.7
Pedestrian safety on rainy days	Recognize the absolute necessity for transparent umbrellas to ensure pedestrian safety on rainy days	93.3
Social interest	Will contribute to raising social interest in road safety for children	97.9

2

For my older brother who's just a bit more special (Korean) [↗](#)

Story of Transparent Umbrellas (Korean) [↗](#)

1

1) Survey target: 1,834 persons (1,629 students, 144 teachers, 13 persons from parts distributors, 48 employees), overall score on the transparent umbrella distribution campaign rose from the previous year on a 100-point scale

Safe Society

We support our employees in taking an interest in social issues themselves and voluntarily engaging in wide-ranging volunteer initiatives. In so doing, we do our part in resolving a wide array of community issues.



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 volunteering initiative provides employees with personalized volunteer options to directly plan and implement volunteer activities in line with their areas of interest to resolve community issues. Employees are granted subsidies through a preliminary screening and put their knowledge, expertise, hobbies, and other talents to use to engage in wide-ranging activities on their own initiative through skill-based donations, volunteering, and technical learning. In 2023, a total of 337 persons, including our employees, their family members, and friends, engaged in self-directed volunteering.

Contactless volunteering for kit assembly

Our employees have the option to volunteer from the comfort of their own home during the holidays or over the weekend. In 2023, 2,507 employees participated in such virtual-format volunteering: they made braille learning aids for road safety education, safety pillows for premature babies, upcycled jumping ropes, and rope toys for abandoned animals, which were donated to facilities in need.

Group volunteering with families/co-workers

In 2023, we planted sweet flags, known for their benefits in improving water quality, at the Saetgang Ecological Park in Yeouido, and installed wooden barricades to protect otters. This activity was joined by 289 persons in total, including employees and their friends, and served to contribute to biodiversity conservation in the local community.

Supporting Sponsorship Organizations and Families Affected by Road Accidents

In 2023, KRW 190 million was raised through voluntary donations made by our employees, which went towards providing monthly education support to 36 scholarship students from families affected by traffic accidents. We continue with our sponsorship activities by designating social welfare centers located near our operations as sponsorship organizations, and promote mutual benefits with disadvantaged groups in local communities in so doing. Our sponsorship organizations nationwide are provided with gift certificates redeemable at traditional markets as well as our employees from respective sites serving as volunteers, which helps solidify ties between our business sites and local communities where they are based. These organizations also sponsor households designated by our business sites and families affected by traffic accidents.

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 2023, KRW 51.48 million was raised, which went to helping teenage girls who support their households pay for monthly rents, donating cooling supplies for seniors living alone, and providing furniture to group homes.

Sustainable Planet

We provide education to elevate awareness on the importance of environmental protection as we strive to evolve in an eco-friendly business. We also operate programs promoting the healthy growth of children and expanding the base of sports activities.



Increase biodiversity through forestation



Work to reduce waste through recycling



Contribute to net zero by offsetting carbon emissions

Conserving and Restoring Biodiversity at the Miho River in Jincheon

Since 2023, Hyundai Mobis has been planting trees, conducting riverside cleanups, and restoring the endangered species of Miho Spine Loaches near the Miho River in Jincheon-gun, North Chungcheong. We also established a monitoring system joined by local citizens and specialists to perform annual regular inspections, which informs our efforts to prepare and publish comprehensive Miho River ecosystem reports. The comparative analysis conducted against the findings identified in 2013 when the Meer Forest was first created revealed that our biodiversity efforts have resulted in increases in biodiversity over the years, along with nine endangered species discovered. Hyundai Mobis also signed a tripartite MOU with Jincheon-gun and HANGANG, a social cooperative, and integrated the debate and discussion results generated through the Biodiversity Jincheon Forum in setting the course of our future activities. These activities were joined by local residents and civic groups as well as our own employee volunteers, and further details are available in the 'Natural Capital Management – Promoting Biodiversity Near the Miho River' section of this report.

Creating Classroom Forests

We operate an employee-engaging eco-friendly program: our employees cultivate endangered plants for three months and donate them to elementary schools, local children's centers, and daycare centers to create indoor forests. Leftover fabric from face masks and recycled transparent PET bottles are used to make pots for these plants, and eco-friendly education is provided to students along with the plants we donate. In 2023, we donated 2,531 plants to four elementary schools.

Junior Archery Class for School Sports Clubs

Hyundai Mobis operates the Junior Archery Class program to promote the healthy growth of children and expand the sport of archery through the facilitation of school-level sports clubs.

Operating Archery Class

In 2023, we operated the Archery Class for 1,376 students at 20 schools, and hired trainers among retired archery athletes to support their career development.

Hosting Archery Competitions

Hyundai Mobis hosted two archery competitions in 2023, in individual and team events.

Developing Archery Training Materials

We developed archery training materials for junior school students, which consisted of 17 sessions covering the introduction of archery and its equipment, game methods and rules, safety guidelines, basic skills, and practical training.



How Mobis Reaches Closer to the World (Korean) [↗](#)

Natural Capital Management
'Promoting Biodiversity near the Miho River' [↗](#)

Sustainable Planet

We provide programs for children and teenagers to nurture future science talents.



Teen Engineering Leader

Hyundai Mobis operates the Teen Engineering Leader program to nurture future engineers who will lead the advancement of future software technology in the areas of autonomous driving, robotics, and connectivity among others, and 10 high schools are joining this program.

Youth Engineering Academic Conference

We host the academic conference for teens wishing to develop careers in the science and engineering field to publish their research outcomes on autonomous driving and coding while developing engineering writing and communication skills. The theme for the 2023 conference was research proposals on the driving performance of autonomous driving cars, and 11 papers were featured in the 7th issue of the journal <Youth Engineering>.

Autonomous Driving Car Competition for Teen Engineering Leaders

In 2023, we hosted the 6th Autonomous Driving Car Competition. Contestants manufacture their model self-driving cars equipped with lidar sensors and cameras and write codes themselves for software algorithms to navigate the track without errors, competing to complete the course in the shortest time. This serves to facilitate practical learning through the implementation of models.

Teen Engineering Debate Competition

We host tournament-format debate competitions to help teens strengthen their ability to combine technology and humanities and to develop engineering communication skills.

Developing a High School Engineering Textbook Curriculum

Hyundai Mobis was approved to open new high school courses in relation to engineering communication and AI-assisted autonomous driving car development projects, and plans to pilot these courses for some high schools.

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. In 2023, we operated the Junior Engineering Class within the Hyundai Mobis booth installed at the Seoul Mobility Show to further broaden the reach of this program.

Itinerant Junior Engineering Class

Our itinerant Junior Engineering Class consists of the 'Nationwide Junior Engineering Class' which supports science experimentation and hands-on experiences for schools located in island and mountainous areas and prioritized in receiving learning environment and educational welfare investments, and the 'Mobile Junior Engineering Class' which uses science lab vehicles to provide lessons along with fun plays. In 2023, this program benefited 6,910 students at 32 schools and institutions.

Junior Engineering Afterschool Class

Our Junior Engineering Afterschool Class helps dual-income families and students in need of afterschool care with engaging content that sparks an interest in science and technology. This involves the revision of Junior Engineering Class' learning content and education to afterschool classes and local children's centers. In doing so, we introduce children receiving afterschool care to the fascinating world of science and technology, inspiring them to pursue career in engineering and become future science talents. In 2023, we operated afterschool classes for 810 students at 45 local children's centers.

Junior Engineering Class for Employees' Children

We send Junior Engineering Class kits to the home of employees who submitted their application, and provide online classes made accessible through our official channel. In 2023, this program provided saltwater battery and lunar rover kits among others to 1,683 children.



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

ESG Ideathon

We hosted the 2nd 2023 Hyundai Mobis ESG Ideathon for youth with the two themes of 'resource circulation methods for Hyundai Mobis to reduce carbon emissions (environment)' and 'proposing and disseminating mid/long-term flagship CSR programs that closely align with Hyundai Mobis' business characteristics (CSR)'. This spirited competition was attended by 59 contestants 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.

Area	Idea	Description
Environment	Building smart crosswalks using secondhand parts	Recycle secondhand LED lamps and sensors as signal lights for crosswalks to promote resource circularity and ensure the safety of pedestrians
CSR	Safety eye contact campaign	Use audiovisual elements to raise children's traffic safety awareness, make a habit of checking reflectors to prevent traffic accidents

Global CSR Initiatives

We rolled out our flagship CSR programs – distributing transparent umbrellas and the Junior Engineering Class – across our overseas corporations to lay the basis to ensure continuity in expanding our community CSR initiatives. This began with 18 overseas subsidiaries wishing to join such initiatives, and a total of 21,748 elementary school students participated. These overseas subsidiaries communicated their willingness to continue with their participation, citing high interest among local communities and satisfaction among students.

Signing an MOU to Disseminate a Culture of Blood Donation

Hyundai Mobis signed an MOU with the One Heart Blood Bank to 'promote ESG social-giving through blood donation', which will guide our efforts in disseminating a culture of blood donation and creating social value. Operating a blood bank is expected to set cultural settings for our employees to donate their blood donation certificates while offering employees an opportunity to regularly make blood donations to ensure reliable blood supply. This is just another example of how Hyundai Mobis fully commits to assuming our corporate social responsibility through the sharing of life-saving blood.

Recognized under the CSR in the Community Program

In recognition of our contributions to resolving community issues, we were recognized for two straight years under the 2023 CSR in the Community 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 possible thanks to 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.

Metrics & Targets

Community Engagement

Community Sponsorship Target

Hyundai Mobis set a goal of increasing the number of community sponsorship organizations by 89 from the reporting year to reinforce community-based CSR initiatives and help communities with their stability and prosperity. This goal was defined by the review process led by respective business sites, including our Headquarters, R&D centers, manufacturing sites, and A/S parts centers, and we are identifying the needs of communities through wide-ranging channels.

Category	Unit	2023	2030 Target
		Domestic (non-consolidated)	Domestic (non-consolidated)
Community sponsorship organizations	Organizations	50	139

CSR

Category	Unit	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Percentage of CSR expenses against sales ¹⁾	%			~	0.04			~	0.04			~	0.04
Donation to charities	KRW million	14,037	17	2,566	16,620	15,648	22	3,507	18,727	21,970	27	3,715	25,712
Volunteering (converted into monetary value) ²⁾	KRW million			~	489			~	624			~	770
Volunteer hours ³⁾	Hours	8,622			8,622	8,710		2,649	11,359	13,249		1,795	15,044
Volunteer participants ^{2,4)}	Persons	3,796			3,796	3,858		966	4,824	4,066		710	4,776
Volunteer hours per person ⁵⁾	Hours/person	0.80			0.80	0.75		0.12	0.34	1.09		0.07	0.33

1) Restated the 2021 and 2022 data due to data errors (monetary unit)

2) Compiled and converted employee volunteer hours during work hours (excluding weekends) based on domestic (non-consolidated) salary standards

3) Disclosed domestic (non-consolidated) data only due to data errors for 2021 (coverage)

4) Calculated by including duplicates (cumulative)

5) CSR hours per person: Total volunteer hours / total employees, restated the 2021 data due to data errors (wrong employee number)

Donations and Other Expenses

Category	Unit	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Donation to charities		14,037	17	2,566	16,620	15,648	22	3,057	18,727	21,970	27	3,715	25,712
Associations and tax-exempt organizations (donations)	KRW million	1,329			1,329	1,230			1,230	1,430			1,430
Lobbying and lobbying associations (membership fees)		0			0	0			0	0			0
Political donations		0			0	0			0	0			0

Customers

Hyundai Mobis puts customers first as our utmost value, and recognizes car OEMs and domestic/overseas distributors and dealerships purchasing our A/S parts as our key customers. We provide high-quality services and products and keep customer data secure through rigorous data privacy to build trust-based relationships with customers.

Strategy

Interests and Views of Stakeholders

At the request of respective customers, we respond to EcoVadis' assessments, Drive Sustainability's SAQ¹⁾ and supply chain questionnaires sent by individual car OEMs whenever the need arises. To ensure agile customer communication, we operate a dedicated organization serving domestic/global customers and establish our internal management process to address customer requirements while reflecting key issues in defining our future business approaches following internal reviews. Distributors and consumers purchasing our parts may access our VoC channels to handle their grievances. When it comes to parts supply schedules, one of the most frequently asked questions, we embraced AI technology for increased reliability in A/S parts supply to make our demand predictions more accurate and our logistics operations more efficient while building new warehouses to expand our logistics network. Meanwhile, we hold 'distributor seminars' to directly interact with distributors. Taking note of the request for increasing the duration of the regular general meeting in light of the high interest among distributors, we plan to extend the seminar to two-nights and three days from 2024 onwards. This is certainly a case in point testifying to our commitment to integrating customer feedback into our business model, strategy, and activities.

Material Impacts, Risks, and Opportunities and Their Interaction with Our Strategy and Business Model

'Ensuring product safety and quality' was chosen as a material topic through materiality assessment. Quality issues pose direct risks to consumer safety and are directly associated with product reliability and corporate brand value. Hence, Hyundai Mobis stipulated our quality policy to ensure product safety and is implementing our quality management system. Further details on customer-related material impacts, risks, and opportunities and their business impacts are available in the 'Materiality Assessment – Selecting Material Topics' section of this report.



Visioning Sustainability
'Value Chain and Stakeholders'

Materiality Assessment
'Material Topics'



1) SAQ: Sustainability Assessment
Questionnaire

Impacts, Risks, and Opportunities Management

Policy

Hyundai Mobis' Code of Conduct stipulates our commitment to pursuing customer satisfaction and our responsibility for promptly delivering top-notch products and services at reasonable prices and for handling grievances swiftly and fairly. Our human rights policy specifies protection of customers' human rights, and this steers our efforts to do our utmost to safeguard the life, health, and assets of customers as well as personal data collected in the course of business conduct. Our environmental management policy also specifies customer communication covering the provision of environmental data for our products and services, and our quality principles sets forth our goal for realizing customer delight. All these policies and their specifics are publicly available on our corporate website.

Quality Principles and Management System

Hyundai Mobis' Quality Principles

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.

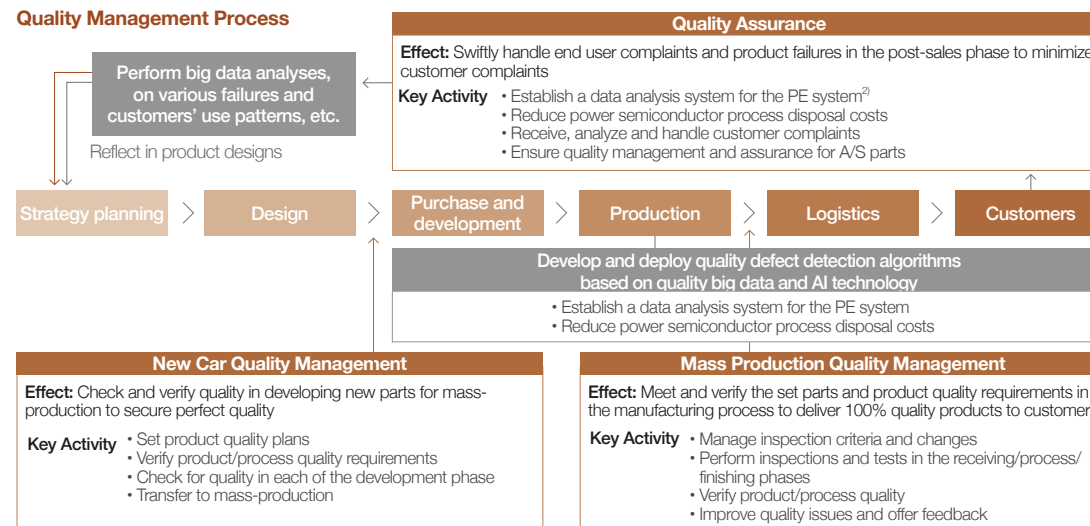
Hyundai Mobis is committed to rigorous quality management to deliver the value of 'customer safety' through innovative product development and reliable manufacturing operation. The QMS¹⁾ 2.0, our internal quality management system, assumes a host of functions in quality adherence for new cars, mass-production, 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. In 2023, we reorganized our Advanced Safety Quality Group to establish a safety-driven, proactive prevention inspection system to ensure increased expertise in the product development phase. A checklist is created for potential issues based on safety quality issues and historical issue data, and a specialist group is operated to perform intensive inspections at the S/W, H/W and process unit level in advance while phase-specific gates are set to verify only high-quality products are mass-produced. In addition, we advance data-based quality management performance and establish a global quality system to keep abreast of the evolving market landscape, making our quality management operations even more effective. Such efforts were recognized as we were honored with the Silver Industrial Metal at the National Quality Management Awards hosted by the Korean Agency for Technology and Standards under the Ministry of Trade, Industry and Energy in 2023.



[Hyundai Mobis' Code of Conduct](#)
[Human Rights Policy](#)
[Environmental Management Policy](#)



1) QMS: Quality Management System
 2) PE system: Power Electric System



Distributor Management Process

We value our domestic/overseas distributors and dealerships who purchase our parts as our important customers and partners who work together with us in improving the quality of consumer services. To facilitate the business operations of our domestic distributors, we operate an optimal parts supply process and commercial area management policy. This is coupled with a range of training opportunities in addition to institutional support for improved store environments to enhance their service capabilities. To improve the efficiency of our overseas distributors and distribution centers who directly interact with global customers, we provide assistance ranging from setting up terms of business, making payments and proceeding with order fulfillments to handling parts export covering shipments and loading.

Data Privacy Policy

Hyundai Mobis established our internal management plans pursuant to the Personal Information Protection Act and the Enforcement Decree of this Act, and stipulated specifics to protect personal data processed at the Company. We created our data privacy organization with the CPO¹⁾ and the department heading our information security operations playing a pivotal role to take responsibility for the oversight and control of the misuse and breach of personal data and the rigorous management of such data. Not only do we establish our company-wide privacy policy and operate an independent privacy organization, but we also provide personnel handling personal data with appropriate management and oversight including regular necessary training to ensure proper handling of personal data. To control access to personal data, we grant access to our personal data processing system to authorized personnel only while taking technical security measures including those intended to detect and block external intrusion. This is paired with a range of technical measures, including encryption and malicious program blocking, to keep personal data secure. Further specifics on our information security management system are available in the 'Risk Management – Information Security' section of this report.

Privacy Policy

The personal data of our customers and employees is one of our most critical information security targets. Any department handling personal data should handle personal data only by designated personnel and in accordance with the set principles and processes. All personal data should be collected 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.

Engagement Process

Customer Satisfaction Survey

We regularly perform customer satisfaction surveys each year on domestic distributors and maintenance centers as well as overseas distributors and dealerships. This allows us to assess their operational status and identify necessary improvements to bring greater customer satisfaction.

Distributor Seminar

The distributor seminar programs we implement serve as communication channels with distributors.

Distributor Seminar Program

Program	Description
Seminar for Good Distributors	Share our domestic business policy approaches and strengthen communication
Seminar for Distributors in the Second Half of the Year	Review performance for the concerned year and share future ways forward
Seminar for Executives of the National Association of Distributors	Review difficulties and develop improvement measures through sharing and discussion of key pending issues of distributors

Strengthening Response to Customer Requirements

The requirements submitted by our customers range from product specifications and quality to net-zero and supply chain management. In response, our dedicated organization serving domestic and global customers engages in swift communication and internally rolls out relevant activities. Key issues identified among customer requirements undergo internal reviews to ensure their integration into our business strategies and operations.

Mobis Live Renewal

We renewed 'Mobis Live', our brand media website, to strengthen interactive communication with customers. With a specific focus on reader-friendly UI²⁾ and UX³⁾, this renewal efforts employed banners and keywords to make content more readily readable for customers. Meanwhile, the operation of the 'Mobility' and 'Mobis' bulletin boards was separated, each aiming to help better understand the overall mobility industry and to share Hyundai Mobis' technologies and activities. Hosting regular open competitions and sending newsletters also serve to directly reach out to consumers beyond the boundary of B2B⁴⁾ operations.



A/S parts and supplies website (Korean) [↗](#)

Risk Management
'Information Security' [📄](#)



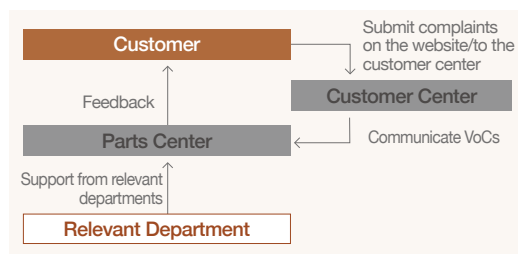
- 1) CPO: Chief Privacy Officer
- 2) UI: User Interface
- 3) UX: User Experience
- 4) B2B: Business to Business

Remedy Process and Grievance Mechanisms

Voice of Customer 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 submit their inquiries and complaints. Complaints received are communicated to respective parts centers and relevant departments to provide feedback and make necessary improvements, and this process operates pursuant to the Personal Information Protection Act. After gaining customer consent, we collect their personal information (name, phone number) for follow-up contact and record management. When the case is closed, data is stored for five years for record keeping purposes before deletion, and this is notified to customers through the automated response system (ARS).

VoC Response Process



Compliance Helpline

Compliance Helpline is made accessible to external stakeholders as well as internal workers, and customers may use this channel to make inquiries or raise concerns year-round in relation to human rights violation and distribution of grey parts. Further details are available in the ‘Employees-Compliance Helpline’ section of this report.

Category	Unit	Submission	Action
Human rights violation			
Related to customers	Cases	0	0

Channels to Handle Data Privacy Breaches

We make channels to raise concerns over personal data breaches available through the Korea Internet & Security Agency (KISA) and our Data Privacy Committee. Concerns submitted to the KISA are referred to the Data Privacy Committee when they are identified as data privacy breaches, and breaches detected through national audits and verifications as well as concerns that individuals directly raise through our website are all collected by Hyundai Mobis, assessed to identify their specifics, and handled swiftly.

Responding to the Incidents of Personal Data Breaches and Leaks

Hyundai Mobis established response manuals for security breaches (attacks against the information system) and personal data leaks (loss, theft, and leakage of personal data). Any individual who detected anomalies is required to immediately report to the Information Security Team, and IT personnel initiate emergency response procedures. The Information Security Team assesses the occurrence of personal data leaks and reports to the responsible manager while an incident response team is organized to take emergency action to minimize damages. This leads to legal reviews, impact identification, and the determination of what and how to notify affected customers, and we refer the case to investigative authorities when deemed necessary. Subsequently, we report to pertinent authorities, respond to investigations, and develop measures to prevent their reoccurrence through the meticulous analysis of root causes.

Actions to Mitigate Material Impacts

Quality Management System

Quality Management System Certification

As of 2023, 17 domestic and overseas manufacturing sites were certified to the IATF 16949, international quality management system standard, and our parts centers also achieved relevant ISO certifications. To meet the quality requirements of European car OEMs, we operate a global quality system designed for automotive parts manufacturing in accordance with VDA 6.3¹⁾, and conduct rigorous tests and quality assurance to ensure vehicles perform optimally for the entire length of their service life.

Quality Management System Certifications

*As of Dec. 2023

IATF 16949 Certification		Business Sites Subject to Certification	Business Sites Certified	Certification Rate (%)
Domestic	Manufacturing site	4	4	100
	Subsidiaries ²⁾	4	4	100
Overseas	Manufacturing site ³⁾	13	13	100
Total		21	21	100
ISO 9001 Certification		Business Sites Subject to Certification	Business Sites Certified	Certification Rate (%)
Domestic	Parts center ⁴⁾	32	32	100
Total		32	32	100



A/S parts and supplies website (Korean)



1) VDA 6.3: Verband Der Automobilindustrie 6.3

2) Motras, Unitus, H Green Power, Hyundai IHL

3) Exclude sites not operable (before mass-production, production halted, etc.) as of the end of 2023

4) Headquarters, parts centers (23), distribution centers (5), regions (3)



Appendix 'Certifications'

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. To stabilize the mass-production of our electric vehicle PE system early on, we are establishing a data-based environment capable of reflecting historical improvements and supporting 24/7 data analytics while expanding our improvement system for power semiconductors that entail high process disposal costs. Leveraging LLMs¹⁾ powered by data accumulated in the QMS (structured, non-structured, working-level domain knowledge), we are developing quality improvement solutions covering search, analysis, and inference engines. AI-assisted analytical capabilities will enable us to set the course ahead in pursuing necessary improvements, reinforcing our quality issue improvement capabilities and continuously expediting the improvement process. 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.

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.

Operating Customer Quality Response System

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, immediately take 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.

Product Warranty

Hyundai Mobis sets the amount of provisions by estimating the cost projected to incur for sold products to handle quality issues, exchanges and refunds, repairs for defects, and after-sales services based on factors such as the warranty period and historical 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 2023, no forced recalls were issued, but voluntary recalls were made, including battery control equipment defects for the Kona Electric, on a total of 19,020 vehicles.

Quality Safety Program

Quality Training for Employees

To improve our employees’ quality awareness, we provide regular quality training each year and host a variety of events to encourage their voluntary participation. Our VDA 6.3²⁾ training has been up and running since 2021 at the company-wide level to accommodate the increasing orders we land from global OEMs, and 46 employees completed this training to achieve or renew their qualifications in 2023. Our quality personnel are provided with in-depth and detailed electronics and electrification training to elevate their expertise so that we preemptively address the shifting technology landscape of future mobility. This phase-based training is consecutively operated in on/offline formats from the basic phase to the full vehicle disassembly and reassembly phase, and was completed by 348 employees in 2023. To internalize the reliability work process essential to secure advanced quality and to nurture internal specialists, we support our employees in obtaining their CRE (Certified Reliability Engineer) and CQE (Certified Quality Engineer) licenses. In 2023, a total of 43 employees obtained their international licenses.

Training	Target	Topic
VDA 6.3 auditor training	Employees	Develop and renew auditors among all employees to respond to the certifications required by European customers
Quality management practices (by topic)	Quality personnel	Support quality capacity enhancement for future core parts, automotive S/W, and cyber security among others
Support in international license acquisition	Quality personnel	CRE, CQE, iNARTE ESD

Regular Quality Cost 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 subdivided by item, by plant, and by month to identify vulnerabilities and to develop corresponding strategies and plans.



1) LLM: Large Language Models

2) VDA 6.3: Verband Der Automobilindustrie 6.3

Supplier Quality Assessment (MQRS)

Hyundai Mobis operates the MQRS¹⁾ 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 transactional restrictions, and adjustments are made to the subsequent assessment cycle based on rating results to ensure rigorous management of high-risk suppliers.

Ensuring Reliable A/S Parts Supply

A/S Parts Supply Network

Hyundai Mobis harnesses our extensive global parts supply network to ensure prompt and accurate supply of A/S parts. In Korea, we operate four distribution centers and 22 parts centers to supply parts across the nation. As of the end of 2023, we supplied A/S parts to over 58.07 million Hyundai Motor Company and Kia Motors' vehicles operating in Korea and abroad, and we deal with nearly 2.6 million parts to serve approximately 201 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, and we remain committed to ensuring the responsible supply of A/S parts accordingly. We align our customer counseling system (MINDS) with our parts operation system (nSMART) 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 a new integrated distribution center serving the Youngnam region to open an integrated distribution site in Gyeongju to further expand our supply network. This new distribution center will accommodate a dedicated area for eco-friendly vehicle parts and a photovoltaic power generation system, along with the deployment of logistics robots.



1) MQRS: Mobis Quality Rating System

2) CS: Customer Service



A/S parts and supplies website (Korean) [↗](#)

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 warehouses to use barcodes to manage all receiving and outgoing items in real time.

Creating Customer Value through CS Training

Hyundai Mobis engages in a variety of CS²⁾ capacity enhancement 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.

Program	Target	Topic
Training for employees at customer contact points	Employees handling inventories/out-of-stock products	Emotional management to relieve customer response stress and strengthen communication
CS training	Accounting/clerical staff	Standard response procedures and CS mindset improvement
Organizational revitalization training	Employees at the HQ/business sites	CS-centric corporate culture and active communication among team members
Customer contact point leadership training	Leaders at customer contact points (parts team heads/logistics leaders)	Leadership for customer management
Emotional management training for the distribution network	Customer response personnel at domestic distributors	Healing to alleviate the fatigue of customer response services

Competency Enhancement Support for Distributors

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. In 2023, we provided safety inspections at no cost for 1,226 distributors, which served to improve efficiency in parts supply all while creating a safe workplace.

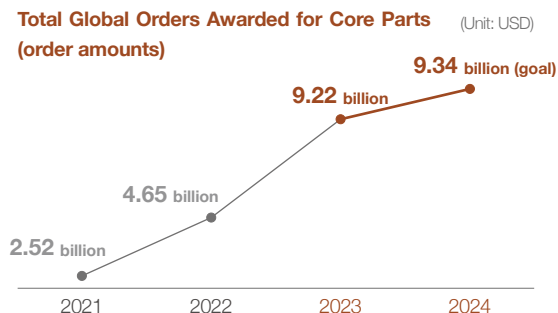
Operational Environment Improvement Programs for Distributors

Program	Description
Win-win funds	Operate win-win funds (KRW 20 billion) raised to provide loans at low interest rates for distributors planning to take out loans from financial institutions to make large-scale investments in environmental improvements with an aim to help them address financing hardships
Management consulting	Send Hyundai Mobis employees who are qualified management consultants to distributors to help assess issues and identify improvement tasks with their overall operations, from organizational operation to sales & marketing and inventory & logistics
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
Support for operating system expenses	Help pay for maintenance costs of the integrated distributor operational system
Support for operational 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
Free-of-charge safety inspections	Provide safety inspections at no cost to provide a safe workplace and improve efficiency in parts supply
Support for defect disposal	Help pay for a portion of the expenses that go to dispose of defective parts generated during the storage or distribution process to help distributors reduce management costs and improve distribution quality
Inventory integrity management	Provide a fixed quantity of parts discounts as part of the costs that incur when distributors dispose of non-moving inventories that they hold for cyclical inventory replenishment

Reinforcing the Global Competitiveness of Core Parts Expanding Global Orders

Hyundai Mobis proactively reaches out to customers to land orders for high value-added core parts, including ADAS and electrification parts, across North America, Europe, and China. In 2023, our global orders surged by 98% year-on-year to reach a whopping USD 9.22 billion, and we set the goal of achieving USD 9.34 billion in overseas orders for 2024.

Total Global Orders Awarded for Core Parts (order amounts)



Establishing a 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 tailor-made to respective local markets. We established KAM¹⁾ organizations across the five key global regions of Europe, North America, China, Japan, and India, and brought in nearly 10 executive-level local experts (KAE²⁾) to head our order-winning activities customized for local customers. We also significantly expanded our research workforce dedicated to tailor-made local customer responses at our overseas technical centers to pursue the localization of our R&D operations in parallel. 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.

Reinforcing the CSR Management Process for Global OE

CSRs³⁾ refer to additional, quality-related 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 MCSR⁴⁾ manuals that could apply to our daily business routines. In so doing, we provide CSR guidance to domestic employees and overseas corporations working in relation to global OE order-taking to bolster their response capabilities. In 2023, we provided basic competency enhancement training for seven manufacturing sites⁵⁾ in Korea and abroad. Our 2024 plan is to nurture local specialists at business sites that play a key role in landing global orders while assessing customer requirements to proactively establish a global execution system.



- 1) KAM: Key Account Management
- 2) KAE: Key Account Executive
- 3) CSR: Customer Specific Requirement
- 4) MCSR: Mobis CSR
- 5) Domestic: Jincheon Plant and Changwon Plant, Overseas: MMX, MCZ, MSK, MWX, MTJ

Reinforcing Global Marketing Operations

We attend mobility shows hosted across the globe to publicize our future vision and new technology among global OEMs. At the IAA Mobility 2023 held in Germany, we showcased nearly 20 new mass-production functionality technologies in such future key strategic areas of electrification and electronics. At the North American International Auto Show hosted in Detroit, the US, we also unveiled 21 types of new technologies customized for the local market. Attending the Japan Mobility Show held in Tokyo, Japan, we displayed our strategic products mainly at private booths and discussed business partnership opportunities with key Japanese car OEMs. We were also honored with the Innovation Award at the CES 2023 and the iF Design Award, receiving positive feedback from global customers.

Metrics & Targets

Product Quality and Safety

Product Recalls

Category	Unit	2021	2022	2023
		Consolidated	Consolidated	Consolidated
Vehicles recalled	Vehicles	15,437	1,044,483	19,020
Voluntary recalls	Vehicles	15,437	1,044,483	19,020
Non-voluntary recalls	Vehicles	0	0	0
Recall expenses	KRW 100 million	6	428	96
Percentage of recall expenses against sales	%	0.0	0.1	0.0

Warranty Provisions

Category	Unit	2021	2022	2023
		Consolidated	Consolidated	Consolidated
Provision warranty balance at the beginning of the period	KRW million	1,238,315	1,217,987	1,174,541
Warranty costs during the period	KRW million	318,965	343,342	254,089
Percentage of warranty costs against annual sales	%	0.8	0.7	0.4

Customer Grievance Handling

VoC* Management¹⁾

Category	Unit	2021	2022	2023
		Domestic (non-consolidated)	Domestic (non-consolidated)	Domestic (non-consolidated)
VoC submitted	Cases			115,960
Supply delays	Cases			115,591
Handled	Cases			114,990
Ongoing	Cases			285
Returned	Cases			316
Parts quality	Cases			313
Handled	Cases			301
Ongoing	Cases			3
Returned	Cases			9
Parts packaging	Cases			12
Handled	Cases			12
Ongoing	Cases			0
Returned	Cases			0
Customer response at distributors	Cases			44
Handled	Cases			44
Ongoing	Cases			0
Returned	Cases			0

*VoC: Voice of Customer

1) Newly reported

Data Privacy Breach Management¹⁾

Category	Unit	2021	2022	2023
		Domestic (non-consolidated)	Domestic (non-consolidated)	Domestic (non-consolidated)
Complaints submitted for data privacy breach	Cases			0
Complaints referred to by regulatory authorities				0
Complaints substantiated (verified to be true) ²⁾				0
Confirmed cases of leaked, stolen, and lost customer data				0

1) Newly reported

2) Cases substantiated out of submitted complaints (raised by individuals) (responsibility of Hyundai Mobis)

Governance

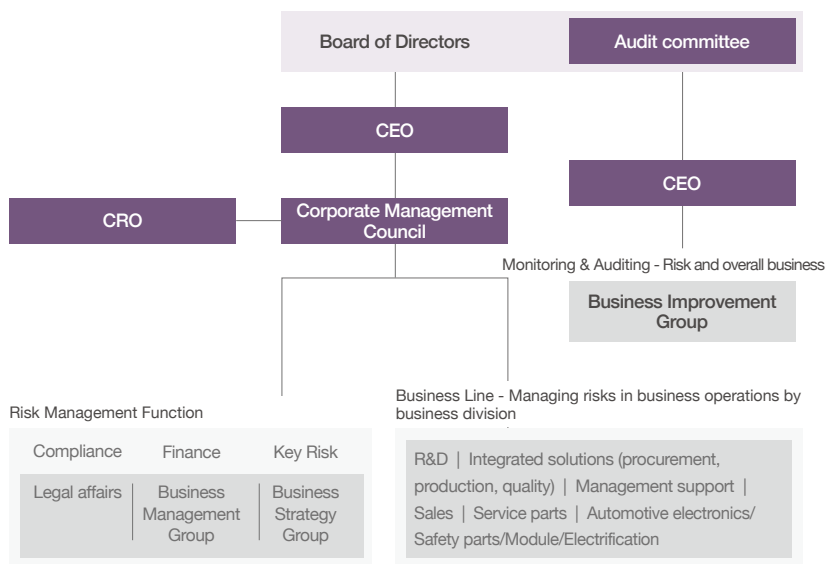
Risk Management	132
Compliance Management	137

A meeting room at the Hyundai Mobis Headquarters

Risk Management

Governance

Risk Management System



At Hyundai Mobis, the Business Strategy Group under the Planning Division plays a central role in managing company-wide risks, and the Head of the Planning Division serves as the CRO¹⁾ to oversee risk management across the board. Our risk response system is segmented into 16 business units and divisions for risk management, and organizational heads take responsibility for risk management. Respective business units/divisions and the Business Enablement Team review and monitor risks on a monthly basis and swiftly report identified risks to our executives including the CEO for risk response. In 2023, we integrated the CoE²⁾ meetings and the Risk Management Committee into the company-wide Corporate Management Council led by the CEO. The Council meets regularly twice a month to review pending management issues including internal/external business conditions and anticipated risks, and convenes more frequently on an as-needed basis in the event or urgent issues occurring to promptly address emergency situations.

Impact and Risk Management

Risk Management by Type of Risk

We classify risks into four types and ensure integrated risk management through cooperation among respective business units and divisions. Monthly monitoring serves to preemptively manage all types of risk, and situation-specific scenarios are developed to minimize the impact and damage of unpredictable 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. In 2023, we chose key risk factors that may materially impact our business operations, ranging from change in global policies and laws to the shifting logistics and trade landscape and quality enhancement, and focused on their management. In ensuring risk management and review by type of risk on an annual basis, we regularly assess whether specific risks are maintained or resolved, and engage in continuous monitoring to preemptively respond to diverse types of risk.



- 1) CRO: Chief Risk Officer
- 2) CoE: Center of Excellence
(Discuss key company-wide strategies and pending issues)

Type	Definition	Specific Risk
Uncontrollable	Environmental risk	Uncertainties and potential losses caused by external factors including macro business environments, customers, competitors, and policies/regulations
	Financial risk	Potential financial losses caused by fluctuations in the financial market, credit, and liquidity
	Strategic risk	Potential losses that arise when a company's chosen strategy fails to produce intended outcomes
Controllable	Operational risk	Potential losses attributable to inappropriate work processes and operations, inefficiencies in organization/personnel/system, and system errors
		Automotive industry trends / OE policies (production, investment, ESG, etc.) / regional politics / economic trends / policies / regulatory trends / international trade environments / disasters (natural disasters, fires, etc.)
		Financial market risks (currency rates, stock prices, etc.) / liquidity risk / credit risk
		Business strategy risk (M&As, partnerships, etc.) / products / technology strategy risks / major investment risks / location operational strategy risks (localization, etc.)
		Product 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

Description of Risk	Impact on Business	Response/Management
Regulatory and Trade Risks That Emerge amid the Spread of Global Protectionism		
Countries around the world are adopting tariffs or import quotas to restrict imports to protect and support their national industries. While such protectionism may ensure the stability and growth of national economies, it also has the potential to undermine cross-border trade and trade cooperation. Trade barriers often result in extra cost burdens for companies, and various regulations imposed as non-tariff barriers may force companies to relocate their production to specific regions or avoid minerals and materials sourced from prohibited areas, impacting their business structure in the process. In particular, country-specific EV subsidy requirements and the Carbon Border Adjustment Mechanism could bring direct risks.	• Additional tariff expenses due to trade regulations • Need to consider expansion of production localization to meet the tightening local content regulations • Variation in production volume in line with policy changes regarding electrified vehicles (EVs and others) • Change in response/management systems to cope with new regulations	• Pursue new local production locations in North America and Indonesia • Establish and operate an internal process to respond to new trade regulations (CBAM¹⁾ and others)
Risk with Parts Technology in Line with the Shifting Automotive Industry (autonomous driving, UAM ²⁾)		
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. This may expose us to new risks associated with technology beyond the business risk of reduction in 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. The emergence of new systems, such as UAM, could trigger new regulatory risks, along with the added technology burden of addressing urban noise and ensuring safety in the event of 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, sharpen global competitiveness and increase sales • Change in response/management systems due to the introduction of new regulations • Potential disputes leading to growing legal risks and expenses and degradation of corporate brand image	• Acquire R&D capabilities (foster long-term growth drivers beyond automobiles) through talent recruitment via diverse channels and open innovation • Ensure robust infrastructure and advanced quality management through the operation of in-house proving grounds and the localization of overseas R&D operations • Form strategic business partnerships (communication infrastructure and ICT, etc.)

Risk Culture

We provide employees with risk-related training on an ongoing basis on our ‘MobiSchool’ online training platform. For issues associated with the risk of business ethics, we conduct annual compliance training on the topics of anti-corruption, information security, and corporate culture (prevention of sexual harassment at work, improvement in perceptions on disability).

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

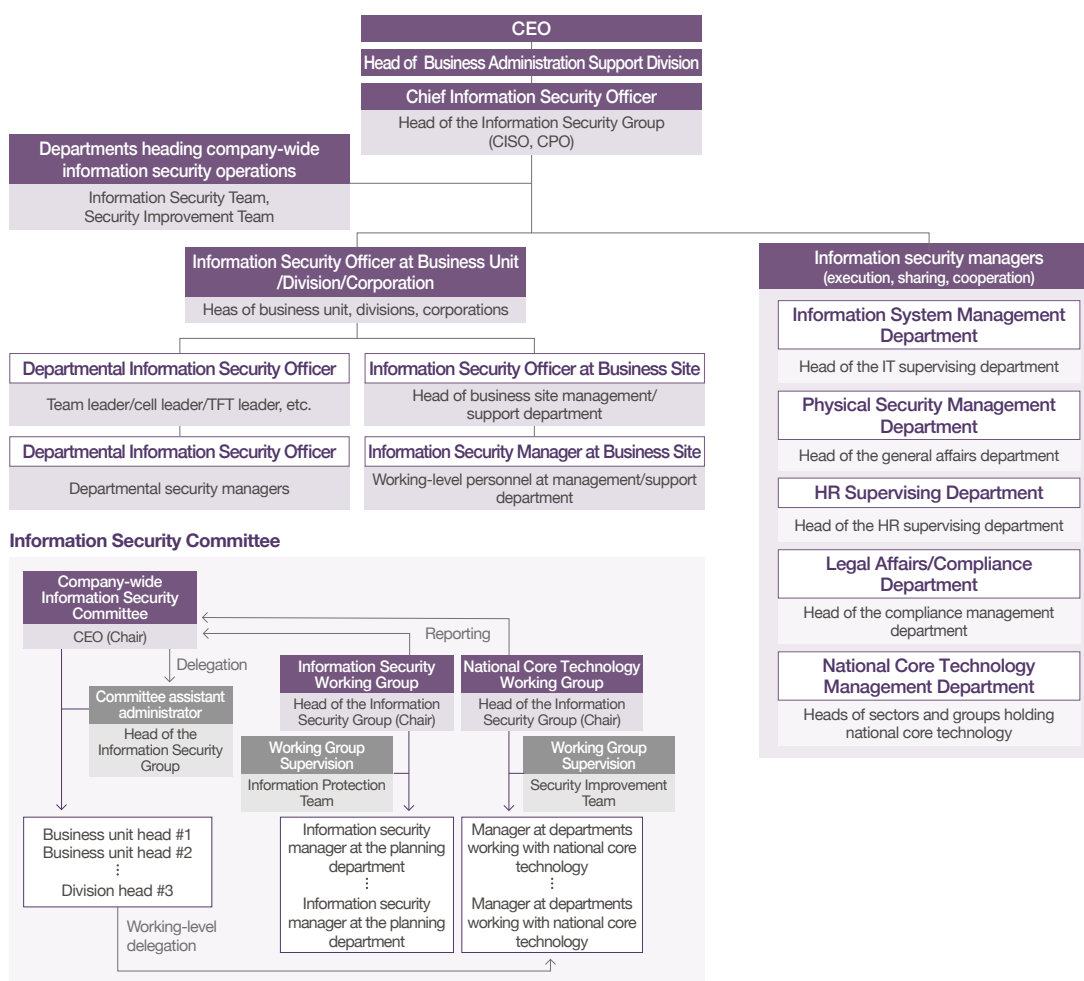
For cross-border transactions with overseas corporations, we establish and implement the transfer pricing policy which complies with domestic tax laws and transfer pricing guidelines as well as the arm’s length principle. In doing so, we prohibit the transfer of value created in jurisdictions with low tax rates and the use of any tax structure which lacks commercial substance. Additionally, we strictly prohibit offshore tax evasion using tax havens and tax evasion through cross-border transactions as a matter of principle. Hyundai Mobis’ Headquarters assists global business sites 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.

- ②
- 1) CBAM: Carbon Border Adjustment Mechanism
- 2) UAM: Urban Air Mobility

Information Security

Information Security Management System

Hyundai Mobis established dedicated security organizations at the company-wide and BU levels, and appointed the CISO¹⁾ and the CPO²⁾ based on their expertise to head our domestic and overseas corporations. 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 or 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 full disclosures of our relevant investments and personnel on the comprehensive information security disclosure portal.



Policy, Action, and Activity

To protect critical information (technology and management information, personal data, etc.) against a wide array of security threats, we stipulated and implement company-wide information security policy and regulations, 19 guidelines, and 39 standard documents. These policy documents are made accessible to all our employees. 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 deliberated on at the company-wide Information Security Committee and approved by the 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.

Protecting National Core Technology

As we own national core technology in the area of future mobility, we 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

Details on data privacy are disclosed in the 'Customers-Data Privacy Guidelines' section.

⑦ Information Security Disclosure (Korean) [↗](#)

⑦ 1) CISO: Chief Information Security Officer
2) CPO: Chief Privacy Officer

⑦ Customer-Data Privacy Guidelines [↗](#)

Information Security Management Certification

Hyundai Mobis' key business sites in Korea and overseas are certified to the ISO 27001 international information security management system standard and the TISAX¹⁾ certification granted by VDA²⁾, the German Association of the Automotive Industry. 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 while receiving regular re-audits. For our business sites that are not subject to certification, we independently implement security measures that are equivalent to such certifications.



Responding to Security Breaches and Emergencies

To respond to security and IT breaches, we define the type and scope of breaches and engage in 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 to develop response and recovery plans accordingly, and 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 our security breach whistleblowing center is up and running to prevent data breaches. In 2023, we deployed next-generation OT security architecture to establish a new security system, and applied domestic SASE³⁾ services across the board to ensure a secure working environment outside the Company.

Emergency Response System for Business Continuity

We developed business continuity plans that align with our business priorities to ensure continued operation and recovery of our information system in the event of natural disasters and other possible emergencies, and built disaster recovery infrastructure for critical systems. Our system operation servers and disaster recovery servers are located and operated at separate data centers to enable swift system recovery even in the face of external physical threats occurring. Each year, disaster recovery drills are conducted by our system personnel, which serve to check and verify back-up availability under emergency situations through role swaps between operational infrastructure and disaster recovery infrastructure. Furthermore, our operational infrastructure is made redundant according to the grade of business impact to ensure uninterrupted IT services, and we proactively brace for natural/man-made disasters and other external risks through data back-up and offsite storage.

Regular System Security Inspections

At Hyundai Mobis, routine and non-routine security inspections are made according to our information security regulations under the supervision of the CISO. Security inspections include safety inspections on our operation system and infrastructure facilities, along with communication security inspections to protect critical facilities from illegal eavesdropping and unauthorized filming, simulation-based system hacking to eliminate risks through SW security vulnerability checks, personal data lifecycle (from collection to disposal) operational appropriateness assessment, firewall rule inspection, continuous network scanning, and production network security checks.

Employee Security Inspections

We perform periodic security inspections on our employees. All matters concerning such security inspections follow the principle of independence and fairness, and any non-compliance is met with disciplinary and other HR actions as well as work improvements and other HR measures depending on the severity of the issue at hand.

Raising Employees' Security Awareness

To improve employees' security awareness and prevent security incidents, we engage in security pledge-signing, regular training, and campaigns. With the goal of promoting autonomous compliance with security rules, we host Information Security Day each month to regularly take stock of our physical work environment and various 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' interest and participation to ultimately raise security awareness.



1) TISAX: Trusted Information Security Assessment Exchange

2) VDA: Verbund Der Automobilindustrie

3) SASE: Secure Access Service Edge

Employees who completed information security training (domestic, on a non-consolidated basis)

9,581 persons

*Information security module as part of compliance training

Metrics & Targets

Information Security

Metric	Unit	2021	2022	2023
		Domestic (non-consolidated)	Domestic (non-consolidated)	Domestic (non-consolidated)
Ratio of investment in information security ¹⁾	%	6.5	6.7	
Completion of information security training ²⁾	Persons	9,047	9,769	9,581

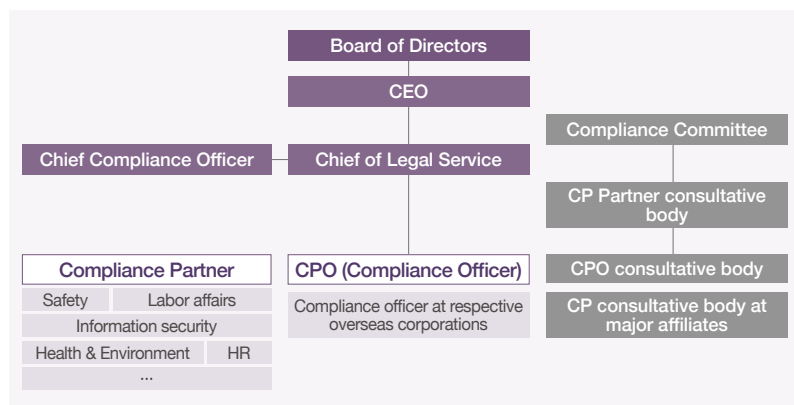
1) Percentage of investments made for information security out of total IT budget (disclosed up to the previous reporting year)

2) Employees who completed the information security module as part of compliance training. 2022 data were restated due to data error (training provided to new hires was not included).

Compliance Management

Governance

Ethical Management System



Hyundai Mobis operates a system established to advance compliance and ethical management 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. Our Board of Directors deliberates on and oversees the appointment of the Chief Compliance Officer and compliance managers, receives reports on compliance support activities, and conducts final reviews on establishing and amending the codes of conduct while grating approval. To live by the 'Tone at the Top' principle, 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.

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 across respective areas of business operations. Meanwhile, we regularly operate CP consultative bodies with subsidiaries and other key affiliates, and created legal affairs organizations in the US and Europe to support legal affairs/compliance operations at respective overseas corporations.

Impact, Risk, and Opportunity Management

Hyundai Mobis manages impacts and risks across key compliance areas spanning anti-corruption, fair trade, workplace safety, data privacy, and corporate culture (bullying/harassment prevention).

We keep abreast with major government policies and regulatory trends to monitor how such regulatory changes may impact our operations. Internally, we conduct compliance surveys on employees as part of our internal compliance assessment, and operate reporting/whistleblowing channels at respective business sites in Korea and abroad to identify key risks.

- ② 'Compliance Management System' on the website [↗](#)
- Employees 'Compliance Helpline' [+](#)
- Employees 'Hello, HR' [+](#)
- Hyundai Mobis Code of Conduct [↗](#)
- Compliance Control Standard [↗](#)

Policy, Action, and Activity

Compliance Management Regulations

Hyundai Mobis has established the Hyundai Mobis Code of Conduct as the highest-level compliance regulation for all our employees (including those at overseas corporations and subsidiaries) to abide by. The Code was stipulated in 2019 and its first amendment was made in January 2024 to reflect change in external requirements. The Compliance Control Standard serves as the basis for our compliance management, and the Regulatory Compliance as the basis to support working-level compliance operations.

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 applies to employees of Hyundai Mobis and employees working at domestic and overseas subsidiaries controlled by Hyundai Mobis, joint ventures, suppliers, agencies, and other key stakeholders.

Investigation and Action Taken Procedures for Ethical Non-compliance (Cyber Auditor and Internal Review)

Pursuant to Hyundai Mobis' Code of Conduct and Employees' Code of Ethics, we prohibit any act of requesting, receiving, or providing unjustified 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. 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 heavy disciplinary action. Whistleblowing reports that internal/external stakeholders submit to the Cyber Auditor and incidences of non-compliance with the Code of Ethics identified through annual internal reviews are internally investigated and deliberated on by the dedicated department and are subject to disciplinary measures according to the Human Resources Management Regulations while actions are taken according to the procedures specified in the Disciplinary Committee Regulations.

Anti-corruption and Anti-bribery System

Incidences related to corruption and/or bribery are detected and handled by our Cyber Auditor and internal reviews, and the results are disclosed in the 'Metrics & Targets – Investigation and Action Taken of Ethical Non-compliance' section of this report. We also operate the gift return and report center to prevent corruption and encourage employees' voluntary engagement in this respect. When our employees are provided with gifts from stakeholders for unavoidable reasons, they may access the center to return the gifts and report this incident to the Company to officially confirm their adherence to the Company's compliance policy. The center serves as a channel for our employees to report the return of received gifts and for external stakeholders to report the

retrieval of the gifts they offered. Submitted reports are handled according to the operational procedures of the center, and the reviews made and actions taken are registered on the center's system, which is accessible to users to check the results.

Whistleblower Protection

Pursuant to Article 13 (Operation of Internal Whistleblowing Channels and Whistleblower Protection) and Article 14 (Handling Incidences of Non-compliance) of our Regulatory Compliance, we extend protection to whistleblowers in line with the three principles of confidential, identity protected, reduced sanctions. If a whistleblower reports an act of non-compliance or corruption involving himself/herself through our reporting/whistleblowing channels – Helpline, Cyber Auditor, Hello, HR, it can be interpreted as an extenuating factor, and 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 work transfers, to doubly ensure they are protected from any disparaging work situations, and we take appropriate action accordingly.

Confidential: Disclosure of a whistleblower's identity or any information that might lead to identification of the person without his/her consent is strictly prohibited.

Identity Protected: Any disadvantage or discrimination, including sanctions, against a whistleblower from his/her department or trading partner for his/her report, representation or sharing of relevant documents is not tolerated.

Reduced Sanctions: If the whistleblower is found negligent or responsible in respect of his/her report, sanctions against him/her may be annulled or reduced.

Compliance Pledge

We have all our employees in Korea and new hires, including expatriates, sign the compliance management pledge to share and communicate our compliance management regulations and policies. This pledge encompasses key compliance requirements in the areas

of fair trade, ethics and corruption (anti-corruption and anti-bribery), 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, ensuring that our entire value chain adheres to the compliance standards that we uphold at Hyundai Mobis.

Compliance Training (including anti-corruption and anti-bribery training)

Our annual compliance training covers our compliance management system including the Hyundai Mobis Code of Conduct, ethics and anti-corruption associated with corruption/bribery prevention, human rights management including prevention of child/compulsory labor, 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 conduct Legal Risk Management training tailored to respective countries with the help of the CPO¹⁾, and provided employees at overseas corporations, including locally-hired members, with training on data privacy and other relevant risks. Regular and year-round compliance training is also provided to suppliers and distributors.

Corporate Culture

We disclose how we establish and assess our corporate culture in the 'Employees – Culture survey' section.

Completion of compliance training (domestic, on a non-consolidated basis)

98.7 %

Completion of training by departments at increased risk of corruption and bribery due to their business characteristics (domestic, on a non-consolidated basis)

100 %

*For procurement-related departments

⑦ Employees 'Compliance Helpline' ⑦ Employees 'Hello, HR' ⑦

⑦ 1) CPO: Compliance Officer

⑦ Compliance Management 'Investigation and Action Taken of Ethical Non-compliance' ⑦ Employees 'Culture Survey' ⑦

Fair Trade Compliance

Fair Trade Compliance System

We introduced the Compliance Program (hereinafter CP¹⁾) in 2002 as our internal compliance system for compliance with 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 Hyundai Mobis' Code of Conduct and CP Operating Regulations for all our stakeholders to practice fair trade.

Fair Trade Compliance Inspection

Hyundai Mobis performs company-wide fair trade compliance inspections to prevent non-compliance with fair trade regulations in our 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 operational 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 semiannual basis. For employees working in procurement, development and other functions associated with fair trade, we provide them with specialized training on related party transactions and subcontract regulations, and 712 employees in total completed such training in 2023. In tandem with this, 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.

Fair Trade Implementation 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 abide by 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 2023, we signed the Fair Trade Agreement with 330 tier-1 and tier-2 suppliers, and engaged in transactions valued at KRW 6.2239 trillion. We have also actively encouraged the Fair-Trade Agreement between tier-1 and 2 suppliers, resulting in 150 tier-2 suppliers signing fair trade agreements with tier-1 suppliers.

Unfair Trade Reporting Channel

While preventing unfair trade practices by operating a contract bidding system, we also make our Compliance Helpline available as an anonymous whistleblowing channel as well as the 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.



'Fair Trade & Win-win Partnership' on the website [↗](#)

Supply Chain
'Actions to Mitigate Material Impacts' [📄](#)



1) CP: Compliance Program

Supply Chain Management

We made disclosures on impacts, risks, and opportunities associated with suppliers in the 'Supply Chain – Actions to Mitigate Material Impacts' section.

Metrics & Targets

Non-compliance and Compliance Culture

Investigation and Action Taken of Ethical Non-compliance (Cyber Auditor and Internal Review)

Metric	Unit	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Non-compliance/ whistleblowing	Total incidences of noncompliance/ whistleblowing ¹⁾				30				35	51	2	1	54
Action	Total actions taken ²⁾				30				35	45	2	1	48
	HR action ³⁾								2	20	1	1	22
	Internal training								11	10	0	0	10
	Others (mutual agreement, system improvement, etc.)								9	15	1	0	16

1) Newly reported due to change in classification criteria

2) Excluding 6 ongoing cases out of incidences of non-compliance/whistleblowing

3) Type of non-compliance: Corruption/bribery (2), discrimination/Harassment (1), customer privacy data (0), conflict of interest (0), money laundering/insider trading (0), others (3), unsubstantiated (16)

Compliance Training (including anti-corruption and anti-bribery training)

Metric	Unit	2021				2022				2023			
		Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total	Domestic (non-consolidated)	Domestic Subsidiary	Overseas Subsidiary	Total
Completion of compliance training ¹⁾	%	95.9			95.9	97.8			97.8	98.7	65.7	61.3	76.6
General Employees who completed compliance training	Persons	9,047			9,047	9,769			9,769	9,581	3,456	6,277	19,314
Completion of training by functions at increased risk of corruption/bribery ²⁾	%									100	100	93.8	96.8

1) Training related to the CP management system, ethics/anti-corruption, human rights, tariffs, anti-sexual harassment, improvement in perceptions on disability, contractual risk, information security, safety/environment, and whistleblowing mechanisms, 2022 data were restated due to data error (training provided to new hires was excluded).

2) Defined as procurement-related function, newly reported

Political Influence and Lobbying Activities

Political Contributions

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 any other political 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 facilitation payments that are paid directly/indirectly to government officials in the form of bribes to expedite routine procedures or avoid administrative delays. Our policy (Code of Conduct) clearly communicates that merely promising or proposing the provision of unjustified economic gains could constitute corruptive practices. We allow charitable contributions and donations, and their execution is implemented in consideration of urgency and appropriateness in line with our internal execution criteria and procedures. Contributions of KRW 10 million or over are subject to the CEO's approval, and quarterly contributions made are reported to the Corporate Sustainability Management Committee. Our annual budget plans also require approval from the Board of Directors.

Metric	Unit	2021	2022	2023
		Domestic (non-consolidated)	Domestic (non-consolidated)	Domestic (non-consolidated)
Political cash contributions	KRW	0	0	0
Value of political in-kind contributions (price value) ¹⁾		0	0	0

1) No in-kind contributions were made

Associations

Hyundai Mobis is not directly involved in any lobbying activities. We do, however, indirectly engage in activities as a company or a member of the industry. Our membership is mainly associated with organizations that relate to business operations or R&D activities, including the Korea Enterprises Federation, the Seoul Chamber of Commerce and Industry, the National Academy of Engineering of Korea, and the European Association of Automotive Suppliers (CLEPA).

Metric	Unit	2021	2022	2023
		Domestic (non-consolidated)	Domestic (non-consolidated)	Domestic (non-consolidated)
Korea Enterprises Federation	KRW	215,000,000	221,450,000	221,450,000
Seoul Chamber of Commerce and Industry		108,300,000	108,300,000	108,300,000
European Association of Automotive Suppliers (CLEPA)		69,000,000	68,900,000	70,628,000
National Academy of Engineering of Korea ¹⁾				50,000,000
AUTO-ISAC		57,500,000	57,500,000	63,390,360

1) Newly reported

Payment Practices¹⁾

Hyundai Mobis sets payment terms according to the size of suppliers. For parts suppliers, we make payments within 90 days when their company size is not specified or they fall into the category of large enterprises, 60 days when they are mid-sized companies whose annual revenue is at or above a certain threshold, and make full cash payments for other suppliers. For non-parts suppliers, we set our payment terms either at 60 days or 90 days according to their size.

Metric	Unit	2021	2022	2023
		Domestic (non-consolidated)	Domestic (non-consolidated)	Domestic (non-consolidated)
Percentage of payments aligned with standard payment terms ²⁾	%			99.99
Cases of litigations raised due to payment delays	Cases			0

1) Newly reported, payment terms for suppliers
2) Cases of payments made according to standard payment terms/total cases of payments made

Appendix

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GRI Standards

Universal Standards

GRI 2: General Disclosures

Topic	GRI Standards	Report	Page & Note
The organization and its reporting practices	GRI 2-1	Organizational details	SR 5-6, 17
	GRI 2-2	Entities included in the organization's sustainability reporting	AR/SR 15-16 (Overview of Subsidiaries)/ 162
	GRI 2-3	Reporting period, frequency and contact point	SR 162-163
	GRI 2-4	Restatements of information	SR 37, 48+ (Metrics & Targets), 162
	GRI 2-5	External assurance	SR 155-161
Activities and workers	GRI 2-6	Activities, value chain and other business relationships	SR 7-9, 27
	GRI 2-7	Employees	SR 92-95
	GRI 2-8	Workers who are not employees	SR 102
Governance	GRI 2-9	Governance structure and composition	SR 12-14
	GRI 2-10	Nomination and selection of the highest governance body	SR 12-13
	GRI 2-11	Chair of the highest governance body	SR 13
	GRI 2-12	Role of the highest governance body in overseeing the management of impacts	SR 14-15, 25
	GRI 2-13	Delegation of responsibility for managing impacts	SR 25, 28
	GRI 2-14	Role of the highest governance body in sustainability reporting	SR 25
	GRI 2-15	Conflicts of interest	SR 12-14, 17, 137-138
	GRI 2-16	Communication of critical concerns	SR 15, 25

Topic	GRI Standards	Report	Page & Note
Governance	GRI 2-17	Collective knowledge of the highest governance body	SR 16
	GRI 2-18	Evaluation of the performance of the highest governance body	SR 15
	GRI 2-19	Remuneration policies	SR 16
	GRI 2-20	Process to determine remuneration	SR 16
	GRI 2-21	Annual total compensation ratio	SR 16, 20
Strategy, policies and practices	GRI 2-22	Statement on sustainable development strategy	SR 3, 26
	GRI 2-23	Policy commitments	SR 70, 137
	GRI 2-24	Embedding policy commitments	SR 73-74, 137-139
	GRI 2-25	Processes to remediate negative impacts	SR 73, 108, 125-126
	GRI 2-26	Mechanisms for seeking advice and raising concerns	SR 72, 138
	GRI 2-27	Compliance with laws and regulations	BR/SR 343 (Sanctions Imposed), 35
	GRI 2-28	Membership associations	SR 141, 153
Stakeholder engagement	GRI 2-29	Approach to stakeholder engagement	SR 27, 29
	GRI 2-30	Collective bargaining agreements	SR 71, 90



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GRI 3: Material Topics 2021

Topic	GRI Standards	Report	Page & Note
	GRI 3-1 Process to determine material topics	SR	28
	GRI 3-2 List of material topics	SR	30-31
	GRI 3-3 Management of material topics	SR	30-31

Topic Standards(GRI 200, GRI 300, GRI 400)

GRI 200 Economic Performance

Topic	GRI Standards	Report	Page & Note
Economic Performance	201-1 Direct economic value generated and distributed	SR	19
	201-2 Financial implications and other risks and opportunities due to climate change	SR	39
	201-3 Defined benefit plan obligations and other retirement plans	-	-
	201-4 Financial assistance received from government	AR	31, 53+ (Government Subsidies)
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	SR	27, 117-120
	203-2 Significant indirect economic impacts	SR	27, 117-120
Procurement Practices	204-1 Proportion of spending on local suppliers	SR	111
Anti-corruption	205-1 Operations assessed for risks related to corruption	-	-
	205-2 Communication and training about anti-corruption policies and procedures	SR	138
	205-3 Confirmed incidents of corruption and actions taken	SR	138, 140
Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	BR	343 (Sanctions Imposed)
Tax	207-1 Approach to tax	SR	133
	207-2 Tax governance, control, and risk management	SR	133
	207-3 Stakeholder engagement and management of concerns related to tax	SR	133
	207-4 Country-by-country reporting	-	-



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GRI 300 Environmental Performance

Topic	GRI Standards		Report	Page & Note
Materials	301-1	Materials used by weight or volume	SR	64
	301-2	Recycled input materials used	SR	64
	301-3	Reclaimed products and their packaging materials	SR	64
Energy	302-1	Energy consumption within the organization	SR	47-49
	302-2	Energy consumption outside of the organization	SR	47
	302-3	Energy intensity	SR	47
	302-4	Reduction of energy consumption	SR	41
	302-5	Reductions in energy requirements of products and services	SR	42
Water and Effluents	303-1	Interactions with water as a shared resource	SR	55-56
	303-2	Management of water discharge-related impacts	SR	51, 53, 55-56
	303-3	Water withdrawal	SR	56, 58
	303-4	Water discharge	SR	51, 55-56
	303-5	Water consumption	SR	56, 58
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	SR	56
	304-2	Significant impacts of activities, products and services on biodiversity	SR	56
	304-3	Habitats protected or restored	SR	57
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-	-

Topic	GRI Standards		Report	Page & Note
Emissions	305-1	Direct (Scope 1) GHG emissions	SR	45
	305-2	Energy indirect (Scope 2) GHG emissions	SR	45
	305-3	Other indirect (Scope 3) GHG emissions	SR	46
	305-4	GHG emissions intensity	SR	45
	305-5	Reduction of GHG emissions	SR	40
	305-6	Emissions of ozone-depleting substances (ODS)	SR	51
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	SR	52
Waste	306-1	Waste generation and significant waste-related impacts	SR	61
	306-2	Management of significant waste-related impacts	SR	61
	306-3	Waste generated	SR	65
	306-4	Waste diverted from disposal	SR	61, 63, 66
	306-5	Waste directed to disposal	SR	66
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	SR	107-108
	308-2	Negative environmental impacts in the supply chain and actions taken	SR	107-108



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GRI 400 Social Performance

Topic	GRI Standards		Report	Page & Note
Employment	401-1	New employee hires and employee turnover	SR	96-97
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR	77
	401-3	Parental leave	SR	77, 91
Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	SR	70
Occupational Safety and Health	403-1	Occupational safety and health management system	SR	84
	403-2	Hazard identification, risk assessment, and incident investigation	SR	85-86
	403-3	Occupational health services	SR	87
	403-4	Worker participation, consultation, and communication on occupational safety and health	SR	71, 85
	403-5	Worker training on occupational safety and health	SR	85
	403-6	Promotion of worker health	SR	87
	403-7	Prevention and mitigation of occupational safety and health impacts directly linked by business relationships	SR	84-87
	403-8	Workers covered by an occupational safety and health management system	SR	71
	403-9	Work-related injuries	SR	86, 101
	403-10	Work-related ill health	SR	87, 101
Training and Education	404-1	Average hours of training per year per employee	SR	98
	404-2	Programs for upgrading employee skills and transition assistance programs	SR	80-82
	404-3	Percentage of employees receiving regular performance and career development reviews	SR	83
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	SR	12, 94
	405-2	Ratio of basic salary and remuneration of women to men	SR	100



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Topic	GRI Standards		Report	Page & Note
Nondiscrimination	406-1	Incidents of discrimination and corrective actions taken	SR	72, 88
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	SR	70-71
Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	SR	25, 73-74, 89, 108, 112
Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	SR	25, 73-74, 89, 108, 112
Security Practices	410-1	Security personnel trained in human rights policies or procedures	-	-
Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	-	-
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	SR	117-120
	413-2	Operations with significant actual and potential negative impacts on local communities	-	-
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	SR	107
	414-2	Negative social impacts in the supply chain and actions taken	SR	108, 112-113
Public Policy	415-1	Political contributions	SR	141
Customer Safety and Health	416-1	Assessment of the safety and health impacts of product and service categories	SR	123
	416-2	Incidents of non-compliance concerning the safety and health impacts of products and services	SR	126, 129
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	-	-
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR	125, 130

ESRS Disclosure Requirements

The following specifies the section of this report that aligns with the disclosure requirements of the ESRS 2 and its Topical Standards. Meanwhile, we did not make disclosure on the E2, E3, E4, and S3 disclosure requirements that were determined non-material.

Cross-cutting Standards

ESRS 2 General Disclosures

Disclosure Requirement		Report	Page & Note
BP-1	General basis for preparation of the sustainability statement	SR	162-163
BP-2	Disclosures in relation to specific circumstances	SR	162-163
GOV-1	The role of the administrative, management and supervisory bodies	SR	12-14, 25, 28-31
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	SR	15, 25
GOV-3	Integration of sustainability-related performance in incentive schemes	SR	16
GOV-4	Statement on sustainability due diligence	SR	25, 73
GOV-5	Risk management and internal controls over sustainability reporting	SR	132-133
SBM-1	Strategy, business model and value chain	SR	7-11, 26-27
SBM-2	Interests and views of stakeholders	SR	27-29
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	SR	30-31
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	SR	28-31
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	SR	144-145

Environmental Standards

ESRS E1 - Climate Change

Disclosure Requirement		Report	Page & Note
GOV-3	Integration of sustainability-related performance in incentive schemes	SR	36
E1-1	Transition plan for climate change mitigation	SR	36-37, 42-43
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	SR	36-38
IRO-1	Description of the processes to identify and assess material climate related impacts, risks and opportunities	SR	38
E1-2	Policies related to climate change mitigation and adaptation	SR	37
E1-3	Actions and resources in relation to climate change policies	SR	40-42
E1-4	Targets related to climate change mitigation and adaptation	SR	44
E1-5	Energy consumption and mix	SR	37, 41, 47-49
E1-6	Gross Scopes 1, 2, 3 and total GHG emissions	SR	45-46
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	-	-
E1-8	Internal carbon pricing	SR	40
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	SR	39

ESRS E5 - Resource Use and Circular Economy

Disclosure Requirement		Report	Page & Note
IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	SR	59
E5-1	Policies related to resource use and circular economy	SR	59
E5-2	Actions and resources related to resource use and circular economy	SR	60-63
E5-3	Targets related to resource use and circular economy	SR	64-65
E5-4	Resource inflows	SR	64
E5-5	Resource outflows	SR	65-67
E5-6	Anticipated financial effects from material resource use and circular economy-related risks and opportunities	-	-



SR: Sustainability Report
AR: Annual Consolidated Financial Statements Audit Report
BR: Business Report

Social Standards

ESRS S1 - Own Workforce

Disclosure Requirement		Report	Page & Note
SBM-2	Interests and views of stakeholders	SR	69
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	SR	69
S1-1	Policies related to own workforce	SR	70-71
S1-2	Processes for engaging with own workers and workers' representatives about impacts	SR	71
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	SR	72
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	SR	73-87
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	SR	31, 101
S1-6	Characteristics of the undertaking's employees	SR	92-97
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	SR	102
S1-8	Collective bargaining coverage and social dialogue	SR	90
S1-9	Diversity metrics	SR	95
S1-10	Adequate wages	-	-
S1-11	Social protection	SR	77
S1-12	Persons with disabilities	SR	95
S1-13	Training and skills development metrics	SR	98
S1-14	Health and safety metrics	SR	101
S1-15	Work-life balance metrics	SR	91
S1-16	Compensation metrics (pay gap and total compensation)	SR	100
S1-17	Incidents, complaints and severe human rights impacts	SR	88-89

ESRS S2 - Workers in the Value Chain

Disclosure Requirement		Report	Page & Note
SBM-2	Interests and views of stakeholders	SR	103
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	SR	103
S2-1	Policies related to value chain workers	SR	104-105
S2-2	Processes for engaging with value chain workers about impacts	SR	106
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	SR	106
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	SR	107-110
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	SR	31, 111-114

ESRS S4 - Consumers and End-users

Disclosure Requirement		Report	Page & Note
SBM-2	Interests and views of stakeholders	SR	122
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	SR	122
S4-1	Policies related to consumers and end-users	SR	123-124
S4-2	Processes for engaging with consumers and end-users about impacts	SR	124
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	SR	125
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	SR	125-128
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	SR	31, 129-130

Governance Standards

ESRS G1 - Business Conduct

Disclosure Requirement		Report	Page & Note
GOV-1	The role of the administrative, management and supervisory bodies	SR	103, 137
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	SR	28-31, 132-133
G1-1	Business conduct policies and corporate culture	SR	71, 137-138
G1-2	Management of relationships with suppliers	SR	103-110
G1-3	Prevention and detection of corruption and bribery	SR	137-139
G1-4	Incidents of corruption or bribery	SR	140
G1-5	Political influence and lobbying activities	SR	141
G1-6	Payment practices	SR	142



SR: Sustainability Report

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BR: Business Report

WEF IBC Stakeholder Capitalism Metrics

Based on Core Metrics

Principles of Governance

Theme	Core Metrics	Disclosures	Report	Page & Note
Governing purpose	Setting purpose	Purpose of business related to value creation	SR	5, 26
Quality of governing body	Governance body composition	Composition of BOD and subcommittees	SR	12-14
Stakeholder engagement	Material issues impacting stakeholders	Materiality assessment	SR	28-31
Ethical behavior	Anti-corruption	Anti-corruption details and prevention activities (training, etc.)	SR	137-139
	Protected ethics advice and reporting mechanisms	Internal and external ethics advising and reporting mechanisms	SR	72, 138
Risk and opportunity oversight	Integrating risk and opportunity into business process	Identification of and response to risks and opportunities	SR	132-133

Planet

Theme	Core Metrics	Disclosures	Report	Page & Note
Climate change	Greenhouse gas (GHG) emissions	Status of GHG emissions by scope	SR	45-46
	TCFD implementation	TCFD recommendations metrics	SR	151
Nature loss	Land use and ecological sensitivity	Information on business sites in relation to biodiversity	SR	56-57
Freshwater availability	Water consumption and withdrawal in water-stressed areas	Information on business sites in relation to water stress	SR	55-56

People

Theme	Core Metrics	Disclosures	Report	Page & Note
Dignity and equality	Diversity and inclusion	Composition of employees by type	SR	70, 75, 92-95
	Pay equality	Employee salaries by type	SR	75, 100
	Wage level	Pay ratio	SR	100
	Risk for incidents of child, forced or compulsory labor	Information on business sites with risk	SR	73, 74, 89
Health and wellbeing	Safety and health	Safety incidents metrics and health service	SR	84-86, 101
Skills for the future	Training provided	Training hours and cost	SR	80-82, 98

Prosperity

Theme	Core Metrics	Disclosures	Report	Page & Note
Employment and wealth generation	Absolute number and rate of employment	Employment and transfer	SR	96-97
	Economic contribution	Economic value creation and distribution	SR	19, 27
	Financial investment contribution	Shareholder return	SR	17-18
Innovation of better products and services	Total R&D expenses	Total R&D expenses	SR	24
Community and social vitality	Total tax paid	Total Tax Payment	AR/SR	10, 38-39+ (Corporate Income Taxes)/ 19



SR: Sustainability Report
AR: Annual Consolidated Financial Statements Audit Report
BR: Business Report

SASB

Auto Parts

Sustainability Disclosure Topics & Accounting Metrics

Topic	Accounting Metrics	Code	Report	Page & Note
Energy management	Total energy consumed		SR	47
	Percentage grid electricity	TR-AP-130a.1	SR	49
	Percentage renewable		SR	48
Waste management	Total amount of waste from manufacturing		SR	65-66
	Percentage hazardous	TR-AP-150a.1	SR	65-66
	Percentage recycled		SR	65-66
Product safety	Number of recalls issued, total units recalled	TR-AP-250a.1	SR	126, 129
Design for fuel efficiency	Revenue from products designed to increase fuel efficiency and/or reduce emissions	TR-AP-410a.1	SR	42-44
Materials sourcing	Description of the management of risks associated with the use of critical materials	TR-AP-440a.1	SR	105
Materials efficiency	Percentage of products sold that are recyclable	TR-AP-440b.1	SR	63
	Percentage of input materials from recycled or remanufactured content	TR-AP-440b.2	SR	64
Competitive behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior	TR-AP-520a.1	-	-

Activity Metrics

Activity Metrics	Code	Report	Page & Note
Number of parts produced	TR-AP-000.A	-	-
Weight of parts produced	TR-AP-000.B	SR	67
Area of manufacturing plants	TR-AP-000.C	-	-



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TCFD

TCFD Recommendations

Core Elements	Recommendations	Report	Page & Note	CDP Climate Change 2023
Governance	a) Describe the board's oversight of climate-related risks and opportunities	SR	36	C1.1, C1.1a, C1.1b, C1.1d
	b) Describe management's role in assessing and managing climate-related risks and opportunities	SR	36	C1.2
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	SR	39	C2.2a, C2.3, C2.3a, C2.4, C2.4a
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	SR	39	C3.4, C3.5, C3.5a
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2 °C or lower scenario	SR	38	C3.1, C3.2, C3.2a, C3.2b, C3.3
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks	SR	38	C2.1, C2.1a, C2.1b, C2.2
	b) Describe the organization's processes for managing climate-related risks	SR	38	C2.2
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	SR	38	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	SR	44-49	C3.5a, C4.5a, C6, C7, C8
	b) Describe Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	SR	39, 40, 45-46	C2.3a, C3.2b, C3.3, C3.4, C6, C7, C8
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	SR	44	C4

UN SDGs

Hyundai Mobis aims to join in the achievement of the UN SDGs (UN Sustainability Development Goals).

To this end, we have set our goals that align with relevant targets of the UN SDGs and are progressing towards these goals.

SDGs	Our Approach	Key Activity	Page & Note
Goal 1. No Poverty	Support resilience building of the poor and those in vulnerable situations and ensure that the poor and the vulnerable have increased access to financial and social resources	- Facilitate mobility for children with disabilities - Engage in employee volunteering - Support affiliated institutions and families affected by road accidents	117, 118
Goal 3. Good Health and Well-Being	Strive to reduce road accidents involving children and promote employee health and well-being	- Perform see-through umbrella sharing activities - Support medical expenses and operate the health management office	87, 117
Goal 4. Quality Education	Provide children and teens with engineering education and job-linked education and increase education for diversity and inclusion awareness raising	- Operate the Teen Engineering Leader program and Junior Engineering Class - Operate the ESG Ideathon for teens - Operate the recruitment-linked SW academy and contract departments - Publish children's books to improve awareness on people with disabilities, and distribute them for free	79, 117, 119
Goal 5. Gender Equality	Strengthen women's capacities and foster female leaders	- Establish and implement plans to boost gender diversity - Operate the employee diversity program (ERG)	75
Goal 6. Clean Water and Sanitation	Reduce the pollution of water resources and protect/restore water-related ecosystems	- Manage water pollutants - Analyze water stress by domestic and overseas business site - Operate the biodiversity program in the Miho River area in Jin cheon	50-51, 53, 55-58
Goal 7. Affordable and Clean Energy	Increase the percentage of renewable energy and improve energy efficiency	- Strive to achieve RE100 by 2040 - Establish and operate the energy management system - Continue energy efficiency improvement efforts at business sites	37, 41, 44, 48-49
Goal 8. Decent Work and Economic Growth	Create quality jobs and eradicate compulsory/child labor	- Participate in the start-up incubation program (led by Group) - Perform due diligence on business sites (in the areas of labor, SHE, ethics, and supply chain)	22, 25, 73, 74, 89, 108, 112

SDGs	Our Approach	Key Activity	Page & Note
Goal 9. Industry, Innovation and Infrastructure	Enhance industrial technology capabilities through research excellence	Expand R&D investments and personnel	21-24
Goal 10. Reduced Inequalities	Ensure equal rights and reduce inequalities	- Establish Diversity & Inclusion (D&I) policies - Apply equal pay for the same job category	70, 75
Goal 12. Responsible Consumption and Production	Strive to reduce waste through recycling/reuse and internalize corporate sustainability activities	- Manage hazardous chemical substances - Achieve Zero Waste to Landfill by 2025 - Establish ESG governance and implement strategies - Disclose sustainability activities by publishing sustainability reports	25, 51, 61-62, 63, 65, 66
Goal 13. Climate Action	Respond to climate change	- Achieve net-zero by 2045 - Analyze product environmental impact (carbon) through lifecycle assessment - Provide employees with environmental training	25, 34, 36-49, 59-60
Goal 15. Life on Land	Promote sustainable forest management through restoration/forestation, and protect biodiversity	- Operate the classroom forest creation program - Analyze biodiversity risks by domestic and overseas business site - Operate the biodiversity program in the Miho River area in Jin cheon	56-57, 118
Goal 16. Peace, Justice and Strong Institutions	Reduce corruption in all forms	- Establish the Code of Conduct for employees and suppliers - Operate whistleblowing channels and compliance programs	72, 104, 106, 116, 125, 137-138
Goal 17. Partnerships for the Goals	Encourage partnerships to share knowledge, technology, and expertise more broadly	Join sustainability management initiatives	153

Memberships

Sustainability Initiative Memberships

Initiative	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 2024
TCFD Supporter	Join global efforts for climate change response
UNGC Network Korea	Comply with the UN Global Compact 10 principles

Memberships

Organization	Purpose of Membership
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
National Academy of Engineering of Korea	Engage in information exchange on current industrial technology issues and in networking
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

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.



UN GLOBAL COMPACT

COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Certifications

*As of December 2023

Category			Environmental Management System	Health and Safety Management System	Quality Management System	
			ISO 14001	ISO 45001	IATF 16949	ISO 9001
Domestic	Manufacturing	Jincheon	O	O	O	-
		Changwon	O	O	O	
		Ulsan (Electrification)	O	O	O	
		Daegu (Electrification)	O	O	O	
	Parts centers ¹⁾		O	O	-	O
	Subsidiaries ²⁾	MOTRAS	O	O	O	
		UNITUS	O	O	O	
		H Green Power	O	O	O	
		Hyundai IHL	O	O	O	
		GiT	N/A	N/A	N/A	
Overseas	Manufacturing ³⁾	China	MBJ	O	O	-
			MJS	O	O	
			MWX	O	O	
			MTJ	O	O	
			MCJ	N/A	N/A	
			MCQ	N/A	N/A	
		U.S.A.	MAL	O	O	
			MNAe	N/A	N/A	
			MNA ⁴⁾	X	N/A	
			MUSe	N/A	N/A	
			MUA ⁴⁾	X	N/A	
		Brazil	MBR	O	O	
		Mexico	MMX	O	O	
		Slovakia	MSK	O	O	
		Czech Republic	MCZ	O	O	
			MCZ-OS	O	O	
		Russia	MRU	N/A	N/A	
		Spain	MSPe	N/A	N/A	
		Hungary	MHU	N/A	N/A	
		Türkiye	MTR	O	O	
		India	MIN	O	O	
			MIA	O	O	
		Indonesia	HEI	N/A	N/A	

1) Number of parts centers based on certification

- ISO 14001 & ISO 45001 (29 sites): HQ (service business unit), distribution centers (5), parts centers (22), Cheonan Storage
- ISO 9001(32 sites): HQ (service business unit), parts centers (23), distribution centers (5), regions (3)

2) Number of subsidiary business sites based on certification

[MOTRAS] 12 sites for ISO 14001 & ISO 45001, 2 sites for IATF 16949 / [UNITUS] 4 sites for ISO 14001 & ISO 45001, 5 sites for IATF 16949

[H Green Power] 2 sites for ISO 14001 & ISO 45001 and IATF 16949 / [Hyundai IHL] 1 site for ISO 14001 & ISO 45001 and IATF 16949 / [GiT] None of its sites are subject to certification (N/A)

3) Excluding sites not operating as of the end of 2023 (before mass-production, manufacturing suspended, etc.) (N/A)

4) ISO 14001 & ISO 45001: To certify in 2024, IATF 16949: Excluded as the site is currently undergoing production stabilization (N/A)

Greenhouse Gas Verification Statement

Hyundai Mobis CO., Ltd. Domestic (non-consolidated)

GHG Emissions

Verification Target

Korean Foundation for Quality (hereinafter 'KFQ') has conducted a verification of Greenhouse Gas Emissions (hereinafter 'GHG Inventory') of Hyundai Mobis CO., Ltd. (hereinafter 'Company') for 2023.

Verification Scope

KFQ's verification covered on all facilities and emission sources under the operational control and organizational boundary of Hyundai Mobis CO., Ltd. (during 2023).

Verification Criteria

The verification process was based on [Rule for emission reporting and certification of greenhouse gas emission trading Scheme¹⁾], [Rules for verification of operating the greenhouse gas emission trading scheme²⁾] and [ISO14064-3] for every applicable part.

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 was confirmed through an internal review whether the process before the verification was conducted effectively.

Verification Limitation

The verification shall contain the potential inherent limitation in the process of application of the verification criteria and methodology.

Verification Opinions

Regarding to the data of the Greenhouse Gas Emission Consumption from the report through the verification, KFQ provides our verification opinions as below;

- 1) The Inventory Report has been stated in accordance with "Rule for emission reporting and certification of greenhouse gas emission trading Scheme" and "ISO 14064-1".
- 2) The result of material discrepancy satisfied the criteria for an organization that emits less than 500,000tCO₂-eq shall not exceed 5% from total emission as per "Rules for verification of operating the greenhouse gas emission trading scheme".
- 3) Thus, KFQ concludes that the Greenhouse Gas Emissions of Company in 2023 is correctly calculated and stated in accordance with "Rule for emission reporting and certification of greenhouse gas emission trading Scheme".

(Unit: tCO₂eq)

Location-based			Market-based		
Scope 1	Scope 2	Total	Scope 1	Scope 2	Total
7,433.681	96,800.410	104,234	7,433.681	93,270.319	100,704

*The totals in this verification statement do not match the totals in emission trading scheme because the total emissions of each facility are calculated by truncating to integer units

May 28th, 2024

Ji Young Song

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- ⑦
- 1) Notification No. 2023-221 of Ministry of Environment
 - 2) Notification No. 2021-112 of Ministry of Environment

Domestic Subsidiaries of Hyundai Mobis Co., Ltd.

GHG Emissions

Verification Target

Korean Foundation for Quality (hereinafter 'KFQ') has conducted a verification of Scope 1, 2 Greenhouse Gas Emissions (hereinafter 'GHG emissions') of domestic subsidiaries¹⁾ of Hyundai Mobis Co., Ltd. (hereinafter 'Company') for 2023.

Verification Scope

KFQ's verification scope covered on all facilities and emission sources under the operational control and organizational boundary of 5 subsidiaries during 2023.

Verification Criteria

The verification process was based on [Rule for emission reporting and certification of greenhouse gas emission trading Scheme²⁾], [2006 IPCC Guidelines for National Greenhouse Gas Inventories] and [ISO14064-1] for every applicable part.

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 limited level of assurance. And it was confirmed through an internal review whether the process before the verification was conducted effectively.

Verification Limitation

The verification shall contain the potential inherent limitation in the process of application of the verification criteria and methodology.

Verification Opinions

Regarding to the data of the Greenhouse Gas Emission Consumption from the report through the verification, KFQ provides our verification opinions as below;

- 1) GHG emissions for 2019 of Company were properly calculated according to the verification standards.
- 2) The data and information used in calculating the GHG emissions were appropriate, reasonable, and no significant errors or omissions could affect verification statement were not found. The materiality assessment result of GHG emissions has met the agreed-upon criterion of less than 5%.
- 3) Thus, KFQ concludes that the GHG emissions of Company in 2023 is correctly calculated and stated in accordance with 'Rule for emission reporting and certification of greenhouse gas emission trading Scheme'.

(Unit: tCO₂eq)

Division	Location based			Market Based		
	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total
UNITUS	8,409	60,693	69,102	8,409	57,776	66,185
MOTRAS	6,082	13,690	19,772	6,082	13,218	19,301
Hyundai IHL	146	8,583	8,729	146	8,583	8,729
H Green Power	150	10,759	10,909	150	10,759	10,909
GIT	63	432	495	63	432	495

*Total emissions may differ 1tCO₂eq due to rounding differences in the summation process.



1) UNITUS Co., Ltd., MOTRAS Co., Ltd., Hyundai IHL Co., Ltd., H Green Power Co., Ltd., GIT Co., Ltd.

2) Notification No. 2023-221 of Ministry of Environment

May 28th, 2024

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Overseas Corporations of Hyundai Mobis Co., Ltd.

GHG Emissions

Verification Target

Korean Foundation for Quality (hereinafter 'KFQ') has conducted a verification of Scope 1, 2 Greenhouse Gas Emissions (hereinafter 'GHG emissions') of Overseas Corporations of Hyundai Mobis Co., Ltd. (hereinafter 'Company') for 2023.

Verification Scope

KFQ's verification scope covered on all facilities and emission sources under the operational control and organizational boundary of 81 overseas corporations during 2023.

Verification Criteria

The verification process was based on [Rule for emission reporting and certification of greenhouse gas emission trading Scheme¹⁾], [2006 IPCC Guidelines for National Greenhouse Gas Inventories] and [ISO14064-1] for every applicable part.

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 limited level of assurance. And it was confirmed through an internal review whether the process before the verification was conducted effectively.

Verification Limitation

The verification shall contain the potential inherent limitation in the process of application of the verification criteria and methodology.

Verification Opinions

Regarding to the data of the Greenhouse Gas Emission Consumption from the report through the verification, KFQ provides our verification opinions as below;

- 1) GHG emissions for 2023 of Company were properly calculated according to the verification standards.
- 2) The data and information used in calculating the GHG emissions were appropriate, reasonable, and no significant errors or omissions could affect verification statement were not found. The materiality assessment result of GHG emissions has met the agreed-upon criterion of less than 5%.
- 3) Thus, KFQ concludes that the GHG emissions of Company in 2023 is correctly calculated and stated in accordance with 'Rule for emission reporting and certification of greenhouse gas emission trading Scheme'.



1) Notification No. 2023-221 of Ministry of Environment

(Unit: tCO₂eq)

Location-based			Market-based		
Scope 1	Scope 2	Total	Scope 1	Scope 2	Total
30,420	158,465	188,885	30,420	147,999	178,419

*Total emissions may differ 1tCO₂eq due to rounding differences in the summation process.

May 28th, 2024

Ji Young Song

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Hyundai Mobis Co., Ltd. Scope 3

GHG Emissions

Verification Target

Korean Foundation for Quality (hereinafter 'KFQ') has conducted a verification of Scope 3 Greenhouse Gas Emissions (hereinafter 'GHG emissions') Hyundai Mobis Co., Ltd. (hereinafter 'Company') for 2023.

Verification Scope

The verification Scope covered the emission categories selected by the company and the emissions between January 1st, 2023 to December 31st, 2023.

Verification Criteria

Criteria

- ISO14064-1:2018, ISO14064-3:2019
- GHG Protocol : Corporate Value Chain (Scope 3) Accounting and Reporting Standard
- Rule for emission reporting and certification of greenhouse gas emission trading Scheme (Notification No. 2023-221 of Ministry of Environment)

Coefficient

- Environmental Product Declaration evaluation coefficient (2021), GREET2 (2022)
- 2006 IPCC Guidelines for National Greenhouse Gas Inventories

Level of Assurance

The verification was performed in accordance with the procedures specified in ISO14064-3 and the assurance level of the verification was performed to satisfy the limited assurance level.

Verification Limitation

GHG emissions verification involves inherent limitations that may arise depending on the organization's data characteristics, calculations and estimates, sampling method, and limited assurance level. Additionally, this verification does not include responsibility for the accuracy of the original data provided by the company.

Verification Opinions

Through the verification process according to the 'ISO14064-3:2006' KFQ could obtain reasonable basis to express following conclusion on the Greenhouse Gas Emission Report.

- 1) GHG emissions for 2023 of Company were properly calculated according to the verification standards.
- 2) For GHG emissions, no material errors or omissions were found, except for emissions information not considered within the selected category range.
- 3) The criteria and process established or estimated/assumed by the company to calculate GHG emissions were transparently reflected in the internal calculation process.

Appendix A. Summary of Scope3 GHG Emission Results ►

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Appendix A. Summary of Scope 3 GHG Emission Results

Organization

Hyundai Mobis Co., Ltd.

Emission calculation period

The emission calculation period is from January 1st to December 31st, 2023.

Company Scope 3 Emissions verification Results

Category		Scope 3 Emissions
1	Purchased goods & services	640,577
5	Waste Generated in Operations	1,442
6	Business Travel	11,299
7	Employee Commuting	1,576
8	Upstream Leased Assets	151
11	Use of Sold Products	24,300,960
12	End of Life Treatment of Sold Products	290,027
Total		25,246,032

Third-party Assurance Statement

Independent Limited Assurance Report on Sustainability Information in Hyundai Mobis Sustainability Report

We were engaged by Hyundai Mobis Co., Ltd. (“Company”) to provide a limited assurance on the information included in ‘Hyundai Mobis Sustainability Report 2024’ (“Report”) for the year ended December 31, 2023. The work of scope covers subject matter information from January 1, 2023 to December 31, 2023, and significant issues till the issuance 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 (“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, 2023 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 an 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”).



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 maintain 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.

KPMG Samjong Accounting Corp.
152 Teheran-ro, Gangnam-gu,
Seoul, South Korea,
June, 2024

About This Report

Report Overview

Hyundai Mobis has published sustainability reports each year since 2010 to advance sustainable business activities that enable mutual growth with all stakeholders, including employees, value chain workers, and local communities and to transparently disclose relevant information. We conducted materiality assessment in the reporting process to select material reporting topics by identifying the materiality of environmental/social impacts and financial impacts respectively and collecting and reflecting stakeholder feedback. The 15th sustainability report that we present for 2024 fully illustrates Hyundai Mobis' efforts and achievements towards sustainability management.

Reporting Period

This report spans the period between January 1 and December 31 of 2023, and presents three-year quantitative data from 2021 to 2023 (year-end basis). For subsidiaries, their quantitative data may range from one year to three years depending on the reporting items. The reporting period extends to May 2024 for important performance data.

Reporting Boundary

This report covers Hyundai Mobis' entire operations in Korea and overseas in reporting sustainability management activities and achievements, with a portion of data limited to domestic operations (employee pay, fair trade training and others). The reporting boundary of quantitative data is further divided into all domestic operations including the Headquarters and domestic/overseas subsidiaries (consolidated subsidiaries).

- Domestic (non-consolidated): Headquarters and domestic manufacturing sites, distribution centers, parts centers, and R&D centers

*Headquarters data are not included within the environmental metrics and targets, except for GHG/energy.

- Domestic/overseas subsidiaries: 33 companies out of 43 consolidated subsidiaries (including sites operated under these companies)

*10 companies excluded: Corporations not operable (before mass-production, manufacturing suspended) and others - Mobis North America electrified Powertrain, Mobis US Electrified Powertrain, LLC, Mobis Automotive Solutions Spain, S.L.U., PT Hyundai Energy Indonesia, Mobis Hungary kft, Mobis Module CIS, LLC, Chongqing Hyundai Mobis Automotive Parts Co., Ltd., GIT America, Inc., GIT Europe GmbH, GIT Beijing Automotive Technology Inc.

*New subsidiaries were established in Korea in 2022, and 2021 data for domestic subsidiaries are based on the three companies of Hyundai IHL, GIT, and H Green Power.

Reporting Standards

This report was prepared in accordance with the GRI¹⁾ sustainability reporting standards, in reflection of the disclosure recommendations of the ESRS²⁾ and the TCFD³⁾. Financial information was presented on a consolidated basis, and its preparation standards and definitions followed the K-IFRS. Financial information and all other information is based on the fiscal year 2023. When marked as '~' in the metrics and targets section, this means either data were not calculated or were not disclosed in detail. Significant changes in quantitative data are also separately noted.

Credibility of the Report

To improve the internal/external credibility of the reporting content, this report was assured by KPMG Samjong Accounting Corp. as a professional third-party assurance provider to ensure the reliability and impartiality of the reporting process, disclosed data, and reported content. The assurance statement appears in the Appendix section of this report.

Disclaimer

This report illustrates activities and specific details that are projected to occur in the future, including sustainability goals and strategies, and these forward-looking statements reflect Hyundai Mobis' current perspectives for the Company's future performance. Such predictions are based on a range of assumptions, which may ultimately prove to be inaccurate. This report contains predictive information on Hyundai Mobis' goals, commitments, and strategies associated with the Company's sustainability management vision, net-zero, eco-friendly (electrification) products, health & safety, and supply chain management among others, which is note for their use of such terms as 'pursue', 'goal', 'strategy' or 'plan'. Hyundai Mobis can not guarantee or confirm that projected achievements would realize or anticipated impacts would actually occur, and the forward-looking statements contained herein intend to help understand the Company's approaches and operational conditions.

Hyundai Mobis does not bear any obligation to correct or update predictive information to reflect risks or uncertainties that arise after the report's publication.



1) GRI: Global Reporting Initiative

2) ESRS: European Sustainable Reporting Standards

3) TCFD: Task Force on Climate-related Financial Disclosures

Data on Report Publication	
Publisher	Hyundai Mobis
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Advisory	PwC Samil
Assurance	KPMG Samjong Accounting Corp., Korean Foundation for Quality (GHG/energy)
Design	Hyphen Group

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Reference	
Annual Business Report ↗	Net-Zero Report ↗
Annual Consolidated Financial Statements Audit Report ↗	CDP Report ↗
Corporate Governance Report (Korean) ↗	Climate Scenario Analysis Report ↗
Responsible Minerals Report ↗	

Contributing Departments in Report Publication		
GHR & Organization Team	Compliance Team	Work & Life Support Team
Growth Support Team	Legal Affairs Team	Asset Management Team
Compensation Team	International Legal Affairs Team	Employee Stock Ownership Association
Recruitment Branding Team	Intellectual Property Team	Domestic Customer Support Team
Organization Development Team	Green Strategy Team	Domestic Marketing Team
Global SHE Support Team	CSV Strategy Team	Overseas Marketing Team
SHE Management Team	Quality Planning Team	Service Parts Logistics Team
Safety Education & Culture Team	Global QM Improvement Team	Service Parts SHE Team
Information Security Team	Quality Information Team	Electronics Mrc Quality Control Team
ICT Planning Team	Customer Safety & Environment Quality Team	R&D Strategic Development Team
Security Improvement Team	IR Team	Regulations & Certification Team
Raw Material Purchasing Team	Tax Team	R&D Division Polymeric Materials Cell
Win-Win Collaboration Team	Accounting Team	Creative UX Cell
Procurement Strategy Team	Finance Team	Smart Factory Development Team
Global Procurement Management Team	International Finance Team	Business Facilitating Team
CKD Management Team	Business Improvement Team 3	Global Customer Satisfaction Management Team
Labor Relations Planning 1 Team	Service Parts Planning Team	E-Powertrain Business Planning Team
Labor Relations Planning 2 Team	EV Battery Service Business Team	SHE Inspection & Engineering Team
Govt. Relations & Public Affairs Team	Strategic Corporate Development Team	Global Supply Chain Management Team
Brand Communication Team	Business Enablement Team	Domestic subsidiaries and global subsidiaries

