



HYUNDAI TRANSYS Sustainability Report 2021

TRANSFORMATION TO
SUSTAINABLE
MOBILITY

ABOUT THIS REPORT

Report overview

Hyundai Transys publishes sustainable management reports to provide transparent and balanced environmental, social, and economic performance to stakeholders. In order to collect opinions from stakeholders, the core reporting topic was selected by conducting a materiality evaluation, and a sustainability management report was organized focusing on the efforts and achievements of Hyundai Transys.

Reporting period and scope

The report covers activities from January 1 to December 31, 2020. For material issues that may influence the decision making by the stakeholders, recent information is included. The scope encompasses sustainability activities that involve all domestic business locations including headquarters, factories, research centers, and offices of Hyundai Transys. Parts of the data deals with overseas offices as well.

Reporting standards

This report was written in accordance with the Global Reporting Initiative (GRI) standards core option, a global reporting guideline for sustainability reports. More details are provided through the GRI Index.

Credibility of the report

To guarantee the accuracy and credibility of the information presented in this report, third party verification was conducted by Korea Management Registrar, an independent verification organization. Information and reports regarding the verification can be found on pages 84~85.

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Dear Esteemed Stakeholders,

Hyundai Transys is becoming a mobility solution provider by overcoming the rapidly changing business environment, such as the prolonged COVID-19 recession, the emergence of various social problems, intensifying competition due to industrial paradigm, and strengthening international response to climate change.

It focused on improving the mobility market by expanding its EV and HEV drive system lineup and internalizing future business capabilities, creating stable profits based on enhancing global business competitiveness, transforming its future-oriented business structure through business efficiency, and expanding its existing auto parts business capabilities.

Above all, as a member of global corporate citizens, we sympathized with the importance of sustainable management and established a new strategic system so that ESG value can be reflected throughout management activities.

In 2021, Hyundai Transys plans to establish a new sustainable management strategy called ‘**Transformation to Sustainable Mobility**’ to contribute to the achievement of the UN Sustainable Development Goals (SDGs) and promote systematic ESG management activities.

First of all, in terms of environment, we will actively respond to climate change through the realization of eco-friendly workplaces and mobility.

In July this year, Hyundai Transys announced its membership in RE100 to actively participate in global carbon neutrality and is establishing a mid- to long-term strategy to convert power used by businesses around the world into 100% renewable energy. In addition, we will actively strive to create a sustainable global environment by expanding the lineup of motorized driving systems such as E-Powertrain and E-GDU and developing and applying seats using nature-friendly materials and various eco-friendly methods.

Next, we will create a society that grows and develops together through active communication with various stakeholders such as customers, partners, employees, and local communities.

By strengthening quality policies, we are striving to continuously reduce quality costs, improve customer value, achieve the highest rating for shared growth for the seventh consecutive year, and establish a sincere and sustainable supply chain system. In addition, we will create a company where all members can work happily through an organizational culture where employees can work safely and joyfully, as well as provide various growth opportunities so that employees can freely expand their capabilities in the post-COVID-19 era. Furthermore, as a true partner for the future, we plan to carry out more active social contribution activities that promote the development of the community.

Finally, we will fulfill our social responsibilities by establishing fair and transparent governance.

Hyundai Transys plans to establish ESG governance to frequently check and implement major implementation tasks so that ESG value can be the top priority and principle for all decisions made in corporate management. In addition, we will upgrade the risk management system to remove factors that hinder the achievement of mid- to long-term management goals in advance and continuously monitor them.

Despite the unprecedented global crisis of the Corona Pandemic, mankind has taken a step toward tomorrow without stopping solidarity and cooperation. Hyundai Transys will also continue to take steps toward a better future with constant technological innovation so that all mankind can enjoy "safe and free movement and peaceful life." In addition, as a member of the global society, we promise to fulfill our economic, social, and environmental responsibilities and become a company that can create new future values in the post-COVID-19 era.

Thank you.

CEO & President of Hyundai Transys

A silver car is driving on a winding road that leads towards a large, modern arch bridge. The scene is set at sunset, with the sun low on the horizon, creating a warm, golden glow. The sky is filled with soft, white clouds. In the background, there are rolling hills and a body of water. The car is in the foreground, moving away from the viewer. The road is paved and has a metal guardrail on the left side. The bridge is a prominent feature in the mid-ground, with its arch spanning over the road. The overall atmosphere is serene and scenic.

OVERVIEW

Dynamic, efficient,
and eco-conscious powertrains.
Seats made with people-oriented
technologies that bring innovation to
automobile interiors.
Your driving experience is perfected with
our continued efforts to take on
new challenges and lead innovation.
Hyundai Transys creates the heart and
soul of future mobility.

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COMPANY OVERVIEW

About the Company

(Based on consolidated financial statements under K-IFRS as of end of 2020)

Year of establishment	1994
CEO	Su Dong (Steve) Yeo
Headquarters	Sindang 1-ro Seongyeon-myeon, Seosan-si, Chungcheongnam-do
Total Assets	KRW 6.27 trillion
Revenue	KRW 7.25 trillion
Operating Profit	KRW 57 billion
Number of employees	9,170 * As of January 2021
Credit rating	AA- (Stable) * Based on corporate bonds as of February 3rd, 2021; Rated by Korea Ratings Co., Ltd, NICE Information Service, Co., Ltd.

Revenue by Business Area



Corporate Philosophy

We realize the dream of humankind by creating a new future through ingenious thinking and continuously seeking new frontiers.

KEYWORD >

Sense of Unlimited Responsibility

We are accountable for the customer's safety and happiness, which is embodied in quality management that also leads to the unlimited value creation for society.

Realization of Possibilities

We don't stay in a goal already achieved, but we are always in pursuit of new ones, keeping the challenging spirit without fear of failure to create a larger future

Respect for Humankind

We provide better value, products, and services for humankind, to more people more rapidly to bring prosperity to human life.

Vision and Strategy of Hyundai Transys

A Creative Leader for Mobility Innovation

Based on our values of creative technology, creative value and creative growth, Hyundai Transys is pioneering core technologies in the new mobility market with electric powered-train and seats for self-driving vehicles.

STRATEGY >

Creative Technology

Securing technical capabilities for future mobility

Creative Value

Enhancing management efficiency and creating values

Creative Growth

Fostering growth through global sales

Core Values

Passionate practices of the core values accelerates Hyundai Transys' more energetic growth.

CUSTOMER

We promote a customer-driven corporate culture by providing the best quality and impeccable service with all values centered on our customers.

CHALLENGE

We refuse to be complacent by embracing every opportunity to take on new challenges. We are confident in achieving our goals with unwavering passion and ingenious thinking.

PEOPLE

We believe the future of our organization lies in the hearts and capabilities of the individual members, and will help them develop their potential by creating a corporate culture that respects talent.

COLLABORATION

We create synergy through a sense of "togetherness" that is fostered by mutual communication and cooperation within the company and with our business partners.

GLOBALITY

We respect the diversity of cultures and customs, and by aspiring to be the world's best at what we do, we are striving to become a respected global corporate citizen.

COMPANY HISTORY

1994~2005

Establishment as a core automotive components manufacturer

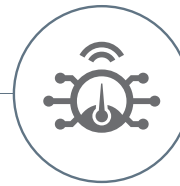


Started powertrain production and expanded into the seat-business

- ◉ **1994** Incorporated Hyundai Technology Development
- ◉ **1997** Hyundai Mobis Transmission Business Acquisition
- ◉ **1998** Completion of Seosan Sungyeon Plant (Manual Transmission Production)
- ◉ **2001** Completion of Seosan Jigok Plant (Automatic Transmission Production)
- ◉ **2002** Merged Korea DTS and Korea Spicer
- ◉ **2004** Opened Michigan Sales/r&D Center
New subsidiary established in Beijing, China (Seat)
Acquired Hyundai automotive (Currently renamed Hyundai Mseat)

2006~2010

Strengthening of R&D capacities

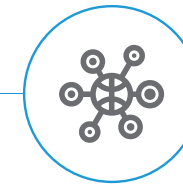


Strengthening of R&D capacities

- ◉ **2006** New subsidiary established in Czech (Seat)
- ◉ **2007** Constructed the Hwaseong Powertrain R&D Center
Constructed the Dongtan Seat R&D Center
New subsidiary established in Chennai, India (Seat)
- ◉ **2008** Establishment of the Georgia branch in the US
Acquired Hanil Lear India Private Limited.
- ◉ **2009** New subsidiary established in Brazil (Seat)
- ◉ **2010** New subsidiary established in Rizhao, China (MT)
New subsidiary established in Rizhao, China (AT)

2011~2015

Expansion of global network



Established a sound global supply network by expanding overseas production sites

- ◉ **2011** Production of the rear-wheel-drive 8-speed automatic transmission
Production of hybrid 6-speed automatic transmission
- ◉ **2012** Establishment of the China branch
Acquisition of the Beijing Mobis transmission branch in China (Beijing powertrain branch)
Production of the infinitely variable transmission
Establishment of Sichuan Corporation in China
- ◉ **2013** Establishment of Georgia branch in United States
- ◉ **2014** Establishment of the branch in Slovakia
Production of dry 7-layer DCT
Establishment of the Monterrey branch in Mexico
- ◉ **2015** Establishment of the Cangzhou branch in China
Establishment of the Chongqing branch in China
Acquisition of Hyundai Wia's manual passenger vehicle transmission business
Production of hybrid 6-level DCT

2016~2020

Strengthening of future competitiveness



Strengthening of future competitiveness

- ◉ **2016** Production of the front-wheel-drive 8-speed automatic transmission
- ◉ **2017** Establishment of the AP branch in India (Powertrains and Seats)
- ◉ **2019** Merger of Hyundai Powertech and Hyundai Dymos
Rebranding as Hyundai Transys
Production of E-GDU
- ◉ **2020** Production of wet 8-layer DCT
Establishment of European Technical Center (Germany)
Establishment of Illinois branch in the United States
New subsidiary established in Indonesia

GLOBAL NETWORK

With 30 worldwide business sites including plants, R&D centers, and sales offices in 10 countries, Hyundai Transys has been acquiring its mobility competitiveness for the future. Developing superior products and technology that surpasses the generational demands of the industry, we will continue to lead the global automotive components market.



Global sites

Powertrain plant



Seat plant



R&D center



Office



KEY FIGURE (As of Dec, 31st, 2020)

Sales

7.3 trillion KRW

Operating profit

56.6 billion KRW

Overseas business sites

30 sites
10 countries

Number of employees

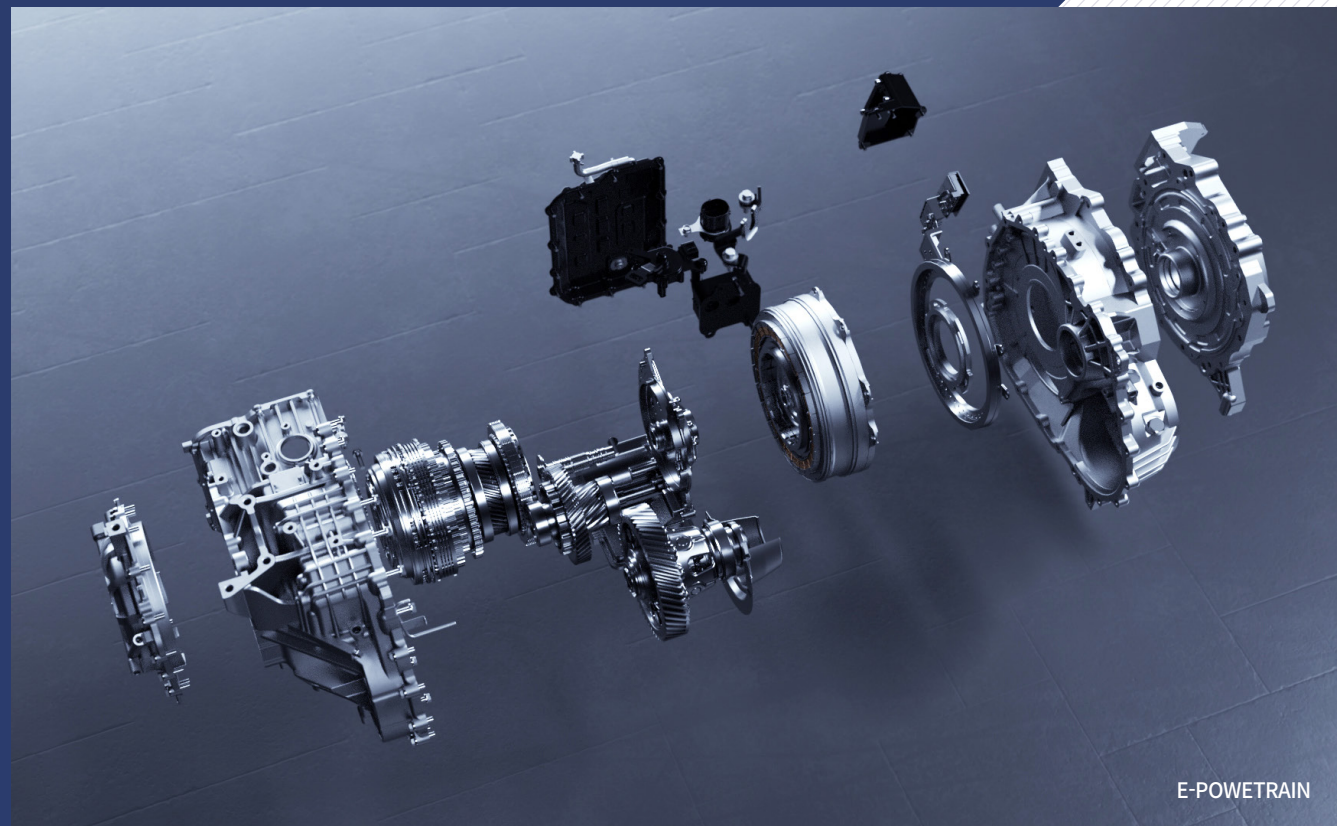
9,170
(domestic: 3,948, overseas: 5,222; as of Jan. 2021)

Rank in global auto part industry

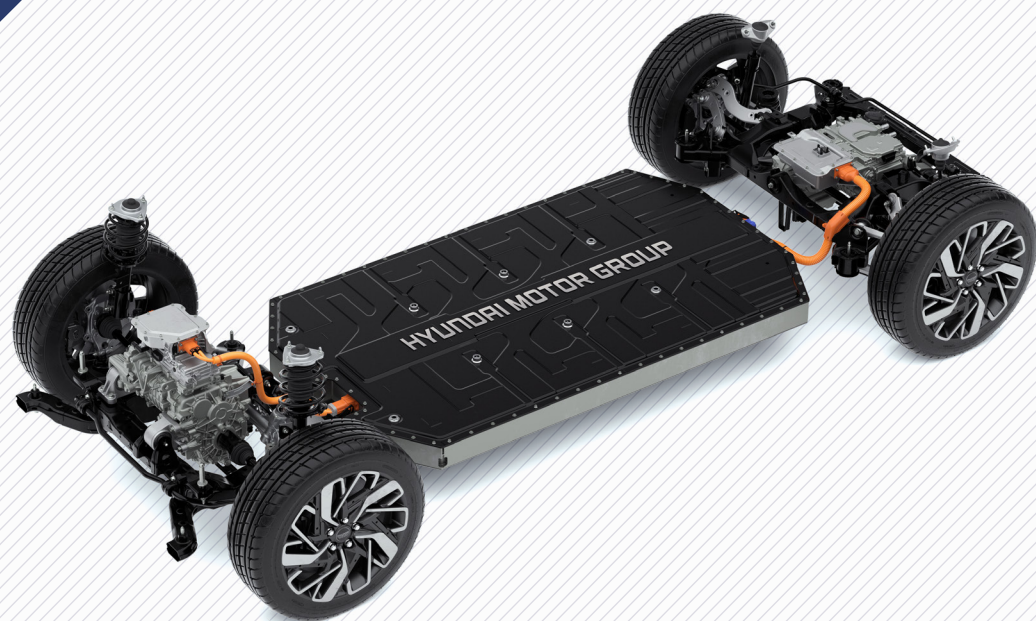
34th
(by sales in 2020)

OUR BUSINESS

Powertrain

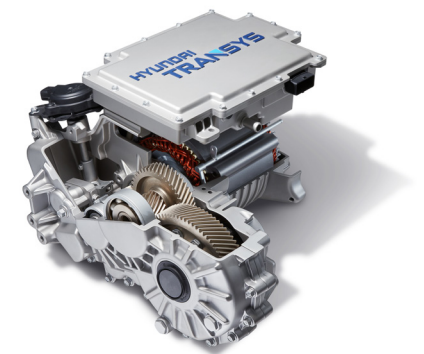


ELECTRIFIED EFFICIENT DYNAMIC



Motorized driving system

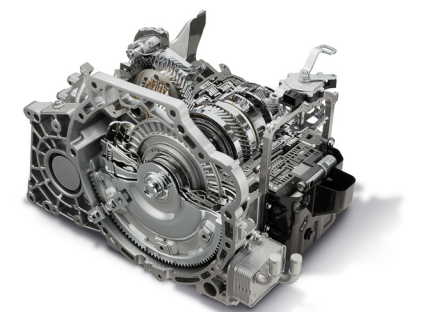
Motorized powertrain is a key component of realizing clean mobility for a sustainable future. Hyundai Transys is leading the eco-friendly car market through a lineup of electric driving systems optimized for all eco-friendly vehicles, including electric vehicles, hydrogen electric vehicles, hybrid vehicles, and plug-in hybrid vehicles. It currently supplies electric vehicle decelerators, hybrid automatic transmission, and hybrid dual clutch transmission, and has completed the preliminary development of E-POWERTRAIN, an electric vehicle driving system that integrates motors, inverters and decelerators.



E-POWERTRAIN

Transmission

A transmission is a device that transmits the power of a car's engine to the drive wheel. We are responding to various customer needs through Hyundai Transys' full-line transmission. Multi-stage development enables customer satisfaction with a wide lineup and high quality, including a quiet and dynamic automatic transmission, an unauthorized transmission that implements optimized shifts according to driver's intentions and driving conditions, a dual clutch transmission with both efficiency and convenience.



8-speed Front Wheel Automatic Transmission

Axle and 4WD

Hyundai Transys' axles and 4WD systems, which incorporate advanced technologies, maximize the performance of cars. Axles with high-strength materials provide excellent durability, and EST, an independently designed electronic part-time sub-transmission, provides safe driving and improved traction even in off-road terrain. PTU has implemented excellent mounting by selecting a structure considering the package space of the vehicle and designing the optimal gear and case considering the load conditions.



Drive Gear

OUR BUSINESS

Seat System



**ERGONOMIC
ECO-FRIENDLY
COMFORTABLE**



Complete Seats

Hyundai Transys offers customized seat solutions optimized for various models and models. From light cars to large cars, sedans to SUVs and electric vehicles, we are developing and producing seats that meet the values each vehicle pursues. With ergonomic design, delicate and emotional design, and perfect quality, Hyundai Transys' seat offers the best moving experience.



Complete Seats

Eco-friendly Materials

Hyundai Transys' seats are applied with a variety of eco-friendly technologies that think about the future of the Earth. We are developing eco-friendly materials that take into account both human and Earth health, such as foam pads using biomass extracted from Bell pepper seeds, eco-friendly PUR room temperature adhesion technology that minimizes the emission of harmful substances, and seat rooming fabric using natural silicon.



Eco-friendly Foam Pads

Seat Mechanism

Design an efficient seat structure with standard seat frame solutions and core mechanism technologies. Standardized seat frames for each vehicle segment, such as large, medium, small, and light, provide stable quality, performance, and cost savings. The core mechanism is a key device that controls the basic movement of seats, reducing complexity and increasing compatibility through module-level development.



Seat Frame

Functional Components

Automobile seats are integrated with technologies for passenger safety and convenience. Seats with the latest safety technologies, such as haptic systems that warn of danger with vibration when detecting obstacles and free-active seats that induce passenger posture changes to minimize injury in the event of a vehicle crash, protect passengers in a variety of unexpected situations. In addition, various comfort functions, such as a heater/ventilation seat that can adjust temperature and humidity, and a relaxation comfort seat that provides the best comfort in a weightless posture, complete the joy of driving.



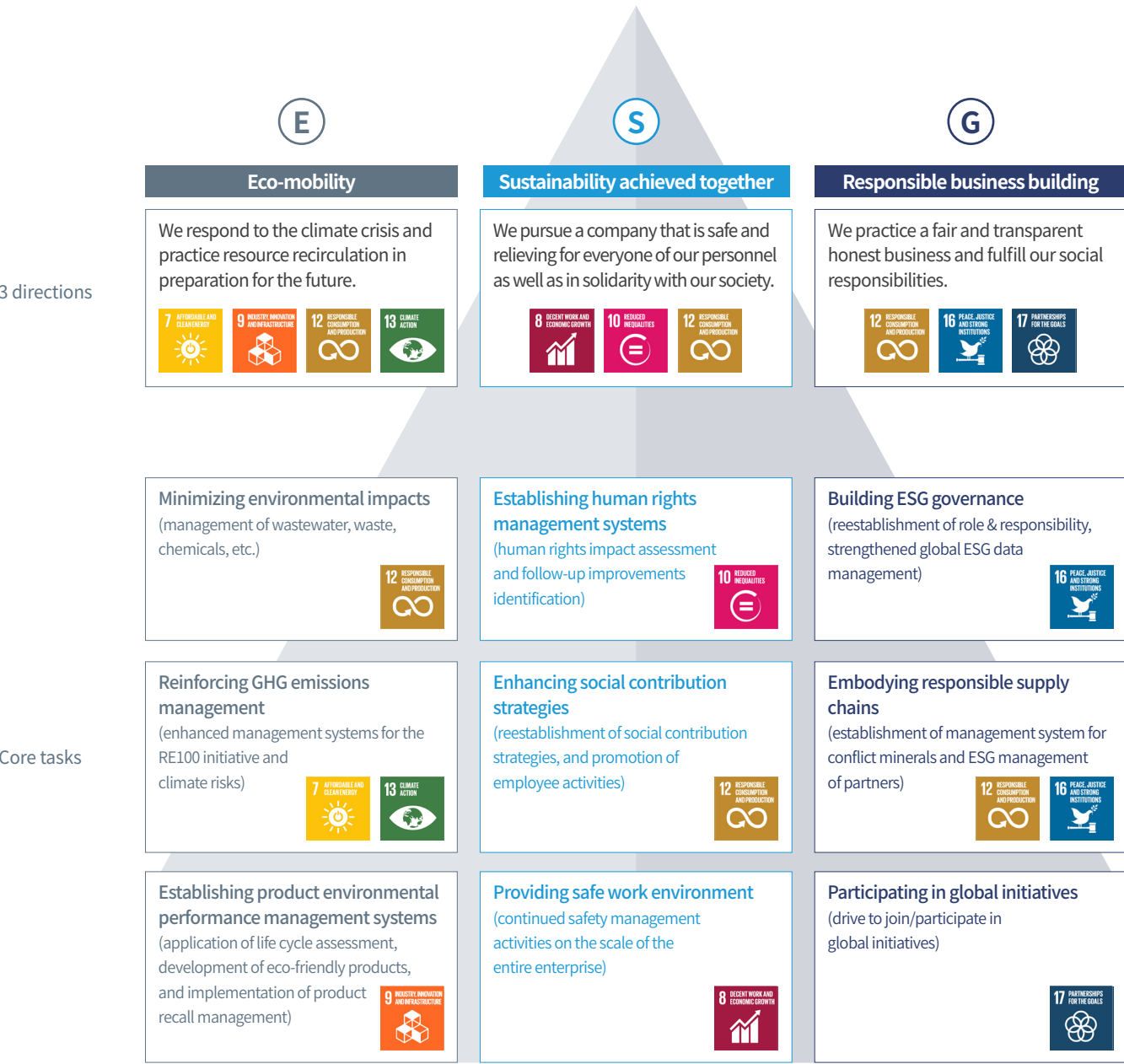
Comfort Function

SUSTAINABLE MANAGEMENT STRATEGY

Hyundai Transys has established a vision for sustainable management strategies in 2021 and has set three directions and core tasks to achieve sustainable development goals (SDGs). Through this, we plan to promote active activities not only to improve corporate but also global sustainability. We would like to transparently share the process and achievements for achieving core tasks with stakeholders through external disclosure data such as sustainability management reports, and promote tasks through systematic processes.

Vision

Transformation to Sustainable Mobility

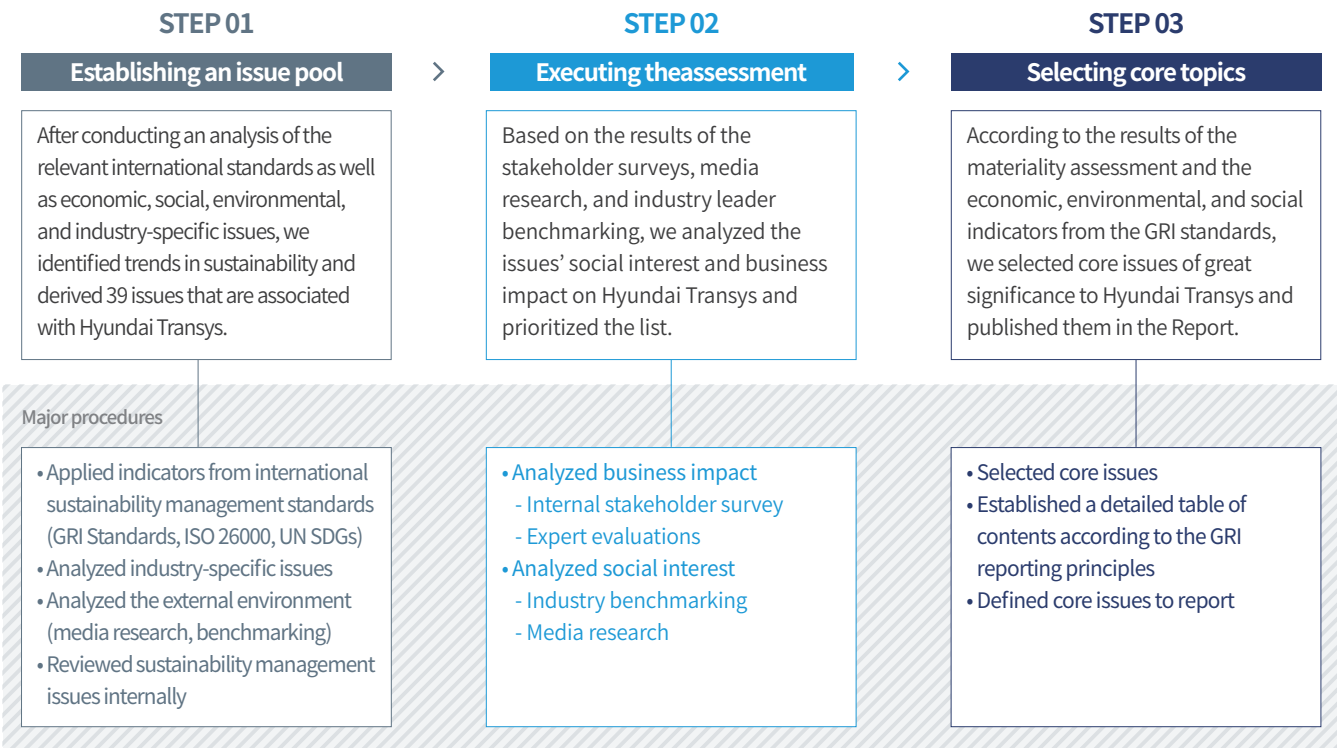


SDGs	Core tasks	Major performances
 SDGs1. End poverty in all forms everywhere	S2. Enhancing social contribution strategies	• Donations to local communities through Hope-sharing/Neighbor-loving fund-raising program
 SDGs3. Good health and well-being	S2. Enhancing social contribution strategies	• Welfare program ('1365 Hope') for the elderly
 SDGs4. Ensure inclusive and equitable education and promote lifelong learning opportunities for all	S2. Enhancing social contribution strategies	• Operation of Love-sharing Volunteer Corps for support of youth scholarship
 SDGs7. Affordable and clean energy	E2. Reinforcing GHG emissions management	• Announcement of joining RE100 and establishment of the transformation strategy
 SDGs8. Decent work and economic growth	S3. Establishing product environmental performance management systems	• Acquisition of ISO 14000 certification at global operation sites • Introduction of autonomous safety program for hazardous machine/tools
 SDGs9. Industry, innovation and infrastructure	E3. Establishing product environmental performance management systems	• Development of technologies that adopts bio-mass, technologies of PUR adhesion at room temperature, and materials that replace toxic chemicals
 SDGs10. Reduced inequalities	S1. Establishing human rights management systems	• Establishment of human rights assessment systems (planned)
 SDGs12. Responsible consumption and production	E1. Minimizing environmental impacts S2. Enhancing social contribution strategies G2. Embodying responsible supply chains	• Conclusion of agreement for fine dust reduction • Launch of NEXT ZERO, a brand of upcycled leather • Establishment of conflict materials management processes
 SDGs13. Climate action	E2. Reinforcing GHG emissions management	• Announcement of joining RE100 and establishment of the transformation strategy • Establishment of integrated energy management systems
 SDGs16. Peace, justice and strong institutions	G1. Building ESG governance G2. Embodying responsible supply chains	• Foundation of the executive council for sustainable management (planned) • Establishment of Code of Conduct and risk assessment systems for the supply chain
 SDGs17. Partnerships for the goals	G3. Participating in global initiatives	• Consideration of joining UNGC, CDP, etc. in 2022 (planned)

MATERIALITY ASSESSMENT

Materiality Assessment Process

By considering Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness from the Global Reporting Initiative’s global sustainability reporting standards, we identified the topics and content of the Report and conducted an internal and external environmental analysis to select Hyundai Transys' core sustainability issues. We established our Issue Pool based on global initiatives and standards for sustainability, and prioritized the list according to business impact and stakeholder interests.



Materiality Assessment Results

Based on the results of the materiality assessment, we have developed five core issues after an internal review, with the issues that have been selected as core issues are reported in the “Material Issues” section.



Definition of Key Issues

No.	Key issue	Impact				No.	Report topic	Relevant GRI Disclosures
1	Enhancing eco-friendly management strategies and system	Financial	Operational	Strategic	Reputational	1	Material Issue 02 Enhancing eco-management strategies and system	GRI 302, 303, 305
2	Strengthening global competitiveness	Financial	Operational	Strategic	Reputational	2	Material Issue 01 Pioneering next growth power and global market	-
3	Developing eco-friendly products and technologies	Financial	Operational	Strategic	Reputational	3	Material Issue 02 Enhancing eco-management strategies and system	GRI 302, 303, 305
4	Practicing mutual growth policies for business partners	Financial	Operational	Strategic	Reputational	4	Material Issue 03 Building supply chain for mutual growth	GRI 102, 308, 414
5	Creating economic values	Financial	Operational	Strategic	Reputational	5	Material Issue 01 Pioneering next growth power and global market	-



MATERIAL ISSUES

Hyundai Transys is striving to take on new challenges for future growth to achieve the "realization of possibilities," enhance the quality of products and services through mutual development as the business partners' "trusted companion," and “fulfill the dreams of mankind” by raising social value using the company's unique characteristics.

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Material Issue 01 ▾

Pioneering next growth power and global market



Management Approach

BACKGROUND

Like auto-driving vehicles and artificial intelligence do, technologies in the age of the 4th Industrial Revolution are accelerating the shift in the automobile component industry and also intensifying the competition. Especially as consumers have more interests in the social/environmental impacts from products, the significance of technology development is enlarging to raise environmental sustainability, contribute to the society, and also increase quality competitiveness.

STRATEGY

Concentrating its efforts to obtain essential technologies to lead the future market, Hyundai Transys is anticipatively responding to the paradigm shift from driver-centered products for internal combustion engine to eco-friendly ones for autonomous vehicles. In order to fulfill our social/environment responsibilities throughout the entire processes from product manufacturing to usage, we are aiming to create sustainable value by making eco-friendly products including electrified products and lightweight seats.

2020 R&D investment



226 billion KRW

2020 R&D workforce



742 personnel

Powertrains



Prior development of detachable and integrated reducer

Seats



Development of next mobility-compatible systems

Strategies for Creation of Future Value

Hyundai Transys has established mid- to long-term strategies as a response to potential future changes in the industry and executes detailed action plans. Hyundai Transys strives to secure technical skills for the future, such as electrification, transition from the conventional operation methods of vehicles to electric motors, as well as seat technology for autonomous vehicles, in which a vehicle autonomously makes judgments and operates. While raising operational efficiency by winning manufacturing and quality superiority, we will strive to achieve future viability by offering a total solution and strengthening the local response systems. Standing at the center of a paradigm shift in the automobile industry, we will spare no effort in market-pioneering as a creative leader for future mobility innovation.

Scheme for the future-value creation strategies

Mid- to Long-term Strategies

Securing technical capabilities in response to future mobility and fortifying internal competitiveness

Internalizing future business capabilities and creating future-oriented business portfolios based on high-value in addition to existing main business divisions

Detailed Action Plans

Securing business capabilities for the future (growth momentum)



- (P/T) • Obtaining development capabilities for hybrid motor/inverter
- Developing electric vehicle drive module and securing relevant business capabilities
- (Seat) • Internalizing development capabilities of seat module for next generation vehicle (6 core technologies)
- Increasing strategic cooperation and investment (e.g. development of next mechanism/frame and unified controller)

Enhancing competitiveness in the global business for a stable profit generation (business maturation)



- (P/T) • Steadily increasing order intakes related to mid- to long-term business with focus on FF 8th speed AT (enlarging share of overseas order)
- Securing stable quantity of overseas order for FF 6th speed AT and IVT product group
- (Seat) • Enlarging production for overseas market (boosting share of supply from Hyundai Transys)
- Internalizing and strengthening capabilities to develop and mass-produce key components

Transition to future-oriented business structure (business efficiency)



- Renewing the manufacturing structure of low-value products to future-oriented forms (electrifying products and establishing production systems for high-value products based on business structure efficiency)

Securing new growth power

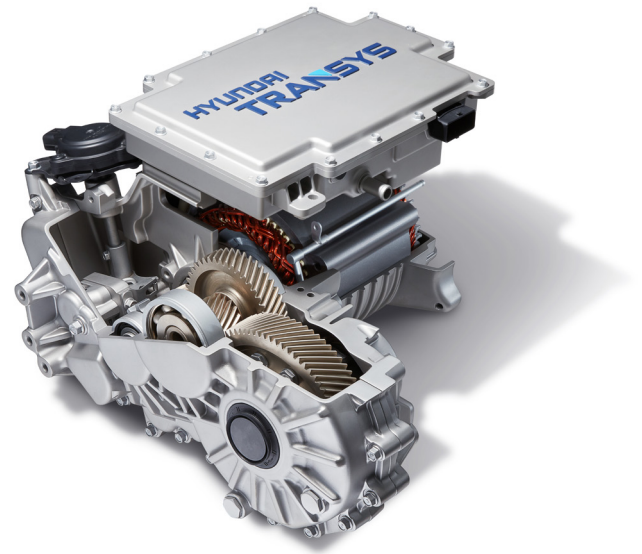


- Commercializing new ideas in the scale of the entire group to obtain profit-making opportunities
- Vitalizing technical investment to strengthen capabilities in domains adjacent to existing business divisions

Securing technical capabilities for future mobility

Strategies for product innovation of powertrains

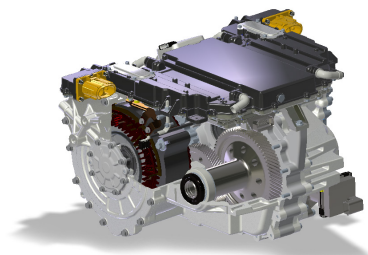
In the era of future mobility, new means of transportation will become a reality. Hyundai Transys' powertrain division hopes to create new value through innovation based on Zero Emissions, Connectivity, and Mobility, and lead the new generation of future mobility.



Electric powertrain technology

EV Driving system

With the growth rate of the autonomous driving market and the surge in demand for electric vehicles at home and abroad, Hyundai Transys carried out prior development to secure the possibility of winning a global EV drive system and next-generation EV system technology. We are developing multi-drive motor AWD system technology based on multi-safety design to implement fault control, vehicle turning, and regenerative braking functions of the drive system. In the case of electric vehicle front wheel design, the efficiency was improved by reducing drag by applying an integrated disk connector, and in the rear wheel design, it was sought to improve motor performance and implement torque vectoring by applying a 2-motor drive system.



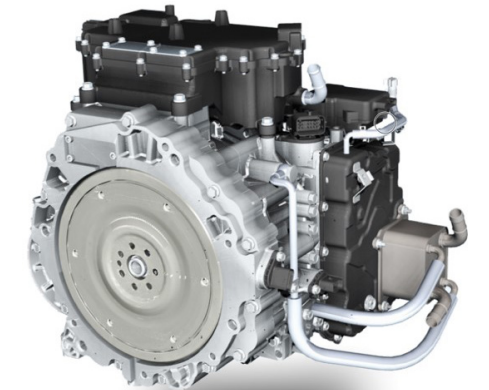
E-Powertrain



E-GDU

HEV Transmission

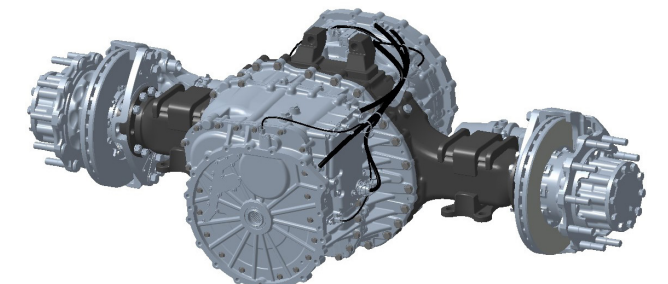
As stricter global environmental regulations have made it difficult to respond to regulations only with existing internal combustion engines, the importance of expanding sales of vehicles equipped with electric power trains has expanded. Hyundai Transys is striving to become responsive to the future market by developing the world's first P1+P2 power system based on hybrid solutions completed based on accumulated transmission know-how. We plan to secure vehicle capability by reducing the number of electric vehicles through the application of built-in dampers, and we want to improve power performance and fuel efficiency competitiveness based on the new P1+P2 system and the P1+P2 system. In addition, we plan to expand the effect of reducing material costs by developing OPU integrated inverters and optimizing layouts.



HEV Transmission (P1P2 type)

E-Axle for hydrogen-electric trucks

Hyundai Transys is carrying out prior development of a drive system exclusively for HMC hydrogen electric trucks to achieve its goal of zero carbon emissions. Commercial driving devices based on a structure that minimizes torque disconnection will be applied to 2 models of 6X2/4X2 large trucks on a platform dedicated to hydrogen electric trucks, and plans to expand the applicable models later. After the completion of the prior development, we plan to install our products on HMC hydrogen electric trucks running in Switzerland later.



E_AXLE Exterior

Securing technical capabilities for future mobility

Strategies for product innovation of seats

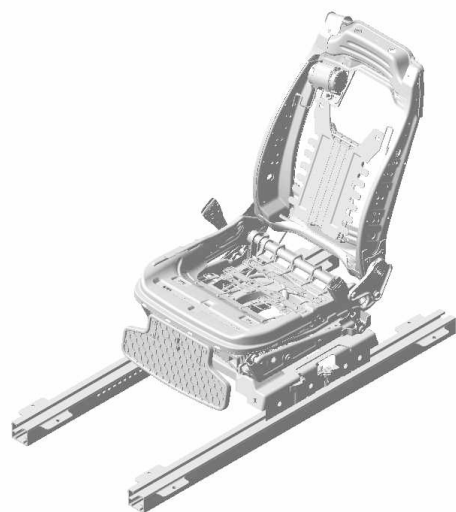
Seats for the autonomous driving era are more than methods of transportation. The seat business of Hyundai Transys satisfies customers and creates spaces for new mobility through concentrated efforts on autonomous vehicle seats, functional seats, eco-friendly seats as well as electric vehicle seats.



Seat technology for self-driving cars

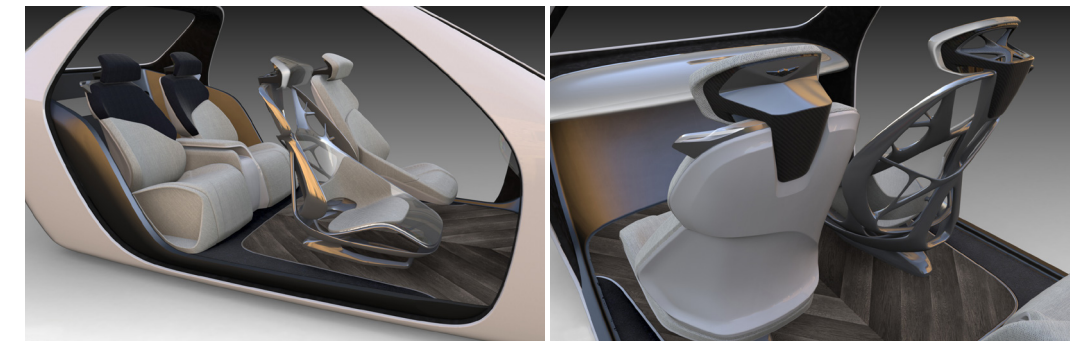
Seat control mechanism

We have established a seat adjustment mechanism to allow movement and rotation according to various situations such as rest, sleep, and office work when self-driving with 4 levels or higher. Through the swivel mechanism, the utilization of indoor spaces has been maximized, and new technologies have been continuously developed to expand the product lineup for customer satisfaction such as power long slides and seat belt integrated frames (BIS).



Slimmer and lighter

With the aim of developing an optimized structure, we are promoting slimming and lightening by optimizing the structure and applying ultra-high tension steel. Lightweight material back frames and padless cushions enable smooth movement/rotation and installation of various convenience parts, and various functional parts have been integrated and miniaturized to improve space efficiency and vehicle fuel efficiency.



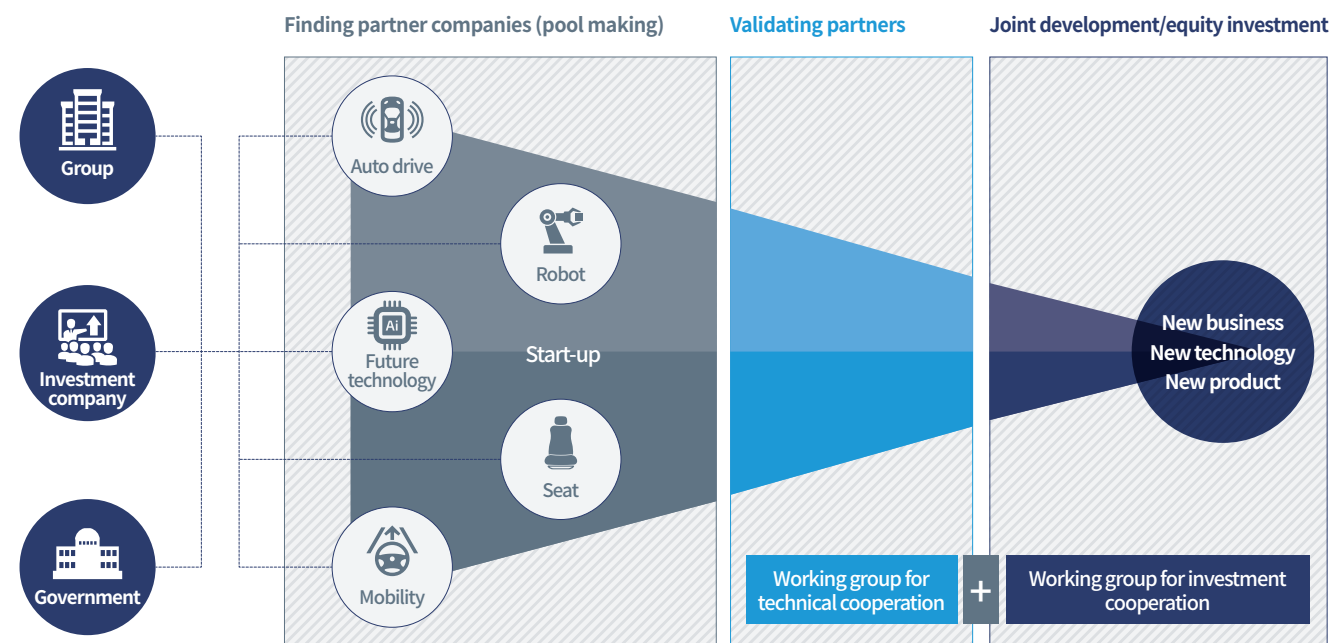
Customized convenience

Hyundai Transys has implemented an engineering and verification system through big data analysis and is developing customer-centered comfort and convenience performance by reflecting actual customer opinions. From small sedans to premium sedans, it goes beyond simple functions such as optimal control of seat temperature and humidity and various massage functions, and provides customized convenience for passengers that meet the emotional quality of passengers.



Open Innovation

Hyundai Transys defines a new attempt embracing all elements such as mind, organization, institution, and technological creation/integration to respond to unexpected shifts as “innovation.” Based on its own professional technical automobile capabilities, Hyundai Transys has been progressing “open innovation” with other companies from multiple domains that are capable of creative services for the autonomous driving era. While actively cooperating for new possible changes to the existing processing method or producing techniques, we’re working with diverse component product makers to study core technologies of automobile parts in the future. In addition, researches on new seat suitable to the EV structure are being conducted with leading start-ups in the EV industry, and other collaborations are on progress as well to expand to the new industry sectors including new mobility and related services.



Core technology cooperation for seats in future auto-drive vehicles



In June 2020, Hyundai Transys concluded an equity investment agreement with the start-up Algorigo for cooperation on core technology for seats in the future autonomous vehicles. As a result from the collaborated R&D projects after investing in the shares of Algorigo, Hyundai Transys applied deep learning technologies related to body pressure sensing and seating posture analysis to the seat development. Moreover, Algorigo's software power including body pressure distribution measurement/analysis will be added to the Hyundai Transys' hardware know-how on automobile seats to develop proactive adjustable seats. This cooperation will lead to continuous internalization of seat control technologies for the MECA (mobility, electrification, connectivity, and autonomous driving) market, and Hyundai Transys will conduct more strategic cooperation with domestic/overseas companies to secure technological competitiveness needed for the next mobility era.

Expanding Global Network and Manufacturing System

Global R&D network

Hyundai Transys is trying to become a world-class auto parts system company by establishing a continental R&D network. The R&D Center of Michigan Corporation in the United States secures advanced technologies in North America, collects and delivers new technologies, patents, recalls, quality, and market information in real time, and also leads the development of seat compos and styling suitable for North American customers. In addition, the European Technical Center was newly established and operated in Germany in 2020, and we are conducting sheet research tailored to India through the R&D Center affiliated with the Indian AP Corporation.

Strategic cooperation with Brose for the development of seat in future vehicles

Hyundai Transys, in December 2020, concluded an MOU with Sandro Scharlibbe, Executive Vice President Seating Business of Brose Group (a German automobile parts maker) for a joint development of seat components in auto-drive vehicles and electric vehicles. Both companies will conduct full-ranged collaborations to develop a mechanism seat specialized for auto-drive, smart integrated-control seat, and ultra-slim & light seat.

Establishment of a joint corporation in Indonesia

In July 2020, Hyundai Transys and APM Automotive Indonesia (AAI), a subsidiary of APM Automotive Holdings (a Malaysian automobile parts maker) established a joint corporation, 'APM Hyundai Transys Indonesia' with a fifty-fifty investment share ratio. While locating its production base at an industrial complex in Delta Mas City, a mixed-use development city in the Java Borat, to supply seats to an Indonesian factory owned by Hyundai Motors, this joint corporation will actively identify secondary/tertiary component providers to localize Hyundai Transys' methods of sourcing and production operation. Hyundai Transys hopes to boost its continuously growing business in the ASEAN region by utilizing AAI's Southeast Asian network. Moreover, based on the experiences of managing the production systems on a global scale, Hyundai Transys is aiming to stabilize manufacturing new vehicles of Hyundai Motors and focus on building a quality control system calibrated to local circumstances.



APM Automotive Indonesia

Strengthen the North American base organization.

With the recent rapid expansion of the global OEM business in the Americas, the need to operate regional headquarters is increasing. To preemptively respond to this need, Hyundai Transys plans to integrate the U.S. office and Michigan Corporation, which are currently in charge of powertrain and seat sectors, and gradually expand and strengthen the functions and personnel of local organizations such as prior sales, R&D, and PM by 2023. Through this, we will respond more sensitively to the needs of our customers and continue to expand our business in the Americas.

Material Issue 02 ▾

Enhancing eco-management strategies and system



Management Approach

BACKGROUND

The climate crisis is now the most urgent matter that the whole human race is faced with, and abnormal climate phenomena like heatwave and torrential rain is happening already on a global scale. The global society has been on a faster pace to counter the global warming with fortified measures to decrease green house gases ahead of the implementation of the Paris Agreement in 2021. Like declarations of carbon neutrality execution announced among global investor groups and customer companies, requirements for active participation towards the automobile-related industry is being intensified.

STRATEGY

Hyundai Transys has formed an ESH management executive organization to manage environmental safety risks arising from each workplace. Taking carbon credit trading and energy cost reduction as opportunity factors, we are applying diverse actions to decrease direct/indirect emissions of green house gases and energy consumptions over all the processes from product manufacturing to usage. Particularly, we manage environmental impacts systemically with means such as the integrated management system for in-product hazardous materials to provide customer with safer products.

Reduced energy consumption
in 2020



1,525 million KRW

Reduced GHG emissions in 2020
(compared to 2019)



4,079 tCO₂e

Recycled waste in 2020
(steel drums)



3,600 ton

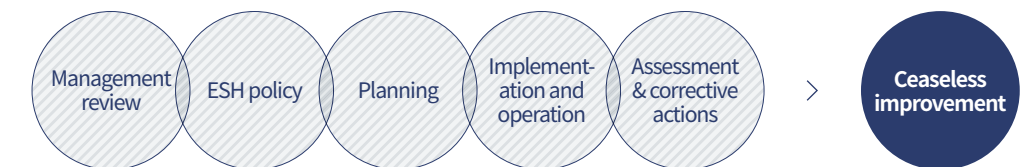
Environmental Safety and Health Management

Hyundai Transys has established and is operating environmental safety and health (ESH) management systems to guarantee its ceaseless improvements. Considering ESH principles as goals for ESH issues of enterprises, we rebuild the policies based on results of planning, implementation & operation, assessment & corrective actions, and management review, which completes the cycle for ceaseless improvement.

ESH Principles



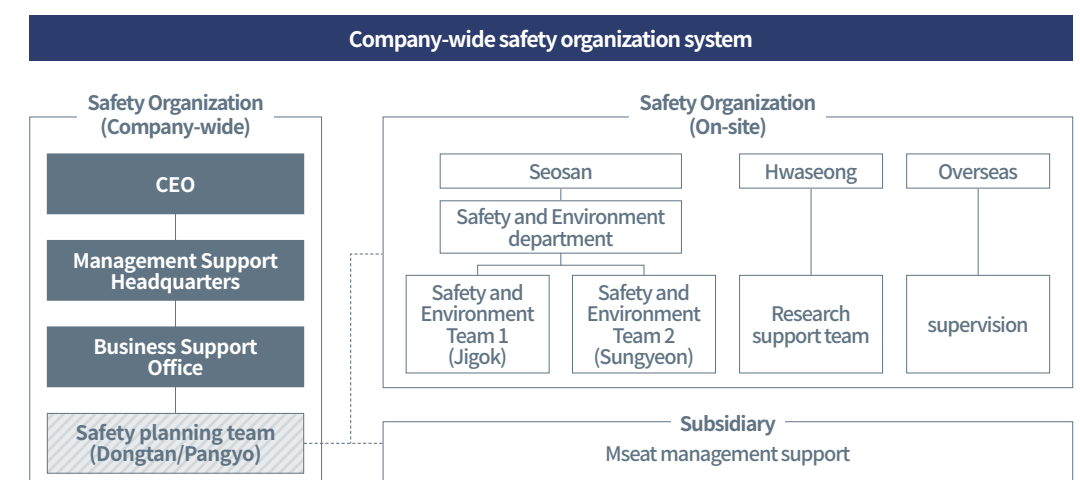
ESH operating system



ESH Management Executive Organization

To effectively conduct environmental safety management and comply with relevant laws, we have organized an environmental safety group with a head of safety management for each plant and research center. Each operating site is putting its efforts into reducing environmental impacts through close mutual cooperation.

Organization-Cooperation System



Certifications of ESH Management System

With the proactive implementation of environmental and safety management, we are striving to reduce the environmental impacts and to instill safety awareness to our employees. As of August 2021, 17 of our 19 domestic and overseas plants have completed acquisition of ISO14001 certifications. In addition, the integrated assessment and certification that covers the entire plants in Korea is being promoted as well.

Environmental Management System (ISO14001) Certification Status

As of August 2021

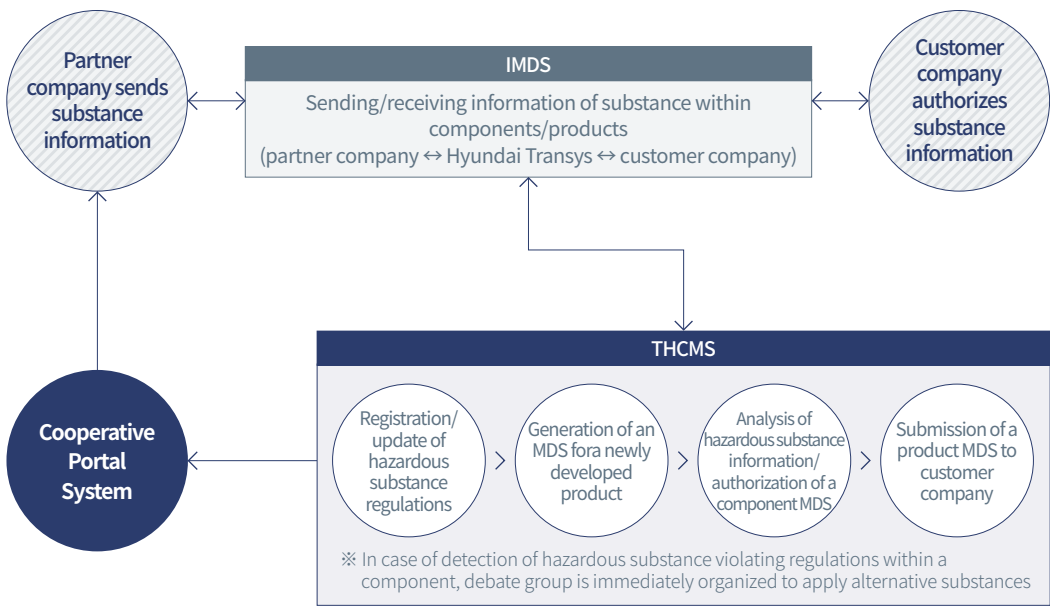
Category	Target Plant	Certified Plant	Certification Rate
Domestic	4	4	100%
Ameriaca ¹⁾	5	4	80%
Europe	2	2	100%
India ¹⁾	2	1	50%
China	6	6	100%
Total	19	17	89%

1) The Georgia PT plant in the United States and the AP Plant in India are scheduled to obtain certification in 2021.

Management of Hazardous Chemicals

Hyundai Transys ensures that no accident occurs by strictly managing hazardous chemicals. We are reporting the emission amounts of hazardous substances as well as the usage each year, and we've built our own integrated system, the THCMS(Transys Hazardous Chemical Management System) to monitor global regulations on those substances. Not only are we receiving information about the materials used for the development of new products from our partner companies through the IMDS(International Material Data System) and our cooperative portal system, we are also managing the total procedures of information analysis. With a thorough management system of hazardous chemicals, we will do our best to provide even more safer products to our customers.

Integrated System for Management of Hazardous Substances in Products



※ IMDS(International Material Data System): an international material management system developed by full vehicle makers; a universal protocol of the automobile industry
※ MDS(Material Data Sheet): a sheet that includes lists of substance data to explain an actual material (input unit of IMDS)

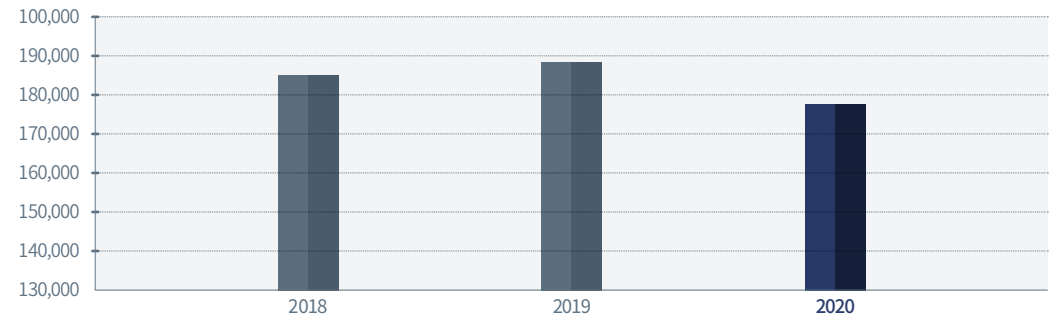
Class of Hazardous Substances in Products

Class	Class A	Class B	Class C
Material type	<ul style="list-style-type: none">• Regulated in the whole world• Material whose usage is forbidden	<ul style="list-style-type: none">• Material forbidden/restricted	<ul style="list-style-type: none">• Material to be monitored/reported
Law/regulation	<ul style="list-style-type: none">• 4 heavy metals (Pb, Cd, Hg, Cr⁶⁺)• Brominated flame retardants (PBBs, PBDEs, HBCD)	<ul style="list-style-type: none">• Environmentally hazardous material, whose usage is limited by the laws of a state or an international agreement, is forbidden to be used/ Material whose usage is forbidden and of which there is an excess in the maximum density allowed	<ul style="list-style-type: none">• Material that might be forbidden in the future according to the escalation of regulations, or that requires reporting before usage according to a notice on toxicity
Management method	<ul style="list-style-type: none">• EU ELV• Brominated flame retardants have been forbidden or regulated by the laws of many countries (e.g. TSCA/ POP/REACH of USA and China's hazardous substance regulations)	<ul style="list-style-type: none">• Material forbidden in some states in the USA• Material forbidden by REACH Annex 14 or restricted by Annex 17• Material forbidden/restricted by K-REACH• POP, RoHS, GADSL, etc.	<ul style="list-style-type: none">• Biocidal Products Regulation• SVHCs, etc.
	<ul style="list-style-type: none">• Self-analysis/management of partner companies' test results• DB management within THCMS	<ul style="list-style-type: none">• DB management within THCMS	<ul style="list-style-type: none">• DB management within THCMS

GHG Emissions Management

To respond to climate and environmental risks and the governments regulations, and to reduce climate crisis due to GHG emissions, we have established the GHG emission reduction goals and implemented reduction activities. As an emissions trading agent designated since 2015, Hyundai Transys has been managing its GHG emissions with self-established goals and reduction programs. As a result, we've achieved a sales of 20,991 tons from the reduced GHG in 2021, and a total quantity of accumulated sales since our participation in the emissions trading system equal to 53,636 tons.

Domestic GHG emissions (tCO₂e)



Energy Consumption Management

Like adopting technologies with high energy efficiency, actions to reduce and improve energy consumptions are in progress in accordance with the global eco-friendly policies. Through the energy integrated management system, efficient management is possible by monitoring, comparing, and analyzing the energy use status of Jigok and Sungyeon plants by line. The use of energy is managed by the unit of each plant systemically, and an automatic energy-saving system has been built so that the manufacturing equipment turns off autonomously during waiting time to reduce wasted energy. We are promoting energy utilization efficiency by supplying optimal pressure using air compressors and installing waste heat recovery devices. In addition, we are raising employee awareness of energy saving, such as managing 5-minute power saving of PCs and distributing promotional materials for energy saving in summer and winter. On July 7, 2021, five Hyundai Motor Group companies, including Hyundai Transys, jointly announced their participation in RE100, and Hyundai Transys plans to complete its mid- to long-term RE100 conversion strategy by the end of the year and push for membership within this year.

Air Pollutants Management

With the revision of the Clean Air Conservation Act in 2020, Hyundai Transys is preemptively responding to this by reviewing the designated area of the Act and emission facilities that may violate the Act's standards and strengthening monitoring. Seongyeon Plant and Jigok Plant, complying with a fine dust reduction ordinance targeting companies in the Chungcheong region, have been concluded a fine dust reduction agreement with Geum-River Basin Environmental Office and conducting actions including prohibition of idle operation by logistical vehicles, more uses of commuting bus, and shortening work hours in emergencies.. Moreover, because the degraded operation of dust collection can cause environmental accidents, we are reinforcing relevant management systemically such as the installation of duct stacks and oil mist filters.

Water/wastewater Management

Hyundai Transys strives to reduce water use and increase recycling. Wastewater produced at our work sites is handled within the company and strictly managed to stay within the limits of the legal standards upon discharge. Jigok Plant merges living sewage and wastewater to utilize it for industrial purpose, and the whole used water is not discharged, but reused after purification treatments. We are contributing to reducing water use by reusing 300,000 tons, or 10.7% of the total 27.89 million tons of wastewater emissions in 2020.

Waste Management

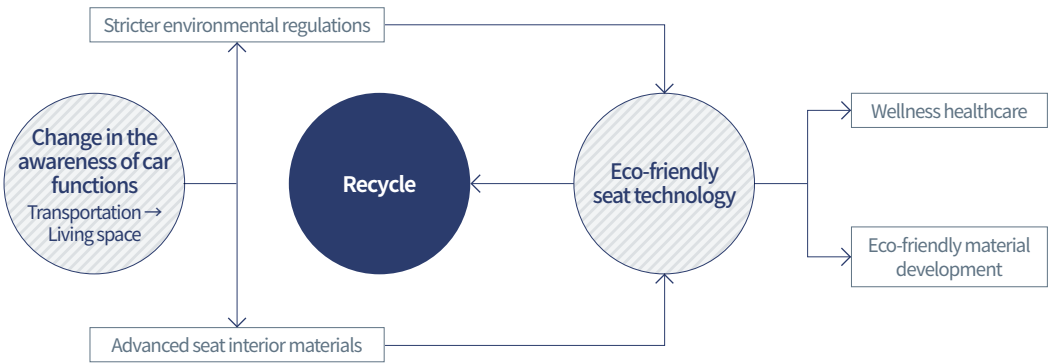
To reduce waste from operations, we are managing the process for generation, transportation, and handling of waste, and applying containers to separate the waste for recycling/reuse inside plants before discharging the waste. We are contributing to reducing waste emissions by recycling 51.1% (3,192 tons) of 6,240 tons of waste emissions in 2020.

Preventative Actions for Environmental Accidents

Through preemptive measures, Hyundai Transys is concentrating on the prevention of environmental accidents that may occur during operation. We have secured the storage space for wastewater by managing preparatory sumps in wastewater treatment facilities and testing leakage on wastewater reclamation pipes, thus preventing environmental accidents that may have occurred due to wastewater leakage. Also, our CCTVs towards dust collectors enable immediate actions upon oil leakage and advance prevention of environmental accidents. As another preventive action, Seongyeon Plant installed oil-water separators at spots with high possibility of oil leakage. We have established our own standards related to noise and managed the level of noise at the borderlands of our operation sites by installing silencers on the dust collectors and motors, as well as preparing soundproof zones. In addition, soil tests to detect ground contaminations are conducted periodically.

Development of eco-friendly seat technology/products

As early as the first stages of manufacturing, Hyundai Transys conducts researches to meet the diverse needs of the environment and the people



Hyundai Transys' Eco Technology

We consider the environment from the manufacturing stage to the disposal stage.

Hyundai Transys meets the current ELV(End-of-Life-Vehicle Direction) regulation requirement where 85% of the total vehicle weight should be recyclable, more than 95% can be recovered, and the amount of pure waste that does not emit heavy metals should be less than 5%. In addition, we are researching and developing materials that maximize recyclability by minimizing the greenhouse emissions from the manufacturing stage and minimizing the landfill volume of heavy metals at the disposal stage.

Response to environmental regulations



We focus on developing lightweight ingredients for all automobile materials.

As the age of autonomous driving and the transition to electric vehicles are near, reducing the total vehicle weight is very important. We conduct researches to improve fuel efficiency and minimize environmental pollution. In addition to replacing the heavy steel seat frame with lightweight plastic, we are also researching for ways to reduce the weight of all materials including substituting the foam of the seat with a lighter material.



Lightweight materials

Discovery and application of natural materials



We strive to develop new green natural materials.

As environmental regulations are strengthened, numerous current materials for vehicle production can be banned. To prepare for that, Hyundai Transys is conducting research on recycled/natural materials as substitutes. We study to find suitable natural materials applicable to the development requirements for car seats such as the Korean traditional paper and bamboo.



Wellness healthcare

We use human-friendly materials to protect passenger health.

We are searching for ways to reduce air pollutants and harmful gases by introducing natural materials to the leather or foam material of the seats and using eco-friendly adhesion technology. In addition, we developed a variety of harmless materials to protect the passengers' health.

Seat Upcycling

We promote recycling and upcycling at every stage from research and manufacturing to the disposal stage. To reuse lots of wasted seat and residual leathers generated when developing/testing vehicle seats, Hyundai Transys launched a new brand named 'NEXT ZERO' in 2020. Thanks to that, we've recycled 12 tons of wasted leather for a year to produce key holders, business card cases, wallets, plastic card cases, etc.



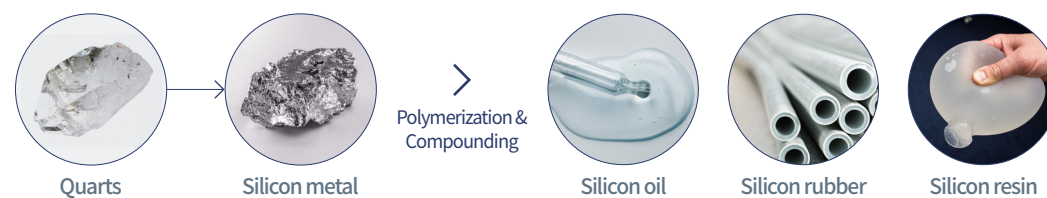
Natural Bio-mass Application Technology

By using bio-mass extracted from natural materials, which have been replacing petroleum-based raw materials, we have been developing matters for the covering and the foam, and will widen the range of their application. Bio artificial leather and bio-foam, which are made from bio polyols extracted natural materials such as corns and castor beans, are the example products. In addition, silicon artificial leather as covering material was developed to be made of extracts from quartz, one of natural mineral resources.

Bio artificial leather | applies bio-polyol extracted from corns



Silicon artificial leather | extracts raw material from quarts



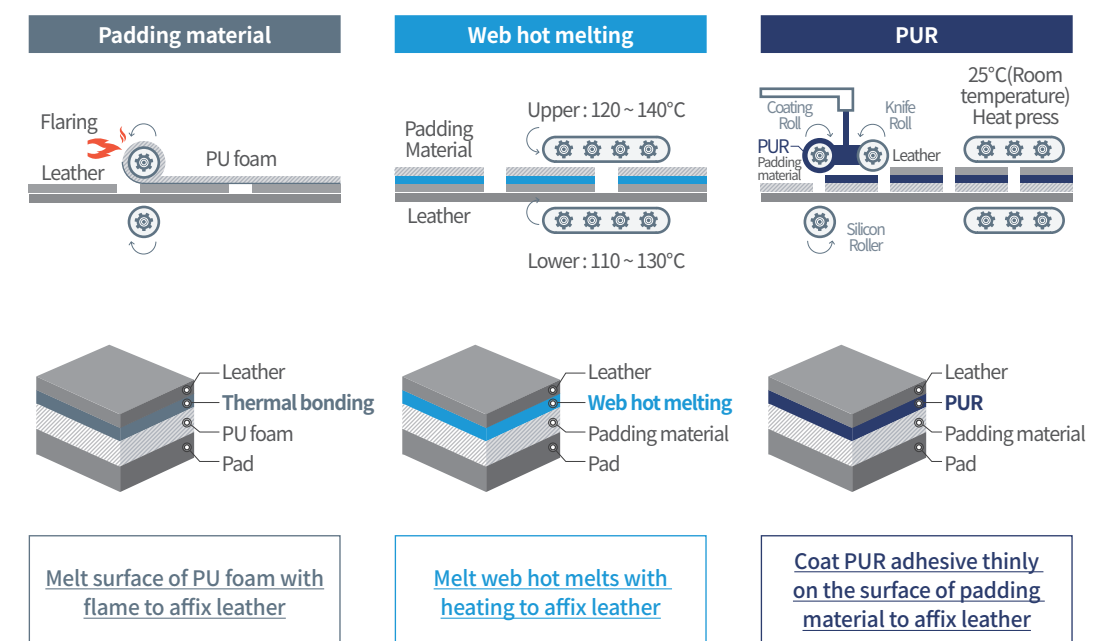
Bio-foam | applies biopolyol extracted from castor beans



Eco-friendly PUR Room-temperature Adhesion Technology

An eco-friendly adhesion technology has been already made to adhere to the surface material and padding of the seat cover and to prevent detachment and wrinkling of the cover. The adhesion technology, applicable at room temperature reduces air-polluting gases and toxic matters that are harmful to the passengers' respiratory organs.

Polyurethan room-temperature adhesion technology | PUR (Polyurethane Reactive) adhesion method



Development of Materials to Replace Harmful Chemicals

As global regulations against hazardous substances have been getting stricter, we are developing technology to replace those materials. While developing artificial leather and fabric that adopts alternative matters of toxic chemicals like Brominated/Antimony flame retardants and fluorinated antifoulant, which are going to be regulated in the future, we will broaden the application range of those materials

Artificial leather that adopts eco-friendly flame retardants |

(Brominated/Antimony flame retardants → Eco-friendly phosphorus/inorganic hybridized flame retardants)

Eco-friendly antifouling fabric | (Fluorinated antifoulant → Eco-friendly silicon antifoulant)

Material Issue 03 ▾

Building Supply Chain for Mutual Growth



Management Approach

BACKGROUND

With the ESG-related issues that have emerged recently, the significance of sustainable supply chain management is enlarging. Reciprocal cooperation with partner companies has been fixed as an essential element to guarantee the sustainable growth and development of a company. At the same time, requirements for risk management is increasing throughout all trade processes of the supply chain including materials mining, procurement, transportation, and delivery to operation sites as well.

STRATEGY

Hyundai Transys aims to grow with partner companies based on ESG risk management in the supply chain. We have managed possible risks in the supply chain by establishing a Code of Conduct for partners, and are conducting CSR risk assessments on the partners and training/support programs for them as well. With the establishment of conflict minerals management process and more actions, we are making efforts to build a sustainable supply chain.

Financial aid for the program
‘PARTNer’



515 billion KRW

Training support for partner
companies



543 employees

Shared Growth Index
assessment



Best grade for **6**
consecutive years

Establishment of Sustainable Supply Chain

We are implementing supply chain management with an aim to build a sustainable supply chain ecosystem and minimize risks in supplying raw materials. By collaborating with a variety of partners during the operation process and through a wide-range of support programs, we are raising our partners' competitiveness. In order to fulfill our social responsibility for the operation of supply chains, we are also putting forth our best efforts into securing transparency of the raw material supply.

Selecting and
Assessing the
Supply Chain

Hyundai Transys utilizes fair and transparent methods for selecting and operating the supply chain. To build a stable supply chain, we establish a pool of partners by considering financial and non-financial elements such as the current issues, supply capacity, employee welfare etc. of our business partners. When in need of a product, we select a partner from the pool by reviewing appropriate development skills. Even after selection, we try to minimize risks within the supply chain by executing partner assessments.

Establishment of
Partner Companies'
Code of Conduct

By establishing a ‘Code of Conduct’ and releasing it to our partners, Hyundai Transys is aiming to improve its operational practices in the supply chain and prepare the foundation as a company with social responsibilities. In sections including ethics, environments, human rights, labor, safety/health, and management system, the Code of Conducts states rules in the supply chain that is globally accepted for sustainable management. We concluded standard agreements for the Code with our partners through electric contract systems, and newly registered partners will be managed by us under the same agreements of the Code.

Partner Companies' Code of Conduct



>

Awareness on the significance of ethical management, compliance with local laws and regulations, the company's own guidelines for the employee's ethical decisions and following monitoring, etc.



>

Efforts for the protection of all employees' human rights, guarantee of dignity and improvement in working conditions, legal performance of duties, guarantee of rights protection, etc.



>

Establishment of a safe and healthy working environment, guarantee of the workers' safety and health, stabilization of a culture of safety, improvement efforts for potential dangers, etc.

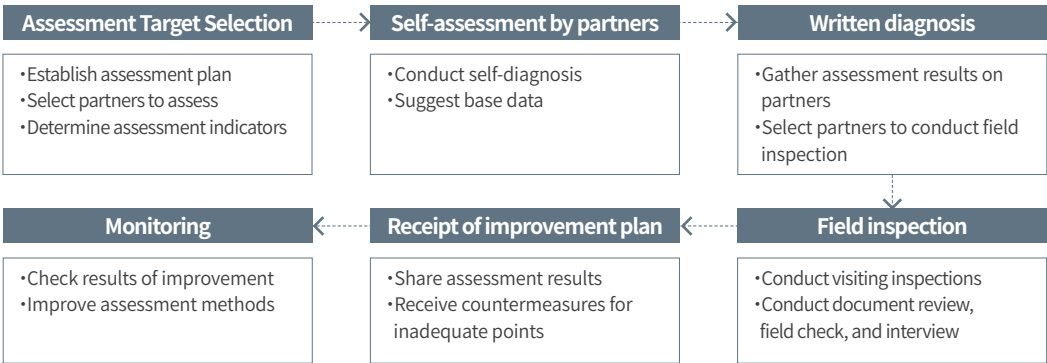


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Awareness of the environmental responsibilities, minimization of the business procedure's negative effects on the environment, compliance with laws and regulations related to the environment, etc.

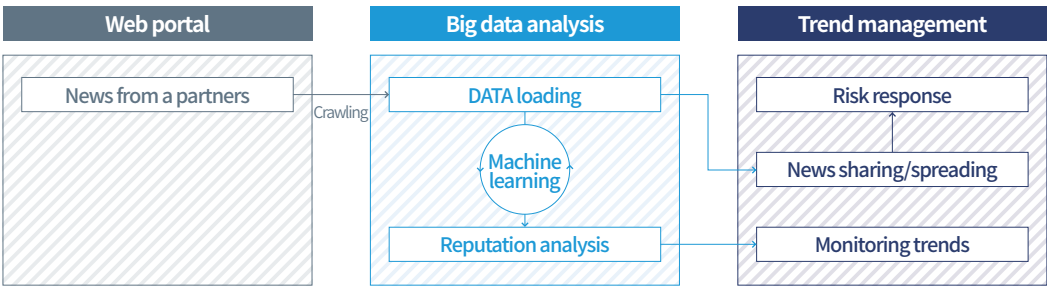
CSR Risk Assessment for Partners

Hyundai Transys is building processes of supply chain management based on CSR risk assessment on our partners. This assessment includes written diagnosis, field inspection, and monitoring to raise the ESG management level of the partners and prepare for requirements from customer companies. After a pilot assessment targeting principal partners in 2021, and results of broadened CSR, risk assessment in 2022 will be considered in our purchase policies.



Partner Risk Monitoring System

Hyundai Transys monitors news related to its partners in real time and analyzes information through analysis tools using machine learning techniques, predicting and managing risks arising from its partners in advance.



Purchases through the Supply Chain in 2020

Hyundai Transys selects and manages core partners to secure future technologies in advance and build a stable supply of chain of components. 38 companies among 700 domestic/overseas ones are the core partners on criteria including sales, holding of core technologies, and irreplaceability. They are cooperating with us for ESG management of the supply chain as well.

Category		Number of companies	Purchase amount (billion KRW)	Note
Components	Domestic partner	316	3,370.3	
	Overseas partner	381	2,880.5	
	Core partner	30	2,802.2	Sales, capabilities of core technology, irreplaceability
Others			452.2	Equipment, raw and subsidiary materials, logistics, packaging etc.

Promotion of Mutual Growth

In order to achieve the value of working together, we are operating a dedicated mutual growth program called, "PARTNer." PARTNer is composed of five implementation support tasks that allow a wide range of partner support including monetary, technological, and communicational aids: company development support (Progress), company viability support (Assistance), competency strengthening (Reinforcement) technological support (Technology). With this, we aim to create opportunities for Hyundai Transys to grow and move forward with partners.

Major achievements of PARTNer

Area of support	Program	Major accumulated results
Company development P rogress 	<ul style="list-style-type: none">Support for overseas expansionSupport for exhibition participationPerformance sharing systemOnline consulting sessions with overseas buyersMonetary aid for product localizing	<u>Support for overseas market expansion</u> 23 companies
Company viability A ssistance 	<ul style="list-style-type: none">Mutual payment systemMutual growth fundsMutual growth insuranceEarly payment for holiday deliveryConditions for delivery paymentsNetwork loans	<u>Financial support</u> 515 billion KRW
Competency strengthening R einforcement 	<ul style="list-style-type: none">Training for enhancement of job competencyGetting to know the customer lineSupport for consulting with professional organizationsEducation of technical protectionEducation of firefighting/safetySeminar on mutual growth and performance sharingSpecial training with Global Partnership CenterFTA education	<u>Training support for partners</u> 543 employees
Technical support T echnology 	<ul style="list-style-type: none">Benchmarking of overseas technology leadersNew technology exhibitionTechnical support training/seminarsGuidance for residencyPatent application/grant and entrusting technical materialsSupport for building smart factory systemsTechnical consultation by KAP experts	<u>Support for entrusting technical material</u> 35 cases <u>Support for building smart factory systems</u> 3 partners
Communication channels N etwork 	<ul style="list-style-type: none">On-site visiting help serviceRelease of partners' newsletterTransparent Management Implementation CenterWelfare supportLaunch of shopping mall 'Mutual Growth'5 Stars of Mutual Cooperation	<u>Welfare support</u> 329 partners

Recognized as an
Excellent Company
in Mutual Growth for
7 Consecutive Years

Acknowledged for the merit of mutual growth management with partners, Hyundai Transys acquired the ‘Best’ grade in the Win-Win Index assessment of the previous year at the awards ceremony hosted by the Korea Committee for Corporate Partnership in September 2021. Strengthening and operating ‘On-site Visiting Services,’ which is a program where Hyundai Transys goes to, to partner’s business sites to listen to their difficulties and solves them, was highly evaluated. We will put our best efforts into building mutual growth with our partners continuously.

Partner’s Day
of Cooperation
Association

Hyundai Transys, in February 2021, held the ‘2021 Partner’s Day of Hyundai Transys Cooperation Association’ in the form of a web seminar, where employees and CEOs from 94 partner companies attended. Partner’s Day is an annual event of the Cooperation Association to promote the mutual pursuit of joint goals between Hyundai Transys and its partners. This event was formerly named ‘General Meeting of Cooperation Association,’ and has changed the title to emphasize the significance of the partner companies as companions. Seminars on that day covered themes including partners of the year, mid- to long-term vision of Hyundai Transys, next power train strategies, seat technologies for future mobility, and main strategies of the Purchase Department. In order to enhance the partners’ competitiveness, Hyundai Transys has been operating programs such as support for Smart Tool Counter and financial aids, and will also expand the range of support to boost mutual growth with partners.

Support for
Partners’ Smart
Factory Systems
Building

Hyundai Transys developed the ‘Smart Tool Counter’ monitoring system and released it to our partners for free. ‘Tool counter’ is a device that checks the number of use of processing tools for the manufacturing industry. Existing tool counter’s demerits such as too simple functions with complicated installation procedures and high cost, Hyundai Transys improved those shortcomings in developing the Smart Tool Counter system with easy installation, low-cost, and multi-functions on its own capabilities. Our new solution, thus, eliminated the hand-writing process of tool replacement history, and reduced 82% of the installation cost. Moreover, Hyundai Transys conducted the installation works for free through government support, obtaining the foundation of mutual growth. In 2020, the Smart Tool Counter was applied to 43 devices owned by 3 partners in total for test operations. By increasing the number of partners to be supported, the Smart Tool Counter distribution project will be continued in 2021.



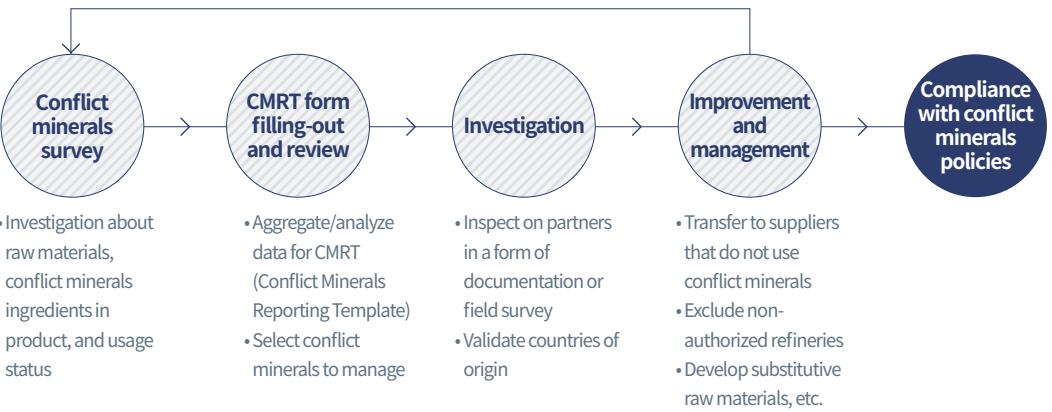
Conflict Minerals Management

Since mineral mining in conflict regions including Africa has generated various issues such as human rights abuse and environmental destruction, Hyundai Transys is making efforts to build supply chain management systems with responsibilities and attract partners’ participation into this action, so that the environment and human rights can be improved in the conflict regions. Regulations on conflict minerals began to prevent the profits from sales of minerals obtained in conflict regions which are owned by armed groups and etc. in the corresponding countries. Companies, in accordance with the regulations, have to report whether they use minerals (e.g. tin, tantalum, tungsten, and gold) mined in conflict regions or not. Hyundai Transys formed an exclusive organization including the Purchase Department and research centers to take charge of conflict minerals issues, and established relevant work processes as well. In addition, Hyundai Transys will ensure itself and its partners to understand laws that covers conflict minerals and comply with the conflict minerals policies.

Overview of
conflict minerals

Conflict Minerals	>	Four Major Minerals Mined in Conflict Areas in Africa
10 countries	>	Democratic Republic of Congo, Gongko, South Sudan, Rwanda, Brundi, Uganda, Zambia, Angola, Tanzania, Central Africa
3TGs	>	Tin, Tantalum, Tungsten, Gold

Process of
Conflict Minerals
Management



A wide-angle photograph of a coastal landscape. A two-lane asphalt road with white dashed lines curves along a grassy cliffside. Two cars, a dark one in front and a silver one behind, are driving on the road. The cliff is covered in green and yellowish grass. To the right of the road, the cliff drops down to a rocky shore with white stones. The ocean is a deep blue, and the sky is filled with large, white, fluffy clouds. The overall scene is bright and scenic.

SUSTAINABILITY FUNDAMENTALS

Hyundai Transys grows together with its stakeholders by thinking about the company's impact on the overall value chain in addition to the improvement of automobile functionality and convenience. We put our best efforts forward to provide top-quality products for our customers, and achieve a pleasant and safe workplace that enables us to become a company where everyone would want to work.

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Governance

Composition of the Board of Directors

The Board of Directors of Hyundai Transys serves as the highest decision-making body on commissioned items from the general meeting of shareholders, and other important items related to the company’s fundamental principles and implementation, while it also supervises the directors and the manager’s execution of duties. As of May 2021, the BOD consists of three internal directors (including the CEO) and one external director to ensure the independence of the BOD. The members’ tenure is 3 years, which can be decided to be extended based on their performance evaluations during their term.

The decision-making system of the BOD

The appointment of the Chair of the BOD is carried out in as an item of the BOD and decided in accordance with the members’ resolutions. Tenure for the Chair is 3 years. The BOD of Hyundai Transys has the CEO as Chair, however external directors can be appointed as Chair, as well. To secure the objectivity of the BOD, equal opportunities of speaking are provided to all the directors.

Independence of the Directors of the BOD

External directors of Hyundai Transys’ BOD shall meet the eligibility requirements of the Commercial Act and related regulations, and are nominated based on the recommendations by the BOD, and the shareholders at the general meeting of shareholders. The independence of the BOD is guaranteed during the appointment phase according to the independence criteria of Article 382 of the Commercial Act.

Expertise of the Directors of the BOD

In the midst of the rapidly shifting management environment, the expertise of the BOD is essential in making strategic decisions. Hyundai Transys secures the expertise of the BOD by considering comprehensive expertise and experience during the nomination process. Thus, the directors are guaranteed to monitor and advise for the company’s management in objective perspectives, and also can hold the management in check in sharing objective opinions freely when necessary.

BOD Operation

We hold regular directors meetings on a quarterly basis, and conduct an ad-hoc directors meeting when necessary. The Chair calls for the meetings and detailed information on the items are shared in advance to facilitate an efficient BOD operation. In 2020, we held a total of 5 meetings at which were discussed a total of 27 items. The attendance rate of the board is 96%, and the details are disclosed through the Annual Report.

BOD Operation in 2020



Performance evaluation and remuneration

The remuneration of the BOD is decided based on Article 388 of the Commercial act and the articles of association during the general meeting of shareholders. We provide BOD remuneration through an objective and comprehensive standard that is based on the basic remuneration rate of directors and on the company’s operating performance.

Criteria for independence of external directors

- (Disqualification of independence, Article 382 of the Commercial Act)
1. Directors, executive directors or employees who are engaged in the regular business of the company, or have had an employment relationship within the last two years as employees of the company
 2. Spouses or lineal ascendants or lineal descendants of the largest shareholder
 3. Employees of an organization related to the largest shareholder
 4. Spouses or lineal ascendants or lineal descendants to any of the directors, auditors or the executive directors.
 5. Employees of a parent company or a subsidiary of the company.
 6. Employees of an organization which has a significant interest in the company, such as business relations with the company.
 7. Employees of another organization which concurrently employs an employee of the company.

Independence of the Auditor

An auditor is appointed through the general meeting of shareholders. In case of a shareholder who owns more than 3% of the issued stocks, except stocks without voting rights, we limit his/her rights to vote for the excessive stocks. For an efficient auditing process, ledger records and documents related to the company's accounting are accessible. The auditor may also request directors to inform business information and research the company's business and financial conditions.

The audit support organization (As of the end of June 2021)

Dept.	Position (years of continuous service)	Major activities
Financial team	1 chief manager, 1 manager (1.6 year on aver.)	· Review and introduction of the meeting agenda · Management of the meeting minutes · Other audit support tasks

Composition of the BOD directors (As of the end of June 2021)

Position	Name	Tenure	Major career
Director (CEO)	Su Dong (Steve) Yeo	Jan. 2, 2019 ~ Mar. 25, 2022	(Former) Director of the Office and Planning Team II of the Hyundai Motor Company (Present) CEO of Hyundai Transys
Director	Seong Ho Baek	Mar. 30, 2020 ~ Mar. 30, 2023	(Former) Director-in-charge of Production at Hyundai PowerTech (Present) Director of P/T production at Hyundai Transys
Director	Sang Heun Lee	Mar. 30, 2020 ~ Mar. 25, 2022	(Former) Director of Finance at Hyundai WIA (Present) Director of Finance at Hyundai Transys
Director	Hyoun Jin Kim	Mar. 30, 2020 ~ Mar. 30, 2023	Professor, Dept. of Mechanical and Aeronautical Engineering, Seoul National University

Risk Management

Risk Management System

Hyundai Transys monitors any internal and external risks that may deter achievements of the company's mid- to long-term goals regularly or on an as-needed basis. We categorize high risks based on the risk impact and by discussing with the related departments, we establish response methods, which we improve and monitor until the risk impact is reduced. Upon the occurrence of the serious risk, we operate an Emergency Response Committee, comprising of the CEO, the directors, and the business directors, in an effort to minimize the risk impact in advance.

Risk management process

Phase	Detailed action plans
Planning	<ul style="list-style-type: none">• Review mid- to long-term business strategies, establish/confirm business plans• Establish priority tasks
Execution	<p>[Identification] Review the current agendas and analyze the risks</p> <p>[Analysis] Establish/review/approve responsive actions to the high risks</p> <p>[Respose & Hedging] Conduct the responsive actions and check the reduction of the risk</p>

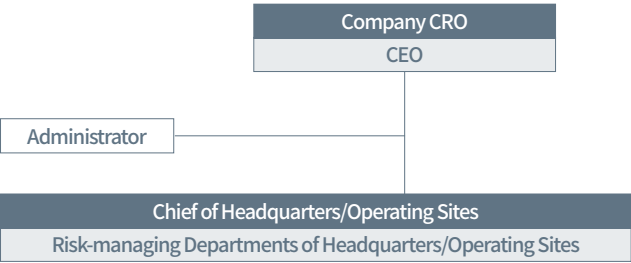
Major risks of Hyundai Transys

Risk	Points of management
Intensified competition of core/future technologies	Securing competitiveness in electrified powertrains
	Trends of next core technologies (e.g. autonomous driving)
	Impacts by transition of modular architectures
Slowdown of growth in conventional vehicle market	Securing orders and supplying products stably
	Securing new growth power
Deterioration of profitability due to intensified competition	Reducing manufacture cost (raw material and other expenses)
	Reducing costs due to quality failure
	Deterioration of profit-making structure due to obsolescence
Volatility in financial market	Risks of fluctuation in interest rate and exchange rate
Response to new customers/products	Quality issues raised from new global customers
Compliance risk	Complying with relevant laws and regulations
Safety/environment risks	Safety/environment risk management at operation sites

Risk Management Organization

Hyundai Transys formed an organization consisting of a representative/manager for each risk-related department, including the CEO as the Chief Risk Officer (CRO). Through this, we are efficiently identifying and deriving risks that may occur in the relevant areas and responding rapidly. In addition, major risks of the company and their management status are required to be reported to the Board of Directors more than twice a year, ensuring the risk management governance.

Risk management organization



Information Security

Information security management

Hyundai Transys complies with laws and international standards related to information security, and is in the process of building a system to protect the company's technologies and personal information. In order to strictly maintain security, we have appointed a Chief of Information Security Officer (CISO), and formed a Security Council as an organization dedicated to information security.

Information security management

Through the establishment of an information security management system that meets the international standards, we were certified with the information security management (ISO27001) by a third party organization. Based on our information security system that meets the domestic and international standards, we are continuously carrying our security-related tasks and protecting the company and customer's information.



ISO27001 certification

Event for 'Security Day'

In order to promote internalization of information property management and to prevent recurring issues, an evaluation for the Dongtan Seat Research Center was conducted in a form of event on the Security Day. Scoring 93 points¹⁾ on average, the results confirmed that the entire departments have promoted strict management on information property management. Our efforts to prevent security accidents will be made ceaselessly.

1) Average of the entire company from January to September 2021

Information security training for employees

To promote the security awareness of employees and self-led security practices, we had special security training sessions for all employees and researchers. In 2020, 1,864 domestic and 23 expatriates had time to reflect on the justification for preventing information leakage of important information assets through information security education.



Information security training for employees

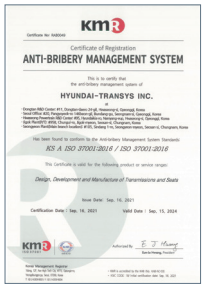
Ethical Compliance Management

System for Ethical Compliance

Legal risks are rising as regulations on anti-corruption and unethical practices are being strengthened. Recognizing significance of ethical compliance management to the future business competitiveness, Hyundai Transys is establishing steps to build and operate an ethical compliance management system. Moreover, by establishing an employee Code of Conducts, we are providing appropriate guidance regarding ethics, human rights and safety and ensuring their compliance.

Certification of ISO37001

Hyundai Transys obtained ISO37001 certification in September 2021 to minimize organizational risks caused by corruption and bribery. We plan to systematically establish and strengthen a management system for anti-corruption management to enable transparent and fair business execution by improving employee ethics and management transparency and reliability through the operation of anti-corruption programs according to global standards.



Self-compliance Program for Fair-trade

In order to prevent violations of the law in advance, Hyundai Transys is operating a self-compliance program for fair trade. With this, we provide internal and external trust and prevent physical or intangible damage such as losing the company's reputation. This program has been put in place to drive company-wide innovation and rigorous awareness reformation, by focusing on the following 7 principles.

7 elements of the self-compliance program

1. Clarification of the top executive's determination and principles to self-compliance
2. Appointment of a self-compliance manager responsible for the operation of CP
3. Production and distribution of the self-compliance manual
4. Continuous and systematic self-compliance training
5. Construction of an internal supervision system
6. Sanctions against employees for violating fair-trade laws
7. Building a document management system

Meetings for Ethical Compliance

Every other month, Hyundai Transys conducts meetings for employee ethical compliance. Through these meetings, we assess operations of ethical compliance and disseminate internal and external trends related to the fair-trade. In 2020, the meetings were held 6 times to deliberate and decide on the agendas including issues on fair trade, subcontract, illegal solicitation, business secret, personal information, and labor. To discuss items related to Hyundai Transys' ethical compliance, this meetings will be operated regularly.

Declaration to Ethical Compliance

In March 2020, we published the CEO's declaration for self-compliance for ethical management, and clarified top management's determination and principles for self-compliance. This enabled all employees to gain an awareness and a common ground on the compliance programs.

Guidelines for Ethical Compliance

Hyundai Transys has been annually establishing guidelines for the prevention of corruption and anti-competition conducts. The guidelines not only prevents the violation of the laws, but also encourages respect for the laws. With continuous management and education, we will strive to become a company that is an example in the global market.

Employee Pledge to Ethical Compliance

Every year, we have required all employees to sign a pledge on ethical compliance, and provided clear information on employee's ethics and law compliance, as well as the significance of fair trade. Through this initiative, we have shown the employees' dedication to ethical compliance and clarified the consequences in case of noncompliance.

Ethical Compliance Training for Employees

With the establishment and revisions to the laws on fair-trade and subcontract in 2020, we conducted trainings on the Subcontract law and internal trade. A total of 1,319 employees participated in the fair-trade training, which included precautions while working. In addition, to internalize the necessity of a law-complying management, we made two training sessions for ethical compliance education and reinforcement of employee ethical awareness, each session was attended by 1,965 and 1,479 employees respectively.

Newsletters on Fair Trade

In order to enhance employees' spirit of fair trade and to provide behavioral examples, Hyundai Transys publishes monthly newsletter to distribute current status of fair-trade and the subcontract policy. As well as precautions to take while performing duties. We are also continuously creating and utilizing content that is easier and more familiar for our employees, such as fair trade quizzes.

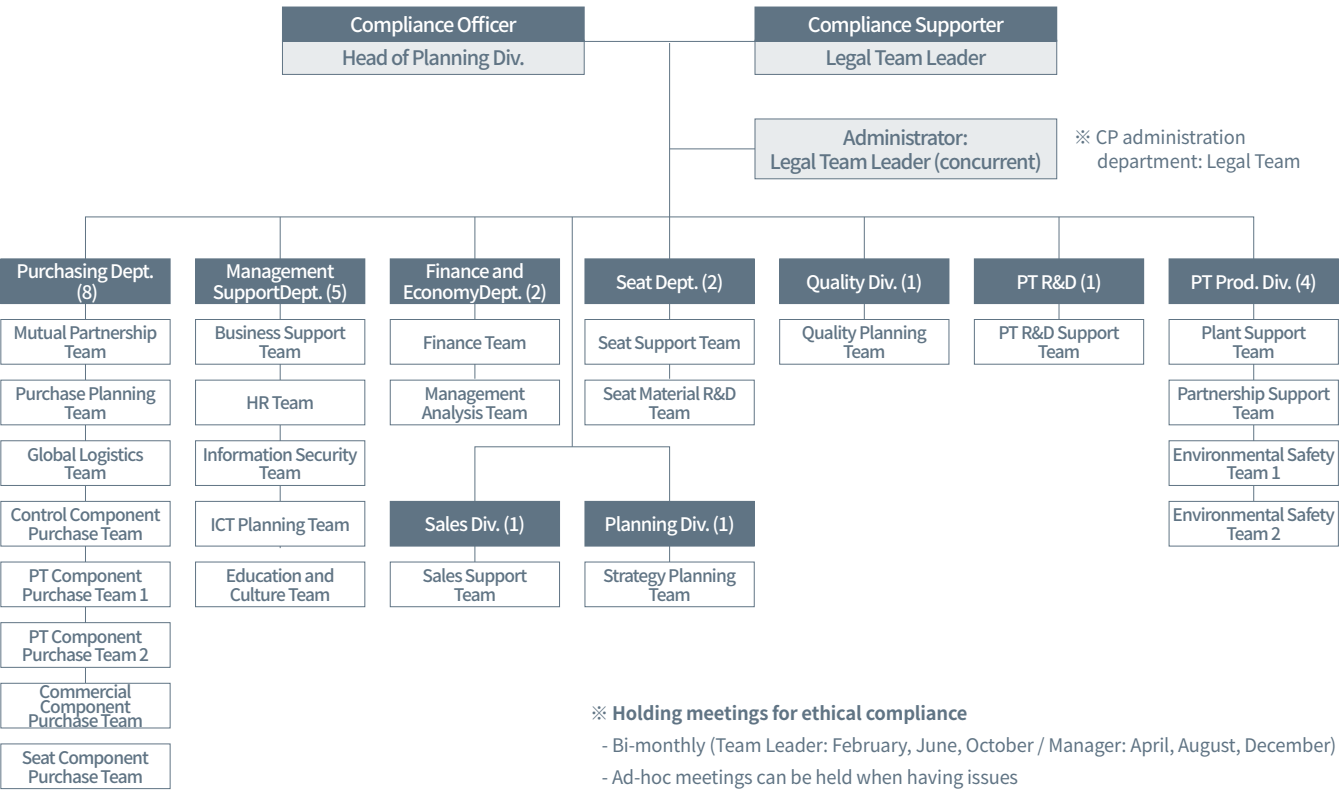
Mechanism of Handling Grievances

Hyundai Transys has 'Cyber Sinnungo' as a means to actualize ethical management based on our transparent & fair organization culture. At the web-site, named after a traditional drum used by the people to speak publicly in the Chosun era, all the stakeholders, including employees, customers and partners are able to freely leave their suggestions, criticism, and opinions on various irrational systems. In 2020, a total of 16 cases were received, and each related organizations verifies the matter as fact and investigates the details. To ensure the safety and relief of the informants, all the informations of the postings are not disclosed for privacy within the security processes.

Organization for Ethical Compliance

The Hyundai Transys' ethical compliance organization runs with an appointed self-compliance manager and a compliance supporter. We also appoint a self-compliance manager for each sector who takes charge of the self-compliance evaluations and supports the actual implementation.

Organization for Ethical Management



Customers

Effective VOC Management

By proactively using the Voice of Customer (VOC) management process, Hyundai Transys quickly identifies and applies solutions to customer complaints.

We actively use basic communication channels such as documentation, phone calls, emails, as well as other diverse channels like face-to-face, video conferencing and interactions with the management, actively maintaining contacts with domestic and international customers. Especially in China and the U.S., we collect the VOC directly at our overseas offices and respond in time, and appropriately. Upon receipt of the VOC, the managers in the relevant departments immediately review the issues and conduct continuous post-monitoring to gain the customer's trust.

VOC management process



Customer Satisfaction Survey

The seat division of Hyundai Transys achieved the 6th rank out of 22 companies on the CQR* results published by J.D. Power in 2020. Our rank On VDS** was 4th among 24 companies, which has improved from the 5th rank from the previous year. J.D. Power conducts online surveys for American customers each year to quantitatively score and publish initial quality and durability levels. Encouraging our relevant departments such as quality control, R&D, and purchasing to reflect and analyze customer complaints in detail and make improvements, Hyundai Transys aims to climb up these ranks.

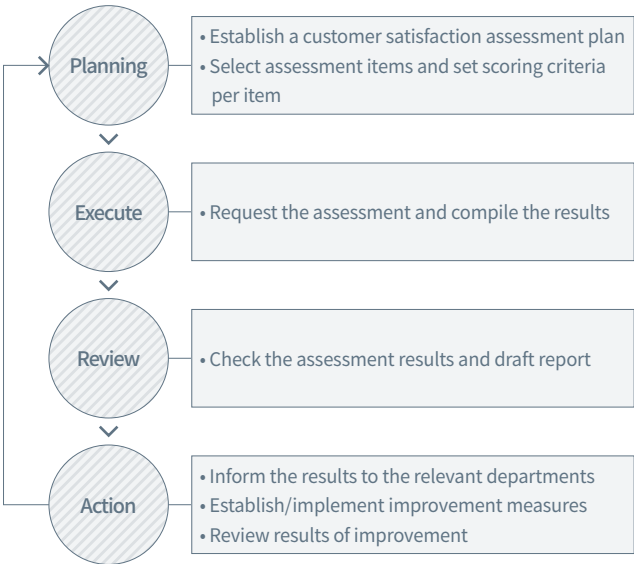
*CQR(Component Quality Report, index of initial quality)

**VDS(Vehicle Dependability Study, index of durability)

Customer Satisfaction Assessments

In 2020, we received 96 points on the customer satisfaction assessment that was given to 24 customers. These once-for-a-year assessments evaluates categories related to operations such as delivery, quality, and customer responses in the form of score. In addition, we continue to improve our results at the assessment categories by reflecting key requirements from the customer's perspective. The implications identified through the assessments are shared with the relevant departments to carefully analyze customer complaints, and with the results of the assessment, we establish and implement improvement plans to reply quickly to their demands.

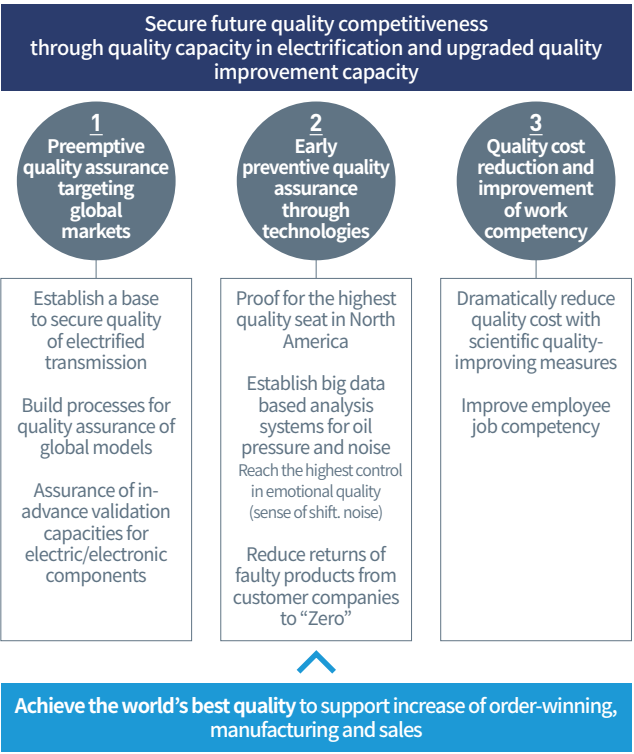
Customer satisfaction evaluation process



Securing manufacturing and quality competitiveness

Hyundai Transys aims to establish the foundation for innovative product development and actualize customer safety through strict quality management. We will achieve world-leading quality by upgrading our quality capacity, executing in-advance the preventive quality activities in technical terms, and preliminary securing assured quality that meets the standards of the global market as our target.

Hyundai Transys' Quality Policies



Preemptive quality competitiveness for electrified products

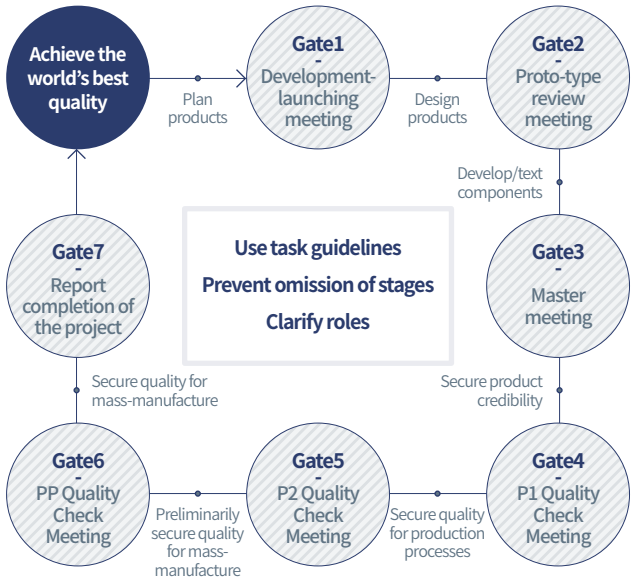
To respond to the paradigm shift from conventional internal combustion engines to electrified products including hybrid/electric vehicles, we are pursuing various activities. While establishing a special organization within the quality division to exclusively take charge of renewing the standards for the quality assurance of electrified products, we are continuously updating improvements on our products by collecting and analyzing issues related to electrified vehicles.

Stabilizing quality management process

To gain a stable manufacturing base and safety of our customers, we have established and managed a quality management system. After the ISO/TS 16949 certification of the Jigok Plant in 2002, which was the beginning of our introduction and expansion of quality management process, transitions of certification to IATF16949, a new standard in the quality, have been consecutively made since 2017. As of 2019, 4 operating sites in Korea and 17 overseas sites have completed the certification transition/renewal.

Establishment of a System for Global Quality

To clearly analyze and respond to various global demands for complete vehicles, we have pursued a global quality system project. To this end, we integrated fragmented quality standards and performance/risk management criteria by process at operating sites, and systemized them by applying the requirements of global quality to working standards. In addition, we defined essential tasks for each development stage and categorized them as confirmed work processes into 7 gates.



Selected as an excellent company in quality competitiveness

Recognized for its ceaseless improvement of product competitiveness and efforts towards quality innovation for customer satisfaction, Hyundai Transys has been selected as an "Excellent Company in Quality Competitiveness" for 2 years in a row at the 46th National Quality Management Convention, which was hosted in November 2020 by the Korean Agency for Technology and Standards (an affiliated organization to the Ministry of Trade, Industry and Energy).



Employees

Talent Management

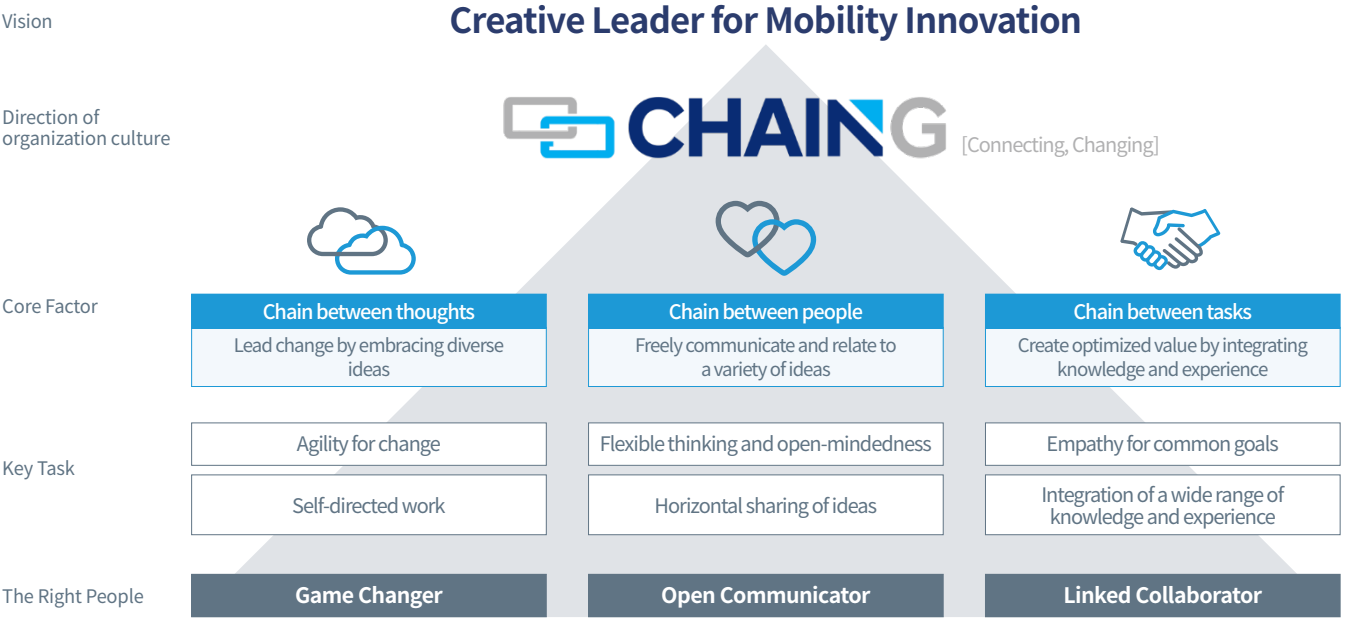
Talent management system

Our ideal talent is one who accepts a wide range of thoughts to create the very best and worthy results in communication. Based on this talent model and our core values such as customer, challenge, cooperation, talent, and globality, Hyundai Transys desires all its members to be connected and changed. Our superior organization culture and future-preparing talent training will contribute to Hyundai Transys' business operations materially and allow our talents to become creative leaders of future mobility.

Hyundai Transys' talent management system

Strategies for talent management

To prepare for the rapid shifts in the global industrial environment and intensified competitions, it is required to foster talents that meets world-class standards. With a goal of developing talents that can contribute to the sustainable growth of the company even within the environment of extreme change and competition, Hyundai Transys is establishing mid- to long-term roadmaps and pursuing detailed tasks accordingly. In 2021, we will make efforts to achieve specific and tangible fostering for successful business performances.



Mid- to long-term roadmap for organization culture



Improvements in Organization Culture

Making a better top-bottom communication

In January 2021, Hyundai Transys held an event called, 'New Year Talk with the CEO,' which was a session of conversation for a broader understanding of management policies and a horizontal organization culture. At this meeting, the company's strategic systems and responsive measures were shared with employees, especially on the current changes in management environment like COVID19, electrification, and autonomous driving. A video material, which was created in consideration of employees' interests, delivered the CEO's leadership, confidence, and faith and encouraged employees to empathize with the company's days to come.

Ground Rules for team leaders to create sound organization culture

1 Respect	>	① Language: Avoid blaming with informal speech, violent words, or swearing. ② Workplace ethics: Do not request for personal jobs. ③ Appreciation: Do not judge others by their backgrounds.
2 Get in other's shoes	>	① Work arrangement: Distribute tasks to employees in consideration of competency and fostering. ② Staff education: Actively support for competency development ③ Attendance: Do not make team members feel pressured about issues on their attendance or vacation schedule
3 Communicate horizontally	>	① Getting closer: Make contacts with the whole members of the team ② Conference: Avoid requesting for unnecessary meetings ③ Cooperation: Do not act like an onlooker in collaboration with other teams
4 Be a model	>	① Morality: Do not violate rules in acts ② Team operation: Avoid directions merely for schedule/work management ③ Making intimacy: Minimize a sense of power upon the team members

Harmony Rules for team members to create sound organization culture

1 Respect	>	① Appreciation of experiences: Acknowledge and respect for the leader's long experiences. ② Understanding of roles: Avoid unconditioned criticism against feedback. ③ Report/feedback: Conduct reporting and share the progress of the job immediately when necessary.
2 Get in other's shoes	>	① Open-mindedness: Positively listen to other's opinions. ② Cooperation: Understand the common goals and make efforts to achieve them. ③ Sense of responsibilities: Aware of importance to complete tasks until deadlines
3 Communicate horizontally	>	① Keeping in touch: Do not talk behind other's back without direct conversations. ② Solving problems: Report quickly and discuss about solutions when troubled ③ Flexibility in decision making: Embrace the possibility that some suggestions may not be adopted.
4 Have followership	>	① Efforts for differences: Be patient with how fast the organization changes ② Constructive criticism: Take a positive stance when making critical opinions against the leader ③ Self-development: Keep working to improve yourself.

Changing the Working Culture

Hyundai Transys is enhancing the working environment and employee welfare to boost the flow degree and efficiency of work, and also preparing various programs to ultimately bring a work-life balance to employees.

Flexible working hours

A selective working hours system has been introduced to the entire company, so that employees can observe their minimum working hours and can also decide the time to leave for work and come home by themselves. This flexibility guarantees employee's autonomy and raises up work efficiency.

4-part lunch time

In order to prevent COVID-19 infection among executives and employees and to eat in a more pleasant environment, the lunch time is divided into four parts from 11:30 to 13:30 and is operated on a weekly basis. Employees freely choose between healthy and regular meals according to their personal preferences and use them as hobbies and self-development time after meals.

Smart approval

The speed of decision making directly leads to competitiveness. Hyundai Transys' 'One-day Approval' system enables all the authorization actions in the company to be done within 24 hours, while actively utilizing simultaneous/parallel/mobile approvals.

Childcare facilities

The company's own kindergartens in Dongtan and Seosan are making the working environment more comfortable for employees who have children to care for, and also brings the company closer to a workplace where the members find happiness.

Welfare Point benefit

All our employees in active services are provided with 'Welfare Points,' which are redeemable against desirable goods or services at travel agencies, sports centers, theaters, bookstores, etc. This sort of support from the company helps the employees' living with culture and refreshment.

Medical Checkup

In accordance with the health examination management regulations, all executives and employees are conducting medical checkups.

Employees

Turn the crisis into chances: CHAIN·G programs

“We cheer you up”

Executives of each operation site shared nutritional tonics at gates or inside of cafeterias during lunch time. Messages printed on the beverage packages delivered steady attentions and encouragement to the employees.



CHAIN·G Live with Division Heads

In the midst of circumstances that makes physical gatherings unavailable, we had online town hall meetings, which gave opportunities to share thoughts on changes in our routines and business environment since the COVID19 pandemic, the head's opinions about the crisis, and etc. The online communication tools we utilized such as YouTube enabled communications including real-time comments and Q&A sessions, and on-the-spot free gift offering for the attendants.



TRANSYS^to^or^y campaign

An employee contest was held to select whom has unique stories of ‘succeeding in challenges’ and ‘overcoming hardships,’ and then Hyundai Transys held a presentation of their speech videos. Through the experience of the employees, we have created a positive atmosphere that we can overcome the crisis.

Domino Challenge

Groups formed of employees and their families applied to the ‘Domino Challenge’ and built their own domino shows. By producing and sharing their domino rally videos, the companies aimed to create bright inner atmosphere to help relationships of the colleagues and families and spread positive messages for overcoming difficulties.

CHAIN·G Letter

Our online publications and a debate sphere among employees has promoted the consensus-making against the tough environment on enterprise scale since COVID19. This communication space has been prepared help employees rediscover the crisis as opportunity to develop flexible and problem-solving-centered work methods and hold against the rigid organization culture.

Flash Quiz Show

Our mobile quiz competition provided differentiated experiences and the message of crisis overcoming and preparation for new opportunities. The participants challenged web-based quick questions with themes and time limitation (5 min.), delighting the air of organization. Moreover, questions regarding organizational directions and actions for crisis overcoming reinforced the employees’ awareness of preparations for new opportunities in the midst of difficulties.

Hyundai Transys B[©]comes Arts!

By using the online bulletin board inside the groupware of the company as a gallery, an online art exhibition displayed 95 artworks brought from a previous exhibition titled “Hyundai Transys B[©]comes Arts!” in 2019 and additionally submitted works.

Competency development

Reinforcement of Job Expertise

Hyundai Transys has been equipped with professional training curricula for diverse areas such as leadership, job expertise, and languages to let our employees meet the global standards of competency. Specified job training courses (e.g. P/T and Seat Academy, R&D job training) as well as common training courses also raise up the employees’ work abilities. In addition, programs for leadership and languages are parts or efforts to foster world-class specialized workforces.

Major training programs in 2020

Type	Program title
Leadership	<ul style="list-style-type: none">• Training for new team leaders• Competency-improving training• 3-minute leadership training for team leaders (R&D)
Job expertise	<ul style="list-style-type: none">• Professional job training (reform)• Electrification training• Real-time online training (transformation)
Language	<ul style="list-style-type: none">• Online language courses• Self-learning• Language Workbook for Actual Business (R&D)

Hyundai Transys strives to secure each individual employee's growth in professionalism. Team leaders, senior managers, and senior researchers have attended training sessions to enhance their leadership. 58 hours per capita were spend for training in 2020, and which equals 236,000 KRW when converted into money.

Training performance in 2020



Job rotation

The job position rotation system has been run to provide various work experiences employees who will grow up into superior talents. By switching their positions, the employees are able have opportunities to accumulate much more experiences and develop their careers, and also the company can support possible candidates of overseas sojourning employees in advance. Job rotation system targets applicants who have been on their current positions more than 3 years, and also aims to cover more employees who experience the job rotation and broaden their work spectrum while considering actual job vacancies.

Fair performance assessment and rewards

To provide employees with fair assessment and rewards is a significant goal for Hyundai Transys to strive for. The assessment is conducted in comprehensive consideration of the employee's merits and capabilities with diverse and appropriate methods. Absolute evaluation is applied to the entire job groups including executives, and in case of leaders, 360-degree feedback is made by involving various subjects as the evaluators. Moreover, communications between appraisee and appraisers are encouraged to guarantee the procedural impartiality, and also objective assessment items and competency reinforcement of the appraisers are pursued for credibility of the results. Hyundai Transys will strengthen feedback and coaching towards employees to win opportunities of employee fostering from the assessment system.

Re-employment training for retirees

Hyundai Transys’ reemployment training is conducted to raise employees’ understanding of post-retirement circumstances and support the adjustment to it as well as retirees’ lifelong career development and self-improvement design. The participants can complete their own coherent career plans with help from lectures on self-exploring, career describing, career planning, etc. Since conventional face-to-face lectures have been disabled due to COVID19 spread, the company conducted online learning programs for 33 trainees at their homes in 2020.

Employees

Respect for human rights and diversity

Human rights policies

Hyundai Transys respects the human rights of all stakeholders, including employees, partners, and customers. We comply with the basic principles of the UN's Universal Declaration of Human Rights, the UN Global Compact, and the International Labor Organization. In that determination, we've established the Hyundai Transys' "Human Rights Management" and its principles and provided anti-bullying education for executives and employees, as an effort to protect and respect human rights.

Respect for diversity

Throughout the employees' work processes such as recruitment and promotion, we respect diversity and ensure that there is no discrimination in regards to nationality, gender, or cultural background. In 2020, the proportion of female employees holding positions of chief managers rose higher to 39% as compared to that of 2018, and is showing a continued increase. Hyundai Transys hopes to become a global company that respects the diversity and value of individuals.

Labor-management communication

Hyundai Transys respects the workers' freedom of association and pursues open-minded communication between laborers and executives. In accordance to related laws, the labor union of Hyundai Transys has been founded and operated, and quarterly meetings are regularly held to discuss a variety of topics such as grievances and working conditions.

Adjustment of employee grievances

By operating the online/offline grievances resolution programs, Hyundai Transys established a horizontal and open-minded communication sphere where employees from various workplaces are able to apply with no constraints in space or time. Listening to the grievances of employees and resolving them in a rational manner is part of our efforts to protect the human rights of our employees, improve their degree of satisfaction, and create a healthy work environment.

Hyundai Transys' Basic Human Rights Principles

1. Prohibition of forced labor

In accordance to the UN's Universal Declaration of Human Rights and the company's human rights principles, we prohibit any kind of forced labor (bonded labor, slave labor, etc.) that may unjustly restrict mental or physical freedom.

2. Prohibition of child labor

Hyundai Transys complies with the minimum age requirement for labor as enacted by the relevant national regulations. When recruiting youth under 18 years of age, we do not assign any task that goes against health and safety.

3. No discrimination

Hyundai Transys does not discriminate against race, age, gender, nationality, disability, religion, pregnancy, membership in labor unions, marriage, and social status during recruitment, compensation, and promotion.

4. Working hours

Hyundai Transys complies with laws on working hours for each country in which it operates.

5. Fair compensation and life stability

Hyundai Transys follows the relevant country's laws on minimum wage, overtime compensation, social insurance, break times, and holidays, thereby contributing to the employees' life stability and quality enhancement of working conditions.

6. Guarantee of freedom of association

Hyundai Transys provides opportunities for laborers to communicate with the executives, guarantees freedom of association, and does not penalize laborers for their membership or organizing of labor unions.

7. Guarantee of safety and health

Hyundai Transys provides a safe and clean working environment to the laborers and protects them from harmful substances.

Safety and Health

Safety and health policies

Hyundai Transys is aware of that activities to create a safe and healthy work environment and guarantees the safety and health of its employees from the company and its partner companies and which are top-priority imperatives for ceaseless quality maintenance and enhanced production efficiency. By spreading the 'safety-first' culture and continuously decreasing potential hazards in accordance with local laws and regulations, we are making efforts to make operation sites safer

Industrial Safety and Health Council

In order to let labor and management discuss and decide the company's safety and health policies as well as major relevant agendas together, the company has founded and operated an Industrial Safety and Health Council. Meetings of this joint labor-management councils are held periodically at each operation site, thus major items on safe work environment are dealt with, and also risk factors and the solutions are identified and explored at actual spots in the workplaces

Safety and health management for partners

The revision of the Occupational Safety and Health Act has been increasing the responsibilities of the main contractors for the industrial accidents as well as the necessity of safety management on the contractors. To help our contractors' safety management, Hyundai Transys reviews their status of safety management standards throughout the contractor selection processes, and operates a support system to improve and evaluate their safety management skills. In addition to competency-enhancing education programs for general partners, evaluation and sanctions are offered for companies which violated the safety regulations.

Safety management at operation sites

In order to guarantee the health and safety of all employees, Hyundai Transys reviewed possible danger factors in the work processes, and revised our core safety principles and is promoting relevant activities on the whole enterprise scale based on the review. Through field-oriented preventative activities, we are implementing practical improvement measures and feasible safety management activities. To prevent safety accidents due to uses of harmful/dangerous machine, devices, and equipment, we installed safety equipment, protective walls, and emergency blocking devices and also supply personal safety gears to the corresponding workers. We will continue our thorough compliance with the relevant laws and won't hesitate to support for autonomous safety activities that prioritize actual fields.

Reinforced emergency responsiveness

We are making responsive plans against emergency situations such as fire, safety-related accidents, natural disasters, and epidemics. Our emergency scenarios have been created including reporting, response, and follow-up actions to ensure quick handling. We annually conduct joint drills with the relevant public institutions and follow-up evaluations in accordance with the emergency action plan by unit organization for practicality of the drill. By repeating these drills consistently, we will internalize the capabilities for emergencies.

Internalization of safety and health conducts

We operate a wide-range of activities to keep Hyundai Transys and its employees safe from safety accidents. "Safety Management Workshop" was held to identify safety-relevant issues as well as their resolutions, and a "Safety Card" system has been established to evaluate the compliance with the safety rules and give both compliments and advices. Like the company granted 'Safety Points' as awards for individual safety performances at the end of the year, we are building the company-wide atmosphere of safety compliance and field-oriented safety culture.

ISO45001: a certification on safety and health management systems

Hyundai Transys has built and operated its own safety and health management system based on international standards such as the ISO45001 to identify, remove, and improve safety/health issues derived from its business conducts. As of August 2021, 18 operation sites among the entire 19 domestic/overseas ones have completely acquired certification of OHSAS18001 or ISO45001, global health and safety management systems and ISO regulations are translated into local languages for each overseas workplace and posted on the site.

Health and Safety Management System (ISO45001) Certification Status

As of August 2021

Category	Target Plant	Certified Plant	Certification Rate
Domestic	4	4	100%
Ameriaca	5	5	100%
Europe	2	2	100%
India ¹⁾	2	1	50%
China	6	6	100%
Total	19	18	95%

1) The AP Plant in India are scheduled to obtain certification in 2021.

Safety and Health

PSM process safety management and evaluation assessment on fire/explosion hazard areas

Jigok plant inspected 12 PSM(Process Safety Management) process safety management tasks such as change management, safety work permit, pre-operation inspection, and self-inspection for flammable gas-using workplaces over 5 tons. Our task-force team conducted training sessions for relevant workers inside the companies and at outsourced education organizations. As a result of self-auditing and consultation, we completed actions in accordance with assessment grades and necessary improvements, and Jigok Plant had no case or violated laws led to payment of penalty.

“Don’t look at your phone while walking”

As a preventive measure against walking safety accidents such as falling, we conducted a campaign of ‘no look at phones’ for the prevention of distraction while walking on a company-wide scale. While adhering advertisement stickers at 300 spots inside/outside plants, we’ve put up posters at workplaces of 80 teams. In addition to education sessions on near miss cases for each division, we also reinforced patrol activities by issuing a ‘Safety Card’ to walkers who are caught using a cellphone.

Integration and reinforcement of safety specification manuals of equipment

In order to guarantee safety when installing new equipment, we established a standard that is comprised of common specifications (global standards), equipment to acquire safety certifications and hazardous machines/tools (Occupational Safety and Health Act), and special risk prevention specifications (safety-reinforced specification). Applying the standard, we have prevented confusions in safety standards that may occur between equipment contractors and equipment users due to different safety designs by plant.

“Pledge for Safety, Remind of Safety” campaign

To help employees repeatedly remember the significance of safety and habituate themselves to safety activities, and also to make practical relevant improvement plans, we conducted a campaign that workers write safety rules at their workplaces and their own promises for compliance and then adhere the writings on a place named ‘Safety Road.’ The campaign allowed the workers to write improvements and suggestions on safety issues found by themselves as well, therefore they could have more awareness of the safety accidents during dangerous works.

Improvement of fire monitoring systems

The existing fire monitoring systems were improved by replacing the main receivers and strengthening the DCT receivers. In addition, we installed monitoring systems with optical cables inside the Safety and Environment Team and security control room, which enabled immediate responses for issues like fire or equipment failure even during nights and holidays.

Self safety assurance program for hazardous machines/tools

For proper compliance with the laws on hazardous machines/tools and in-advance prevention of accident causes through stable management of safety functions in safety devices and equipment, in addition to the existing management methods directed by laws, we conducted additional precision diagnosis on the safety functions and hazard factors of our hazardous machines/tools

Safety management evaluation and sanction criteria on construction subcontractors

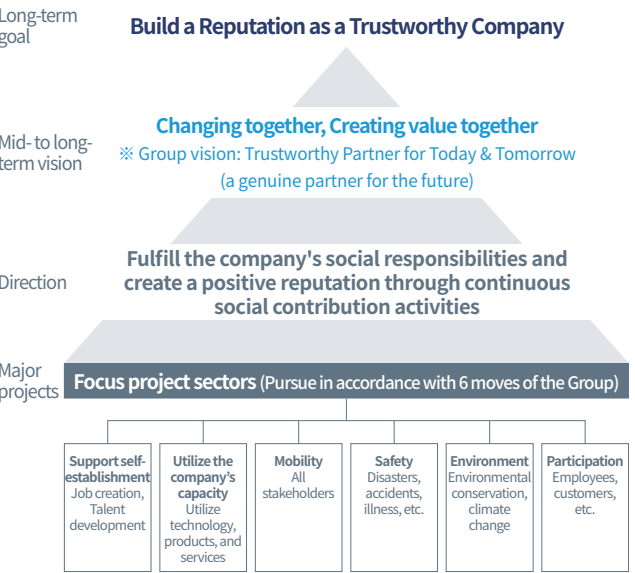
In order to reduce safety accidents to zero, we have monitored companies which took charge of construction works in our operation sites and imposed penalty points on the violations of safety rules. With those closed management activities on the subcontractors, we reinforced our sanction systems related to sections of penalty points in 2020, and the disciplinary actions were taken on 27 companies in total.

Social Contributions

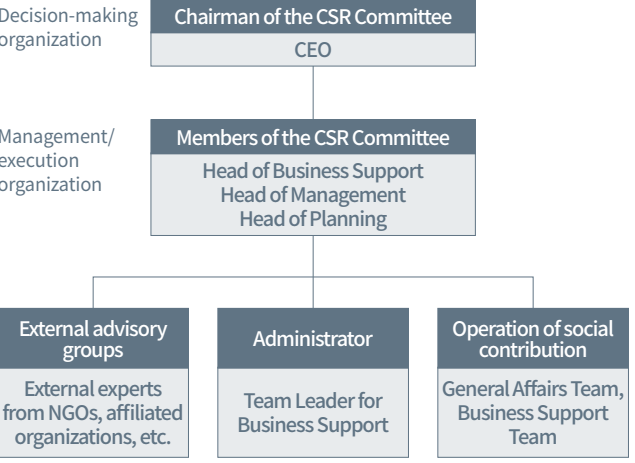
Sustainable social contributions

With a long-term goal of “Establishing a trustworthy company reputation,” and the mid- to long-term vision of "Changing together, Creating value together," Hyundai Transys is carrying out a wide-range of social contribution activities. Hyundai Transys hopes to proactively satisfy its social responsibilities by selecting core project sectors that matches the Group's 6 Movements, reconstructing social contribution programs and improving major programs, and by strengthening the social contribution activities of global sites.

Social contribution system



Governance system for social contribution



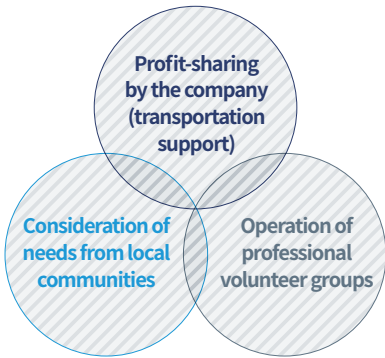
Major social contribution projects

In our standing-out social contribution projects that utilizes the corporation competencies, Hyundai Transys is trying to embody the sustainability and our social responsibility and help towards environmental/social value creation. Our relevant projects are on progress through collaborations with various stakeholders including social enterprises and medium/small businesses, and conclusion of an MOU with social enterprises will guarantee business continuity.

Products that upcycles leather from discarded seats

In 2020, with participation by the seat design team of the company, we produced 900 articles of leather goods that reused waste seat leather and showed our seat-producing capabilities that meets social values. Like reusing foam pad parts in seats, more upcycling programs will be found continuously in 2021.

Deep Participation into Resolving Issues in Local Communities



Uniform gifts for vulnerable high-schoolers

In January 2020, Hyundai Transys held the "2020 Hope Sharing School Uniform Delivery Ceremony" with the Office of Education. The 10 million won Hyundai Transys applied to the Seosan City Volunteer Center will be used to present school uniforms to 46 vulnerable teenagers entering high school. Hyundai Transys has sponsored for nine years despite the difficult business environment and has delivered uniforms to a total of 452 students so far this year.

Social Contributions

600 powerchairs in the "Hope 1365" campaign

In June 2020, Seosan-si in Chungcheongnam-do had an occasion titled, “Hope 1365 Powerchair Delivery Ceremony” to present 600 powerchairs to the vulnerable elderly. Those powerchairs were purchased thanks to 60 million KRW of the ‘Hope 1365’ budget that Hyundai Transys donated to relieve the elderly’s living inconveniences in December 2019. The Hope 1365 is a series of projects by professional volunteer work groups including the Baby Boomer Volunteer Corps. These organizations have resolved the living discomforts of the local vulnerable groups by talent sharing like fixing houses, electricity supplies, boilers, and LED lights, and therefore have been greatly welcomed by the seniors. Hyundai Transys has been willingly at the frontline of sharing for local communities with activities such as the annual donation of 100 million KRW to Hope 1365 from 2013.



Donation of 5 vehicles for social welfare services

In June 2020, Seosan-si in Chungcheongnam-do had an occasion titled, “Hope 1365 Powerchair Delivery Ceremony” to present 600 powerchairs to the vulnerable elderly. Those powerchairs were purchased thanks to 60 million KRW of the ‘Hope 1365’ budget that Hyundai Transys donated to relieve the elderly’s living inconveniences in December 2019. The Hope 1365 is a series of projects by professional volunteer work groups including the Baby Boomer Volunteer Corps. These organizations have resolved the living discomforts of the local vulnerable groups by talent sharing like fixing houses, electricity supplies, boilers, and LED lights, and therefore have been greatly welcomed by the seniors. Hyundai Transys has been willingly at the frontline of sharing for local communities with activities such as the annual donation of 100 million KRW to Hope 1365 from 2013.



Thanksgiving gifts to Seongyeon-myeon

In September 2020, Hyundai Transys donated a Chuseok gift set to the Seongyeon-myeon Administrative Welfare Center in Seosan-si to share it with neighbors in need for the holiday. The Chuseok gift set was delivered to low-income vulnerable households in the jurisdiction with 184 gift sets containing daily necessities such as ham and cooking oil. In addition, Hyundai Transys has been practicing love for its neighbors by engaging in various contribution activities to low-income and vulnerable groups in the community every holiday.



Educational materials for Jigok/Seongyeon Volunteer Firefighter Corps

In September 2020, Hyundai Transys donated educational material sets approximately equivalent to 4 million KRW to volunteer firefighter corps in Jigok-myeon and Seongyeon-myeon, Seosan-si. By supporting fire extinguishers, hydrants with hose-reel, gas leak sensors for fire-vulnerable groups in Seosan-si annually, the company has continued its social contributions and promoted safety of the region. Thus, the donation of the year was decided to go to the firefighters who have taken charge of difficult jobs for the vulnerable groups. Hyundai Transys proposed the “realizing a shared society” as one of its three principal agendas for sustainable growth. To achieve that, we are helping in the development of local communities through active social contribution activities including Hope 1356, mentoring and scholarship for teenagers, and Happy Power Car project.



Life-sharing blood donation campaign at Jigok Plant

Jigok Plant of Hyundai Transys publicized its joining in blood donation campaign by Daejeon-Sejong-Chungnam Red Cross Blood Center in December 2020. Besides, 360 blood donation certificates, which were collected by blood-gathering by Industrial Health Center in the company, were delivered to the blood donation center as well. With its own campaign and employees’ positive responses, Jigok Plant is voluntarily taking parts in in collective blood donation to protect lives of local people and patients in need of blood. Thanks to that, it’s estimated that approximately 50 Hyundai Transys employees participate in one blood donation campaign by the company, and which is a part of practices of humanitarianism of Korea Red Cross as well as sustainable management through various social contributions.



Donations by employees

Hope-sharing donation of 20 million KRW

Hyundai Transys donated 20 million KRW to Seongyeon-myeon in December 2020. This fund is redistributed to Seosan-si by Chungcheongnam-do branch of Community Chest of Korea, and supposed to be included into support for low-income groups and social welfare facilities and other emergency supports. Hyundai Transys has been providing its strength to warm the atmosphere of its local communities with activities such as annual Kimchi-making gathering with Saemaeul Leader Council in Seongyeon-myeon and donations of gift give-out for vulnerable neighbors.



Scholarship by Love-sharing Volunteers Corps.

In 12th December 2020, CEOs that represents 16 companies of ‘HTS Love-sharing Volunteers Corps.,’ a social contribution group of employees from partner companies of Jigok Plant of Hyundai Transys, had a ceremony to give 16 million KRW of scholarships and subsidies to teenager students from 16 vulnerable households, which have been in relations of sponsorship with the companies. The financial support on the day has been continued in a way of delivering various sorts of support (e.g. gifts, scholarship, and other helps for living) since each of the companies started the sponsoring relationship with one household recommended by Seosan Volunteer Center. Besides that, employees have continued accumulating parts of their salary to raise funds for support for 9 years since 2011, and the CEOs have dinner times with the families of sponsorship to increase emotional sharing as well.



Social Contributions

Neighbor-caring contribution of 9.28 million KRW to “The Fruit of Love” campaign

Donating about 10 million KRW in December 2020, employees of Hyundai Transys participated in the Community Chest of Korea's 2021 Hope Sharing Campaign. Hyundai Transys executives and employees collected a total of 9.28 million won and delivered it to the Fruit of Love by adding 4.64 million won in donations and 4.64 million won through Transys' matching grant program for neighbors who are having a harder time than ever due to the prolonged COVID-19. The donated fund will be used by the Korea Council of Group Homes for Children & Youth to support disease-preventive goods for child facilities.



Donation of 84 million KRW to Seosan

Employees of Hyundai Transys visited the Seosan Office and contributed 84 million KRW in December 2020. The company also donated 10 million KRW to Seosan-si and 20 million KRW to Seongyeon-myeon and Jigok-myeon respectively. In addition, 10 million KRW as scholarship for youths in low-income households was donated to schools in Seosan such as the Busung/Seongyeon Elementary School, Seongyeon Middle School, Seoil High School, and Seosan Seongbong School, and another 10 million KRW was designated to the Seosan Volunteer Center's school uniform support project for the youth in low-income households. The 84 million KRW of donated funds will be entrusted to the Chungcheongnam-do branch of the Community Chest of Korea, and then distributed to the city office. Of the funds, the general donation will be used to help neighbors in need (e.g. support for social welfare facilities or emergency support), while funds for designated donations will be spared for the specific projects.



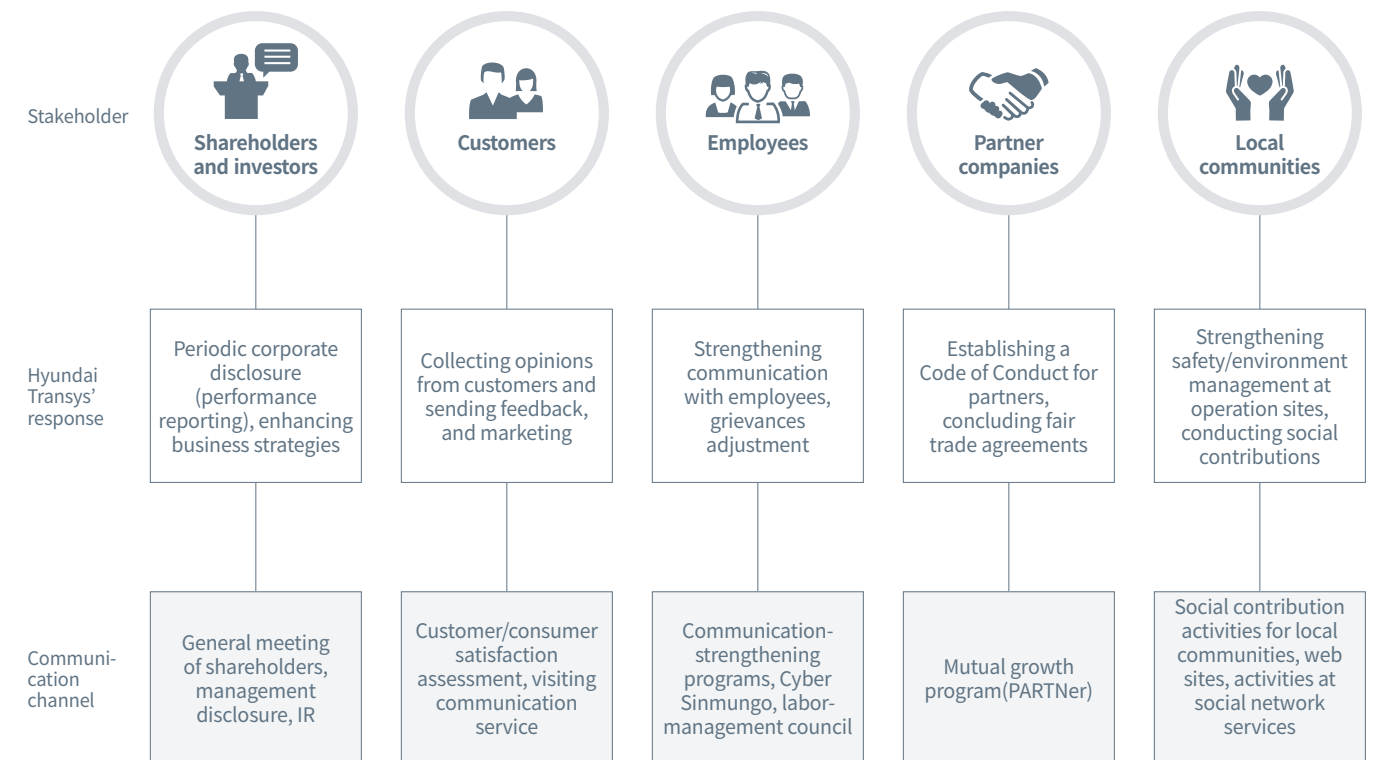
10 million KRW donation for the living of COVID19 victims

To help in the living of people in regions hit by COVID19, Hyundai Transys spent its 10 million KRW, the prize money from the '2019 Hyundai Motor Group Innovation Awards,' for donations to Save the Children of Korea in March 2020.

Stakeholder Communication

Hyundai Transys identifies diverse stakeholders that exchanges economic/environmental/social influences according to the company's conducts, products, services, and relationships. Thus, these stakeholders are categorized into shareholder & investors, customers, employees, partner companies, and local communities. In order to guarantee continuous communications with a variety of stakeholders, we build long-lasting and firm channels and collect their desires.

Besides, we are striving to reflect their voices to the Hyundai Transys' management conducts. Through methods including websites, disclosures, and sustainability reports, the company is making its business strategies, activities, and performances transparent to the public.



SUSTAINABILITY ACHIEVEMENTS

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Economic Performance

Categories	Content		Unit	2018	2019	2020
Sales by region	Domestic		1 million KRW	6,092,733	6,159,858	6,305,912
	Asia	China	1 million KRW	104,390	143,108	90,429
		India	1 million KRW	210,989	200,823	308,564
	Export	Europe	-	1 million KRW	569,882	569,057
		North and Central America	1 million KRW	962,896	802,557	822,520
		South America	1 million KRW	87,911	94,370	69,662
	Consolidated adjustments		1 million KRW	-813,230	-927,395	-760,887
	Total		1 million KRW	7,217,588	7,044,396	7,253,615
R&D investment (powertrains)	Toral expenditure on R&D		1 million KRW	800	920	1,319
	Quantity of projects		Projects	147	135	107
R&D personnel (powertrains)	R&D personnel		Persons	410	438	460
	Ratio of R&D personnel in the entire employees		%	11	11	12
	R&D training courses		Courses	17	15	23
	Cost of R&D training		1 million KRW	109	219	121
R&D investment (seats)	Total expenditure on R&D		1 million KRW	474	641	941
	Quantity of projects		Projects	104	115	137
R&D personnel (seats)	R&D personnel		Persons	221	242	282
	Ratio of R&D personnel in the entire employees		%	6	6	7
	R&D training courses		Courses	24	15	19
	Cost of R&D training		1 million KRW	205	170	89

Categories	Content		Unit	2018	2019	2020
Distribution of economic value	Suppliers	‘Changes in raw materials, etc.’ in the item ‘Expenses classified by nature,’ ‘Notes to the consolidated financial statement’ of the annual report	1 million KRW	5,693,597	6,129,351	5,961,608
	Employees	‘Employee payroll’ in the item ‘Expenses classified by nature,’ ‘Notes to the consolidated financial statement’ of the annual report	1 million KRW	395,942	411,257	374,208
	Stockholder/ investors	‘Interest expenses’ in the item ‘Finance costs,’ ‘Notes to the consolidated financial statement’ of the annual report	1 million KRW	30,442	35,275	37,278
Distribution of economic value	Government	‘Income tax expense’ in the item ‘Income tax expense and deferred corporate tax assets,’ ‘Notes to the consolidated financial statement’ of the annual report	1 million KRW	18,666	45,214	14,765
	Local communities	‘Donations’ in the item ‘Other expenses,’ ‘Notes to the consolidated financial statement’ of the annual report	1 million KRW	108	330	301
Distribution of economic value	Sum Total		1 million KRW	6,138,755	6,494,255	6,388,160

Environmental Performance

Categories	Content		Unit	2018	2019	2020	Remarks
GHG emissions	Total amount of GHG emissions		tCO ₂ e	275,347	268,627	264,548	Figures of 2018-2019 aggregated both of domestic and overseas data, differently with the previous report covered only domestic data.
	Domestic		tCO ₂ e	185,760	187,507	176,754	
	Overseas		tCO ₂ e	89,587	81,120	87,797	
Direct/ indirect emissions	Direct emissions (Scope 1)		tCO ₂ e	29,903	26,375	21,731	Figures of 2018-2019 aggregated both of domestic and overseas data, differently with the previous report covered only domestic data.
	Domestic		tCO ₂ e	28,300	24,945	20,600	
	Overseas		tCO ₂ e	1,603	1,430	1,131	
	Indirect emissions (Scope 2)		tCO ₂ e	245,444	242,252	242,817	Figures of 2018-2019 aggregated both of domestic and overseas data, differently with the previous report covered only domestic data.
Energy consumption	Domestic		tCO ₂ e	157,460	162,562	156,151	
	Overseas		tCO ₂ e	87,984	79,690	86,666	
	By KRW unit		tCO ₂ e/100 million KRW	3.82	3.50	3.65	Figures of 2018-2019 aggregated both of domestic and overseas data, differently with the previous report covered only domestic data.
	Total amount of energy consumption		TJ	5,639	5,454	5,390	Including domestic and overseas subsidiaries
	Total amount of direct energy		TJ	583	509	417	
	Total fuel consumption within the organization from non-renewable sources (including fuel types)		TJ	583	509	417	
	Total fuel consumption within the organization from renewable sources (including fuel types)		TJ	0	0	0	An extremely small quantity was generated from Beijing PT corporate under the criterion in 2020 (0.43 kWh).
	Total amount of indirect energy		TJ	3,290	3,347	3,216	
	Electricity consumption		TJ	3,288	3,345	3,214	
	Heat consumption		TJ	2	2	2	
Reduction in energy consumption	Cooling consumption		TJ	0	0	0	
	Steam consumption		TJ	0	0	0	
	Energy consumption by KRW Unit		TJ/100 million KRW	0.06	0.06	0.06	
Reduction in energy consumption	Activities for reduction in energy consumption	* Innovative activities for reduction in energy consumption, etc.	Number	-	-	11	
	Effects	* Amount of reduction in fuel, electricity, etc., and effects from the reduction (in aspect of expense)	1 million KRW	-	-	1,525	
Water use	Total amount of water use		1,000 ton	324	247	244	Domestic
	By KRW unit		1,000 ton/ 100 million KRW	0.005	0.004	0.004	

Environmental Performance

Categories	Content		Unit	2018	2019	2020	Remarks
Wastewater discharge and water reuse	Total amount of wastewater discharge		1,000 ton	164	148	149	Figures of 2018-2019 aggregated both of domestic and overseas data, differently with the previous report covered only domestic data.
	Recycling		1,000 ton	312	283	300	Same as the above remarks, including tenant partners
Pollutants emissions	COD		kg	186	163	190	
	SS		kg	18	39	58	
	COD by KRW unit		kg/100 million KRW	0.0031	0.0026	0.0000	
	SS by KRW unit		kg/100 million KRW	0.0003	0.0006	0.0000	
Waste management	Waste generation	Designated waste	ton	4,180	3,498	3,252	Figures of 2018-2019 aggregated both of domestic and overseas data, differently with the previous report covered only domestic data.
		General waste	ton	2,793	2,926	2,988	Figures of 2018-2019 aggregated both of domestic and overseas data, differently with the previous report covered only domestic data.
	Waste disposal	Incineration	ton	2,225	2,178	2,073	Figures of 2018-2019 aggregated both of domestic and overseas data, differently with the previous report covered only domestic data.
		Landfill	ton	1,575	1,022	690	Figures of 2018-2019 aggregated both of domestic and overseas data, differently with the previous report covered only domestic data.
	Waste recycling	Recycled steel drum	ton	5,291	5,194	3,600	Figures of 2018-2019 aggregated both of domestic and overseas data, differently with the previous report covered only domestic data.
	Total amount of air pollutants generated		ton	105	174	134	Figures of 2018-2019 aggregated both of domestic and overseas data, differently with the previous report covered only domestic data.
Air pollutants emissions	NOx(Nitrogen oxide)		ton	93	97	50	Figures of 2018-2019 aggregated both of domestic and overseas data, differently with the previous report covered only domestic data.
	SOx(Sulfur oxides)		ton	1	14	16	Figures of 2018-2019 aggregated both of domestic and overseas data, differently with the previous report covered only domestic data.
	Dust		ton	11	64	73	Figures of 2018-2019 aggregated both of domestic and overseas data, differently with the previous report covered only domestic data.
Inspection related to health and safety	Inspection activities	* Regular check-up and monitoring	Times	39	43	49	Figures of 2018-2019 aggregated both of domestic and overseas data, differently with the previous report covered only domestic data.
Auditing related to health and safety	Domestic	* Regular check-up and monitoring	Cases	12	12	12	
	Overseas	* Regular check-up and monitoring	Cases	21	28	26	
Health and safety	LTIFR (Lost Time Incident Frequency Rate)	Domestic	Cases/MHr	1	1	1	As of January-October 2020
		Overseas	Cases/MHr	66	80	13	As of January-October 2020
	LTISR (Lost Time Incident Severity Rate)	Domestic	Days/THr	2	0	0	As of January-October 2020
		Overseas	Days/THr	4	11	5	As of January-October 2020

Social Performance

Categories	Content		Unit	2018	2019	2020	Remarks
Employees	Total	Number of employees	Persons	9,502	9,478	9,170	
	By gender	Male	Persons	8,246	8,292	7,757	
		Female	Persons	1,256	1,186	1,413	
	By region	Domestic	Persons	3,822	3,821	3,948	
		Overseas	Persons	5,680	5,657	5,222	
	By age	Under 30	Persons	3,486	3,383	2,534	
		30-50	Persons	5,162	5,247	5,758	
		Over 50	Persons	854	861	878	
	By employment type	Permanent position	Persons	8,840	8,735	8,408	Worker on non-fixed term contract
		Male	Persons	7,705	7,613	7,094	
		Female	Persons	1,135	1,122	1,314	
		Contract position	Persons	644	743	762	Fixed-term worker (part-time)
		Male	Persons	570	681	662	
		Female	Persons	74	62	99	
Employment	Total new employments		Persons	2,277	1,660	1,185	
	By region	Domestic	Persons	136	58	205	
		Overseas	Persons	2,141	1,602	981	
	By gender	Male	Persons	1,748	1,355	946	
		Female	Persons	529	305	241	
	By age	Under 30	%			567.0	
		30-50	%			422.0	
		Over 50	%			197.0	
Employee turnover	Sum of turnover ratio		%	5.2	5.7	8.7	
	By region	Domestic	%	2.7	1.6	1.3	
		Overseas	%	6.9	8.4	8.4	
	By gender	Male	%	5.1	5.5	5.6	
		Female	%	5.8	6.8	4.2	
	By age	Under 30	%	5.4	6.1	7.5	
		30-50	%	4.3	4.7	4.0	
		Over 50	%	9.8	9.8	8.1	
Childcare leave	Employees eligible for childcare leave	Male	Persons	2,366	2,381	2,280	
		Female	Persons	227	223	249	
	Employees on childcare leave	Male	Persons	141	142	145	
		Female	Persons	60	73	75	
	Employees returned to work	Male	Persons	138	140	142	
		Female	Persons	8	4	40	
	Employees continued their employment more than 1 year	Male	Persons			129	
		Female	Persons			28	

Social Performance

Categories	Content	Unit	2018	2019	2020	Remarks	
Ratio of return and employment continuity after childcare leave	Ratio of return	%	72.9	67.2	82.4	Ratio of employees who returned back to work in 2020 after their childcare leave is completed in the identical year	
	Ratio of employment continuity	%	55.1	62.9	77.8	Ratio of employees who maintained their employment status more than 12 months until 2020 are among the ones who returned back to work after their childcare leave	
Employment of social minorities	Persons with disabilities	Persons	42	44	46	Domestic	
	Ratio of employment of persons with disabilities	%	0.01	0.01	1.20		
Ratio of local native top-level managers at principal operation sites	Local employment	Persons	5,284	5,252	5,222	Employees who holds a nationality of the location of operation site	
	Local native employees on directive position	Persons	342	365	326	*directive position: official position to lead other employees (e.g. head of group, team leader)	
	Employees on directive position at overseas operation sites	Persons	460	477	446		
	Ratio of local native on directive position	%	6.5	6.9	6.3		
Female employee management	Female employees	Persons	1,257	1,186	1,413		
	Female administrators (manager and upper positions)	Persons	33	37	46		
	All administrators (manager and upper positions)	Persons	1,049	1,174	1,169		
	Ratio of female employees	%	3.1	3.2	3.9		
Ratio of basic salary and rewards for female employees in comparison with male employees	Ratio of basic salary by gender	%	100.0%	100.0%	100.0%	No gender difference in rewards for employees with identical position and year of services	
Retirement pension system	Defined benefit pension plan	100 million KRW	2,262	2,457	2,782		
	Defined contribution pension plan	100 million KRW	77	87	91		
Labor-management relationship	Members of labor union and labor-management councils	Persons	2,172	1,896	1,850		
Ratio of employees who received regular performance evaluations	Employees subject to performance evaluations		Cases	7,152	7,201	6,964	* Except employees whose evaluation was not conductible due to leave or return
	Employees received performance evaluations	Male	Cases	6,389	6,298	6,171	
		Female	Cases	723	687	874	
	Ratio of employees received performance evaluations		%	100.0	100.0	100.0	
Training	Average training hours per employee (domestic)		Hours	108	63	58	
	Training courses		Courses	87	89	76	
	Trainees		Persons	38,502	31,974	36,444	
	Training staff		Persons	3,983	3,640	3,982	
Organization culture	Customer Satisfaction Index survey on organization culture	Points	63	69	69		
Employee welfare	Expenditure on employee welfare	1 million KRW	21,524	21,163	26,401		
Employee grievances	Ratio of processed grievances	%	100	100	100		
	Grievances reports to the Human Rights Center	Cases	2	1	3		
Investment on social contribution	Investment expenses on social contribution	1 million KRW	664.2	330.0	284.0	Donations specified in the annual report	
Employee donation	Participants	Persons	-	-	293		
	Amount of fund raised	100 million KRW	1.7	-	5		
Employee's voluntary service	Participants	Persons	894	-	-	In 2019, 2020, due to the influence of COVID-19, voluntary service was not carried out	
	Hours	Hours	12,283	-	-		
	Service hours per person	Hours/person	14	-	-	(Domestic/overseas)	
Performances of social contribution	Beneficiaries of social contribution	Persons	-	-	3,000		

Categories	Content		Unit	2018	2019	2020	Remarks
Mutual growth agreements with suppliers (supply chain)	Primary suppliers		Companies	297	304	171	
	Secondary suppliers		Companies	157	166	97	
Mutual growth supports for suppliers (supply chain)	Financial aid for technical development		100 million KRW	1.31	0.57	290.79	
	Expenditure for Mutual Growth Fund		100 million KRW	184	234	224	
	Managerial support for training on quality		Persons	1,610	1,417	122	Training on product quality
	Managerial support for training on safety		Persons	636	103	0	In the aftermath of COVID19, trainings on safety and expert jobs were not conducted during 2020.
	Managerial support for training on job practice		Persons	627	617	421	Competency-strengthening training
	Support for training		Persons	2,873	2,137	543	Sum of trainings on quality, safety, and job practices
	Consultation		Companies	9	7	13	
	Support for employment		Persons	12	615	91	
	Support for employment		Companies	1	47	27	
	Support for innovative activities		Companies	-	-	3	*Support for secondary/tertiary suppliers
Performances of mutual growth supports for suppliers (supply chain)	Technical support	Cases	Cases	73	1,896	784	
		Companies	Companies	52	209	127	
	Technology deposit system	Cases	Cases	15	29	35	
	Performance of support for sales route expansion	Cases	Cases	8	8	23	
Inspection on suppliers (supply chain)	Inspection on quality		Companies	76	139	147	
	Inspection on safety		Companies	56	42	0	Not conducted in the aftermath of COVID19
	Dispatch of consultation coaches		Companies	2	1	4	Support for technology and manufacturing process improvement
Customer satisfaction	Customer subjects of customer satisfaction degree survey		Companies	-	24	24	Group companies and other OE customers
	Score of customer satisfaction index		Points	-	96	96	Totalization by item of delivery rate, customer line suspension, finished vehicle warehousing defect, field defect, and special situation
Quality management	Inspection	Inspection on compliance with quality principles	Cases	45	28	46	IATF 16949 assessment (minor nonconformities and recommendations)
		Improvement action	Cases	45	28	46	Corrective actions according to IATF 16949 (minor nonconformities and recommendations)
	Employee training	Training hours for quality management	Hours	48	32	56	Training courses on understanding of IATF 16949, IATF internal examiner, and understanding of VDA 6.3
		Employees for quality management	Persons	44	73	37	Completed training courses on IATF internal examiner and VDA 6.3
Training for information security	Domestic trainees		Persons	880	1,420	1,864	
	Overseas trainees		Persons	-	-	23	Expatriates
Anti-competitive behavior	Legal actions against unfair transactions including anti-competitive behaviors and monopoly		Cases	-	-	0	
Compliance with laws	Penalty due to violation of laws/regulations		1 million KRW	-	-	0	Penalty due to violation of laws/regulations
	Non-monetary sanctions against violation of laws/regulations		Cases	-	-	0	Non-monetary sanctions against violation of laws/regulations
	Lawsuits related to violation of laws/regulations		Cases	-	-	0	Lawsuits related to violation of laws/regulations
Auditing	Auditing by audit departments	Regular auditing	Cases	-	1	1	Checkup on fair trade
		Special auditing	Cases	-	12	16	Investigation by whistleblowing (transparent auditing)
	Self-auditing	Self-auditing by each team	Cases	-	-	1	Self-checkup on anti-corruption and compliance
Training on compliance and ethics	Training on ethical management		Cases	-	4	5	Training on fair trade/compliance and ethics
	Trainees		Persons	-	660	4,763	*Sum of domestic trainees
	Ratio of training completion		%	-	66%	82%	

APPENDIX

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GRI Standards Index

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GRI Standards Index

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Topic-specific Standards			
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GHG Verification



DNV BUSINESS ASSURANCE

온실가스 배출량 검증 성명서

No.: PRJN-219319-2021-AST-KOR

현대트랜시스 주식회사

서문

주식회사 디엔브이비즈니스어슈어런스코리아(이하, DNV)는 현대트랜시스 주식회사 (이하, ‘현대트랜시스’)의 2020 년도 온실가스 배출량 및 에너지 사용량에 대해 합리적 보증 수준 하에서 검증을 수행하였습니다. 현대트랜시스는 "온실가스 배출권거래제의 배출량 보고 및 인증에 관한 지침(환경부 고시 제 2021-10 호)"에 따라 검증 자료를 준비할 책임이 있으며, DNV의 책임은 합의된 계약 조건에 따라 검증 계약당사자인 현대트랜시스에만 국한되며, 이 검증 성명서를 기반으로 한 투자 등의 다른 결정에 대한 책임은 지지 않습니다.

검증 범위

본 검증에서 다루어진 온실가스 배출량은 현대트랜시스 운영상 통제 하에 있는 국내 사업장의 직접 배출(Scope 1 배출), 간접 배출(Scope 2 배출)을 포함하고 있습니다.

- 검증 대상 조직 및 사업장 : 현대트랜시스 국내사업장(지곡, 성연 서울사무소, 화성구동연구센터, 동탄시트연구소)
- 검증대상 배출량 : 2020 년 온실가스 배출량 및 에너지 소비량

검증 방식

본 검증은 2021 년 2 월부터 3 월까지, "온실가스 배출권거래제의 배출량 보고 및 인증에 관한 지침(환경부 고시 제 2021-10 호)" 및 “온실가스 배출권거래제 운영을 위한 검증지침(환경부 고시 제 2018-70 호)”의 검증 원칙과 기준에 따라 수행되었습니다. DNV는 현대트랜시스가 보고한 온실가스 배출량에 대한 검증 의견을 제시하는데 필요한 정보와 데이터를 얻기 위하여 검증 계획을 수립하고, 중요성 평가 기준 5%를 바탕으로 검증을 실시하였습니다. 검증 프로세스의 부분으로 다음 사항을 확인하였습니다.

- 2020 년 현대트랜시스 온실가스 배출량 및 에너지 사용량 명세서
- 현대트랜시스 온실가스 데이터 관리 및 수집, 배출량 산정 및 보고 프로세스

결론

온실가스 배출량 선언과 관련한 정보는 상기의 검증기준을 준수하여 오류, 누락 및 허위 진술 없이 적정하게 기술되었습니다. 현대트랜시스의 2020 년 온실가스 배출량은 아래와 같이 확인되었습니다.

현대트랜시스 국내사업장의 2020 년 온실가스 배출량 및 에너지 소비량

(단위 : ton CO₂e)

현대트랜시스	온실가스 배출량 (ton-CO ₂ equivalent)			에너지 사용량 (Terajoule, TJ)		
	Scope1	Scope2	총량	Scope1	Scope2	총량
2020 년	20,601	156,154	176,754	395	3,216	3,609

※ 상기의 ‘총배출량’은 사업장 단위 질사 후 합산 기준 적용에 따라 직접 및 간접 배출량 합산 값과 차이가 발생할 수 있음.

2021 년 7 월
대한민국, 서울

이 장 섭
대표이사
㈜디엔브이비즈니스어슈어런스코리아

본 외부 검증인의 검증성명서는 성명서 발행일 (2021 년 7 월 29 일) 현재로 유효한 것입니다. 성명서 발행일 이후 본 성명서를 열람하는 시점 사이에, 온실가스 배출량 산정에 중요한 영향을 미칠 수 있는 사건이나 상황이 발생할 수 있으며, 이로 인하여 본 검증성명서가 수정될 수도 있습니다.



DNV BUSINESS ASSURANCE

GREENHOUSE GAS EMISSIONS ASSURANCE STATEMENT

NO.: PRJN-219319-2021-AST-KOR

HYUNDAI TRANSYS INC.

Introduction

DNV Business Assurance Korea Ltd. (“DNV”) was commissioned by HYUNDAI TRANSYS INC (“HYUNDAI TRANSYS”) to verify the HYUNDAI TRANSYS’s Greenhouse Gas Inventory Report for the calendar year 2020 (“the report”) based upon a reasonable level of assurance. HYUNDAI TRANSYS is responsible for the preparation of the GHG emissions and Energy consumption data on the basis set out within the guidelines on the operation of GHG emission trading scheme (“ETS” (Notification No. 2021-10 of Ministry of Environment)). Our responsibility in performing this work is to the management of HYUNDAI TRANSYS only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this assurance statement.

Scope of Assurance

The GHG emissions data covered by our examination comprise Direct emissions (Scope 1 emissions) and Energy indirect emissions (Scope 2 emissions) from HYUNDAI TRANSYS boundary of the report;

- Organizational boundary for reporting: Domestic business sites of HYUNDAI TRANSYS
- GHG emissions under verification: GHG emissions & energy consumption from 2020

Verification Approach

The verification has been conducted by DNV on February to March 2021 and performed in accordance with the verification principles and tasks outlined in the guidelines on the operation of GHG ETS (Notification No.2021-10, Korean Ministry of Environment) and the verification guideline for GHG ETS (Notification No. 2018-70, Korean Ministry of Environment). We planned and performed our work to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a reasonable verification opinion concerning the completeness of the emission inventory as well as the reported emission figures in ton CO₂ equivalent. As part of the verification process;

- We have reviewed and verified the GHG emissions and energy consumption report for the calendar year 2020
- We have reviewed and verified the process to generate, aggregate and report the emissions and energy data

Conclusions

As a result of the work described above, in our opinion nothing has come to our attention that would cause us to believe that the GHG emissions and energy consumption set out in HYUNDAI TRANSYS’s report are not fairly stated. The GHG emissions and energy consumption of HYUNDAI TRANSYS for the year 2020 were confirmed as below;

Greenhouse Gas Emissions and Energy Consumption of HYUNDAI TRANSYS for Yr 2020

Unit: ton CO₂ equivalent.

HYUNDAI TRANSYS	GHG Emissions (ton-CO ₂ equivalent)			Energy Consumption (Terajoule, TJ)		
	Scope1	Scope2	Total	Scope1	Scope2	Total
Year 2020	20,601	156,154	176,754	395	3,216	3,609

※ Total emissions might be different from the sum of direct and indirect emissions by applying the rule that emissions should be summed after truncating decimal places at the business site level.

July 2021

Seoul, Korea

Jang-Sub Lee
Country Manager

DNV Business Assurance Korea Ltd

This Assurance Statement is valid as of the date of the issuance 29 July 2021. Please note that this Assurance statement would be revised if any material discrepancy which may impact on the Greenhouse Gas Emissions of HYUNDAI TRANSYS is subsequently brought to our attention. In the event of ambiguity or contradiction in this statement between English version and Korean version, Korean shall be given precedent.

Third Party Verification

To readers of Hyundai-transys Sustainability Report 2021

Introduction

Korea Management Registrar (KMR) was commissioned by Hyundai-transys to conduct an independent assurance of its Sustainability Report 2021 (the “Report”). The data and its presentation in the Report is the sole responsibility of the management of Hyundai-transys. KMR’s responsibility is to perform an assurance engagement as agreed upon in our agreement with Hyundai-transys and issue an assurance statement.

Scope and Standards

Hyundai-transys described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR’s assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

Confirmation that the Report was prepared in accordance with the Core Options of the GRI standards was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process.

- GRI Sustainability Reporting Standards
- Universal standards
- Topic specific standards
 - Management approach of Topic Specific Standards
 - GRI 201: Economic Performance
 - GRI 302: Energy
 - GRI 303: Water and Effluents
 - GRI 305: Emissions
 - GRI 308: Supplier Environmental Assessment
 - GRI 414: Supplier Social Assessment

As for the reporting boundary, the engagement excludes the data and information of Hyundai-transys’ partners, suppliers and any third parties.

KMR's Approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the engagement:

- reviewed the overall Report;
- reviewed materiality assessment methodology and the assessment report;
- evaluated sustainability strategies, performance data management system, and processes;
- interviewed people in charge of preparing the Report;
- reviewed the reliability of the Report's performance data and conducted data sampling;
- assessed the reliability of information using independent external sources such as Financial Supervisory Service’s DART and public databases.

Limitations and Recommendations

KMR’s assurance engagement is based on the assumption that the data and information provided by Hyundai-transys to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with Hyundai-transys on the revision of the Report. We reviewed the Report’s final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the Core Option of the GRI Standards. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

Inclusivity

Hyundai-transys has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.

Materiality

Hyundai-transys has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.

Responsiveness

Hyundai-transys prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of Hyundai-transys’ actions.

Impact

Hyundai-transys identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

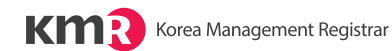
Reliability of Specific Sustainability Performance Information

In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of economic, environmental, and social performance data related to sustainability performance. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

Competence and Independence

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021·2015 - Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with Hyundai-transys and did not provide any services to Hyundai-transys that could compromise the independence of our work.

Nov. 2021 Seoul, Korea



CEO *E. J. Hwang*

Awards and Memberships

Awards

Date	Award	Content	Organization
2017.11	CMMI Level.3	CMMI (Capability Maturity Model Integration, Controller Development Work Ability and Process Maturity Evaluation Model)	CMMI Institute
2018.08	IR52 Jang Young-sil Award	Selection and awards of excellent new technology products by domestic companies and technology research institutes.	Ministry of Science and ICT
2019.01.	Award of Amity in Rizhao, China	An expert commendation for contributing to the economic construction and social development of Rizhao, China.	Rizhao, China.
2019.03	CCA Award Gold Level (Customer Care and Aftesales)	Reward for excellent suppliers among all GM global partners.	GM
2019.04	BYD 2018 Key Supply Award	China's largest electric vehicle maker, Viyadi's Best Partner Award.	BYD
2019.06	Best company in the Shared Growth Index.	Earned the highest grade in the Shared Growth Index evaluation.	Shared Growth Committee
2019.06 ~2022.12	IATF 16949 (Sungyeon)	Automobile Quality Management System	BSI, IATF
2019.07	KDS 0050-9000-4	Defense Quality Management System	Defense Agency for Technology and Quality.
2019.08	ISO 14001 (Seongyeon/ Dongtan/Hwaseong)	Environmental management system.	ISO
2019.08	ISO 45001 (Zigok)	Safety and health management system.	ISO
2019.08	ISO 27001	International Standard Information Security Management System	ISO
2019.08	ISO 14001 (Zigok)	Environmental management system.	ISO
2019.09	OHSAS18001	Safety and health management system.	OHSAS (Certification authority : SGS)
2019.09	OHSAS18001	Safety and health management system.	OHSAS (Certification authority : SGS)
2019.10 ~2023.04	IATF 16949 (Zigok)	Automobile Quality Management System	BSI, IATF
2019.10	2019 Korea CEO Hall of Fame.	Selection and presentation of CEOs who contribute to the development of the national industry/economy by enhancing the competitiveness of domestic companies.	Korea Institute of Industrial Policy.
2019.10	IATF 16949 (Zigok)	Automobile Quality Management System	BSI, IATF
2019.11	Outstanding company in Shandong Province, China.	Shandong Province Economic and Social Development Representative Company Reward	Shandong Province, China
2019.11	Minister of Trade, Industry and Energy Award.	Prevention and protection of industrial technology leakage.	Ministry of Trade, Industry and Energy
2019.11	In terms of national quality award.	A company with excellent quality competitiveness.	Korea Standards Association, Ministry of Trade, Industry and Energy
2019.12	ISO 14001 (Seongyeon/ Dongtan/Hwaseong)	Environmental management system.	ISO
2020.09	Best company in the Shared Growth Index.	Earned the highest grade in the Shared Growth Index evaluation.	Shared Growth Committee
2020.10	ISO 14001 (Zigok)	Environmental management system.	ISO
2020.10	ISO 45001 (Zigok)	Safety and health management system.	ISO
2020.10	ISO 27001	International Standard Information Security Management System	ISO
2020.11	ISO 45001 (Seongyeon/ Dongtan/Hwaseong)	Safety and health management system.	ISO
2020.11	In terms of national quality award.	A company with excellent quality competitiveness.	Korea Standards Association, Ministry of Trade, Industry and Energy
2020.11	TISAX(AL3)	German Automobile Information Security Certificate	VDA
2021.04	TISAX(AL3)	German Automobile Information Security Certificate	VDA
2021.08	The best company in the Fair Trade Agreement.	Winning the highest grade in the Fair Trade Agreement evaluation.	Fair Trade Commission
2021.09	NET new technology certification.	Create a foundation for entry into the initial market through early discovery and commercialization of new technologies and creation of purchasing power.	Ministry of Trade, Industry and Energy Korea Industrial Technology Promotion Association

Memberships

Association	Purpose
Korea Automobile Industry Cooperative (KAICA)	Cooperation between related companies for the development of the automobile industry.
Hwaseong/Seosan Chamber of Commerce and Industry.	Mandatory subscription under the Chamber of Commerce Act, issuance of import and export business documents, etc.
KSAE, the Automotive Engineers (KSAE)	Technology development through the sharing of automobile-related academic technologies.
Korea Automobile Industry Cooperative (KOICA)	Cooperation between related companies for the development of the automobile industry.
Korea Fair Competition Federation (KFCF)	Information and exchange of opinions with the government and companies to comply with fair trade.
Korea Intellectual Property Association (KINPA)	Creating synergy between companies, such as discussing mutual cooperation plans and joint research, to strengthen IP competitiveness.
Korea Industrial Technology Promotion Association (KOITA)	Benefits such as tax, tariffs, and government R&D participation through maintaining corporate-affiliated research institutes are given.
Daejeon and Chungnam Management Federation.	Collecting information on businesses in Chungnam and appointing user members of Chungnam Labor Relations Commission.
Environmental Conservation Association (EPA)	Technical guidance from the Emission Association and the provision of the latest environmental data, etc.
Korea Automobile Safety Association (KASA)	Contributing to the development of the automobile industry and establishment of a safety culture
Korea Exchange.	Participation in the greenhouse gas emission ticket market and information sharing.
Korea International Trade Association (KITA)	Acquisition of trade information such as exports and customs duties and policy suggestions.
Hyundai-Kia Cooperative Federation.	-
Korea Electric Power Engineers Association.	Appointment of a factory electrical safety manager, career management as an electrical engineer, technical counseling, etc.
a bar association	-
American Bar Association.	-
The Korea Nursing Association.	Exemption from legal information training expenses and provision of technical data, etc.
Seosan City Fire Administration Development Committee	Development of fire administration in Seosan-si and exchange of opinions during external periods.
Nice, D&B.	DUNS number is assigned as a request for VW (the world's largest credit information inquiry service provider)
Korean Society of Reliability.	Acquire technical information and improve work efficiency.
Korean Society of Mechanical Technology.	Acquire technical information and improve work efficiency.
Seosan Safety Management Council.	Sharing policy directions of the Ministry of Employment and Labor and forming an external human network.
Seosan Residents' Autonomous Environment Monitoring Council	Formation of an external human network, such as the Seosan City Hall Environment Division and residents' complaint resolution.
Seosan Auto Valley Enterprise Council	Revitalize the integration of companies in industrial complexes and maintain joint facilities.
Defense Security Council in Daejeon, Chungnam, and Sejong.	Joint response to mandatory subscription and rental work as a defense company.
Emergency Planning Officer Association of the Ministry of Trade, Industry and Energy.	Obligatory subscription as a company subject to intensive management under the Emergency Preparedness Resource Management Act.
Korea Construction Engineers Association.	Acquisition of qualification for career management and facility self-inspection as a building technician.
Seosan Branch Office (Prosecutor's Office) Judicial Affairs and Management Committee.	Expansion of crime prevention activities and facilities for improving the criminal environment.
Steering Committee of Seosan Branch Office (Prosecutor's Office) Crime Victim Support Center	Project to protect and support crime victims, and formation of a prosecution network.
Seosan Police Station Security Cooperation Committee.	Support for North Korean defectors and multicultural families, and the formation of a police network.
Jigok-myeon Institutional Heads' Council	Formation of networks between institutions and organizations in Jigok-myeon.
Chamber of Commerce and Industry Team Leader Council.	Operate a consultative body for the team leader of a business company in Seosan.
32nd Division Reserve Forces Command.	Operate a consultative body for commander of the reserve forces.

Association	Purpose
Korea Industrial Safety Association (KISA)	Safety management education and data support.
Korea Automobile Industry Association (KAMA)	Fostering the automobile industry and responding to joint work between industries.
Korea Fire Safety Agency (KFSI)	Legal education and career management under the Firefighting Facilities Act and the Dangerous Goods Safety Management Act
Korea Railroad Vehicle Industry Association	Subscribe to defense companies.
Nice, D&B.	DUNS number is assigned as a request for VW (the world's largest credit information inquiry service provider)
Defense Security Council in Daejeon, Chungnam, and Sejong.	Joint response to mandatory subscription and rental work as a defense company.
Daejeon and Chungnam Management Federation.	Collecting information on businesses in Chungnam and appointing user members of Chungnam Labor Relations Commission.
The Korea Nursing Association.	Exemption from legal information training expenses and provision of technical data, etc.
Korea Industrial Safety Association (KISA)	Safety management education and data support.
Seosan Police Station Security Cooperation Committee.	Support for North Korean defectors and multicultural families, and the formation of a police network.
Seosan Chamber of Commerce and Industry.	Mandatory subscription under the Chamber of Commerce Act, issuance of import and export business documents, etc.
Seosan City Fire Administration Development Committee	Development of fire administration in Seosan-si and exchange of opinions during external periods.
Seosan Safety Management Council.	Sharing policy directions of the Ministry of Employment and Labor and forming an external human network.
Seosan Auto Valley Enterprise Council	Revitalize the integration of companies in industrial complexes and maintain joint facilities.
Seosan Residents' Autonomous Environment Monitoring Council	Formation of an external human network, such as the Seosan City Hall Environment Division and residents' complaint resolution.
Steering Committee of Seosan Branch Office (Prosecutor's Office) Crime Victim Support Center	Project to protect and support crime victims, and formation of a prosecution network.
Seosan Branch Office (Prosecutor's Office) Judicial Affairs and Management Committee.	Expansion of crime prevention activities and facilities for improving the criminal environment.
The association of heads of organizations in Seongyeon-myeon.	Formation of networks between organizations and organizations in Seongyeon-myeon.
The association of businessmen.	Corporate network in Sungyeon-myeon.
Seongyeon-myeon Agricultural and Industrial Complex Council.	Revitalizing the memories of moving into Sungyeon Agricultural and Industrial Complex.
Reserve Commanders' Association.	Regional reserve forces.
Jigok-myeon Institutional Heads' Council	Formation of networks between institutions and organizations in Jigok-myeon.
Jigok-myeon Residents' Self-Governing Committee.	Corporate network in Jigok-myeon.
Korea Fair Competition Federation (KFCF)	Information and exchange of opinions with the government and companies to comply with fair trade.
Korean Die Casting Society.	Acquiring Die Casting technology information and exchanging technologies in the same industry.
Korea Defense Industry Promotion Association.	Subscribe to defense companies.
Korea Industrial Technology Promotion Association (KOITA)	Benefits such as tax, tariffs, and government R&D participation through maintaining corporate-affiliated research institutes are given.
Korea Fire Safety Agency (KFSI)	Legal education and career management under the Firefighting Facilities Act and the Dangerous Goods Safety Management Act
Korean Society of Lubrication.	Automobile-related academic technology sharing (lubrication) Friction, wear, etc.)
KSAE, the Automotive Engineers (KSAE)	Technology development through the sharing of automobile-related academic technologies.
Korea Intellectual Property Association (KINPA)	Strengthening IP competitiveness (Exchanging examiners at the Korean Intellectual Property Office and establishing a cooperation system for domestic companies, participating in education)
Hyundai-Kia Cooperative Federation.	-
Hwaseong Chamber of Commerce and Industry.	Mandatory subscription under the Chamber of Commerce Act, issuance of import and export business documents, etc.
Environmental Conservation Association (EPA)	Technical guidance from the Emission Association and the provision of the latest environmental data, etc.



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