TRANSFORMATION TO SUSTAINABLE MOBILITY

Hyundai Transys Sustainability Report 2025

HYUNDAI TRANSYS

ABOUT THIS REPORT

Report Overview

Hyundai Transys publishes an annual sustainability report to share our environmental, social, governance (ESG), and overall ESG management performance with stakeholders. Going forward, we remain committed to advancing ESG management that generates both financial and non-financial value, while transparently disclosing related activities and performance. The 2025 report was prepared based on nine material and general issues identified through a double materiality assessment. We strengthened the structure and credibility of our disclosures by aligning with the International Sustainability Standards Board (ISSB) standards, incorporating elements of governance, strategy, risk management, and metrics and targets.

Reporting Standards

This report was prepared in accordance with international sustainability reporting guidelines, such as the Global Reporting Initiative Standards (GRI) and European Sustainability Reporting Standards (ESRS), and reflects Sustainability Accounting Standards Board (SASB) indicators to disclose key issue-specific activities suitable for industry characteristics. Additionally, we report items linked to our sustainable management strategies in alignment with the United Nations Sustainable Development Goals (UN SDGs) and WEF IBC's Stakeholder Capitalism Metrics. We have partially reflected the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD).

Reporting Boundaries

This report covers Hyundai Transys' five domestic establishments—Dongtan Seat R&D Center, Hwaseong Drivetrain R&D Center, Seosan Jigok Powertrain Plant, Seosan Seongyeon Powertrain Plant, and Seoul Office. Key ESG data includes those on five domestic subsidiaries (Asan Plant, Ulsan Plant, SCM Plant, TRANIX Jigok Plant, and TRANIX Seongyeon Plant) and 24 overseas subsidiaries (including production sites and sales offices). Where there were physical limitations in data aggregation, the reporting boundaries for each data are specified in the annotations.

Reporting Period

This report contains performance on environmental, social, and economic responsibilities and sustainable management activities for the 2024 fiscal year (January 1 to December 31, 2024), including some qualitative performance for the first half of 2025. Quantitative performance data for the past three years, from 2022 to 2024, were presented to identify yearly trends.

Assurance

To enhance the credibility of the report, we commissioned a third-party verification by the British Standards Institution (BSI), a professional verification agency. This process ensured the reliability and fairness of the report by verifying the preparation process, calculation standards and methodologies, and the accuracy of the disclosed data. The verified sustainability report is presented to the Board of Directors through the Strategic Support Team, our ESG-dedicated unit. The BSI verification statement can be found in the Appendix. The verification was conducted according to AA1000AS, the international assurance standard. Performance of sustainable management related to material issues underwent Type 2 assurance.

Reporting Cycle

We published our first sustainability report in 2020, and the most recent one was published in 2024. This report is Hyundai Transys' sixth sustainability report, and we intend to publish it on an annual basis.

Report Publication Date

This report was published on July 1, 2025.

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INTERACTIVE PDF User Guide

This report has been published as an interactive PDF, featuring shortcuts to relevant web pages and navigation links for easier access to related pages.

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INTRODUCTION

CEO Message

We will create future value based on unwavering sustainability management.

Dear esteemed stakeholders,

In 2025, the world is experiencing unprecedented volatility. The deepening climate crisis, strategic tensions between the U.S. and China, global supply chain restructuring, rising protectionism, and AI-driven technological transformation are reshaping the landscape-not only for traditional manufacturing but for the entire mobility industry. In this new era, both sustainability and resilience are no longer optional, but essential. Amid these turbulent shifts, Hyundai Transys is committed to creating future value and establishing a strong foundation for responsible growth through steadfast sustainability management.

First, we are working to embed ESG principles across all aspects of our operations by strengthening our ESG strategy execution capabilities.
This enables us to respond more effectively to the rapidly changing external environment. To this end, we are systematically managing key data through our ESG information system and strengthening internal controls, thereby internalizing company-wide capabilities to respond to ESG risks. Through this process, we will enhance transparency and reliability while solidifying the foundation for sustainable growth.

Second, we will materialize product-based sustainability.
Hyundai Transys is driving technological innovation that considers both environmental friendliness and social value, with a focus on electrified powertrains—such as the next-generation hybrid transmission and reducers—and autonomous driving car seats. These core products symbolize Hyundai Transys' sustainable technological competitiveness through greenhouse gas emission reduction and user experience improvement, thereby materializing tangible outcomes of our ESG strategy.

Third, we will execute a concrete road map for achieving carbon neutrality.
Hyundai Transys is conducting life cycle assessment (LCA) of carbon emissions across the entire product life cycle—from production to use and disposal—and we plan to continuously advance this approach. Based on LCA, we are developing realistic action plans, including reduction plans, renewable energy transition strategies, and production portfolio optimization. Through these efforts, we aim to enhance sustainability throughout our entire supply chain and strengthen our leadership in ESG.

At Hyundai Transys, ESG management is not a matter of declaration- it's about action. We will ensure that all employees participate proactively and that an action-oriented culture takes root throughout the organization, making sustainability management an integral part of our core competitiveness.Looking ahead, we will continue to move toward a sustainable future together with all stakeholders and fulfill our mission as a responsible mobility company. We ask for your continued support and encouragement.

Thank you.

Cheol-seung Baek, CEO Hyundai Transys

Company Overview

Company Overview

Since its establishment, Hyundai Transys has grown into a global auto parts specialist, continuously driving technological innovation to prepare for the future mobility era, with a focus on core autoparts such as powertrains and seats. Serving both domestic and international automakers, we have built a value chain that prioritizes quality and sustainability throughout the entire process—from raw materials and parts procurement to manufacturing and delivery.

Company Name	Hyundai Transys Corporation	
Establishment Date	1994	
CEO	Cheol-seung Baek	
Headquarters' Location	Sindang 1-ro, Seongyeon-myeon, Seosan-si, Chungcheongnam-do, Korea	
Main Business	Auto parts (powertrains, seats)	
Personnel Status	Number of Employees	13,952 (Domestic 4,169, Domestic subsidiaries 2,533, Overseas 7,250)
	Number of Reserachers	995
Credit Rating	AA- (Korea Investors Service, Korea Ratings, NICE Investors Service)	

Business Status

Financial Highlights

(Unit: KRW 100 million)

Category		2022	2023	2024
Revenue	Total	102,563	116,939	127,464
	Powertrain	66,908	73,315	79,508
	Seat	35,655	43,624	47,956
Operating Profit		1,517	1,169	786
Net Income		1,234	967	230
Total Assets		75,210	80,160	97,710
Total Equity		28,742	29,494	34,120

Vision

As a leader in 'future mobility technology,' Hyundai Transys pursues technological innovation for core products such as electrified powertrains and autonomous driving car seats. Recognizing that such technological innovation is a strategic driver for sustainable value creation and growth, we organically integrate our product and ESG strategies.

Vision

Creative Leader for Mobility Innovation

Promotion Strategy

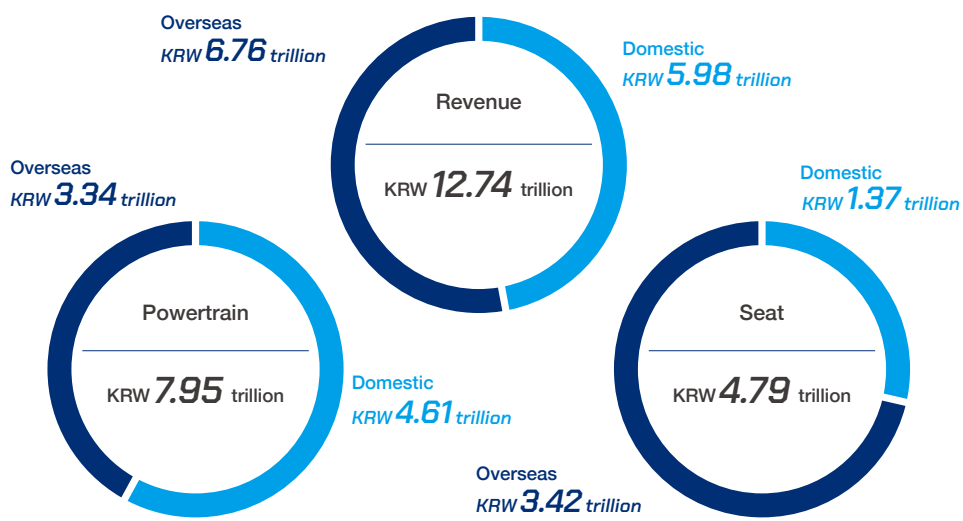
Drive the new mobility market with our core technologies in electrified powertrains and seats for autonomous vehicles

- Securing technical capabilities for future mobility
- Enhancing management efficiency and creating values
- Fostering growth through global sales expansion

Core Values

Customer-first | Challenge taking | Communication and collaboration | Respect for competent people | Global orientation

Sales Ratio by Business (2024)



Business Overview

Powertrain

Hyundai Transys produces a wide range of products that can be mounted on various vehicle types-from automatic transmissions to electric vehicle reducers-with the world's best powertrain technology.

Vision

" Global no.1 powertrain system solutions provider "

[Enjoy taking challenges to create global top electrification products]

Strategy

Powertrain R&D Theme

Achieving zero emissions together

Realizing clean mobility of a new concept

Direction of R&D

Technologies responding to the car industry mega-trends

EXPAND

Expanding internal combustion engine transmission development expertise to develop highly efficient, high-performance future mobility solutions

COMPACT

Developing compact powertrains to realize advanced technologies

SPEED

Providing solutions promptly in response to electrification powertrain market trends and environmental regulations

Business Overview

Internal Combustion Engine Powertrain

An internal combustion engine powertrain is a vehicle driving system that converts fuel into mechanical energy to propel wheels. All power-related devices, such as engines, transmissions, and drive shafts, correspond to powertrains. Based on R&D prowess and experiences in mass production of powertrains, Hyundai Transys produces world-class powertrains that can be mounted on various vehicle types, including hybrid and electric vehicles. An internal combustion engine powertrain is a system that delivers power generated by combusting fossil fuels in the engine through transmissions and drive shafts. Hyundai Transys mass-produces powertrain components for internal combustion engines, including transmissions and axles. Through continuous research and accumulated mass production expertise, we have built a powertrain lineup that incorporates high-efficiency and high-performance technologies.

Transmission

A transmission is a core component that converts the engine's output into optimized torque according to the vehicle's control strategy. Hyundai Transys has established a full lineup of various transmissions, including automatic (AT), continuously variable (CVT), double clutch (DCT), and manual transmissions (MT), delivering customer satisfaction through excellent quality. In response to recent demands for eco-friendly vehicles, we have developed and are supplying hybrid transmissions and reducers for EVs, actively adapting to the rapidly changing environment.

Axle

An axle is a device that supports the vehicle body by connecting it to the wheels. Hyundai Transys' axles incorporate cutting-edge technologies to maximize vehicle performance. Made with high-strength materials, these axles ensure stability under various driving conditions, including high-speed and long-distance driving. Additionally, the Electric Shift Transfer Case (EST) that we have independently designed, provides safe driving even on off-road terrain.

Internal Combustion Engine Powertrain

AT (Automatic Transmission)

DCT (Dual Clutch Transmission)

Electric Powertrain

A powertrain of EVs consists of a motor, battery, and reducer. Among these, a reducer functions similarly to a transmission in an internal combustion engine powertrain, converting the power generated by the motor into torque that aligns with the vehicle's control strategy. According to global vehicle sales trends and regulations, such as the EU's ban on new internal combustion engine vehicle sales, the US' mileage standards for new vehicles, and China's stricter pollutant emission standards for internal combustion engine vehicles, the market share of electrified powertrains is expected to rapidly grow. Hyundai Transys, based on its expertise in the mass production of transmissions, is actively responding to the electrification market by developing a lineup that includes the 3-in-1 EV drive system, the EV reducer, and the HEV drive system

3-in-1 EV drive system

An Electric Drive System (EDS) is an EV drive system that integrates a motor, inverter, and reducer into a single unit. Hyundai Transys has developed an EDS that reduces weight and enhances system efficiency through such an integrated structure. We are actively developing the latest technologies, such as applying hairpin winding technology to the driving motor and designing a direct spray oil cooling system, to increase mileage. We aim to achieve aims to achieve clean mobility in response to the global trend of increasingly stringent environmental regulations.

EV Reducer

An EV reducer is a device that adjusts the high-speed rotation of a motor to deliver the target output to the vehicle's drive shaft. Hyundai Transys has produced EV reducers since 2019 and is establishing a lineup of reducers applicable to various vehicle models. Notably, the disconnector system applied to an EV reducer allows for seamless switching between an All-Wheel Drive (AWD) and a Two-Wheel Drive (2WD), reducing unnecessary power loss and achieving a fuel efficiency improvement effect of approximately 6%–8%. Through this technology we pioneered, we are securing new competitiveness in the EV era.

HEV drive system

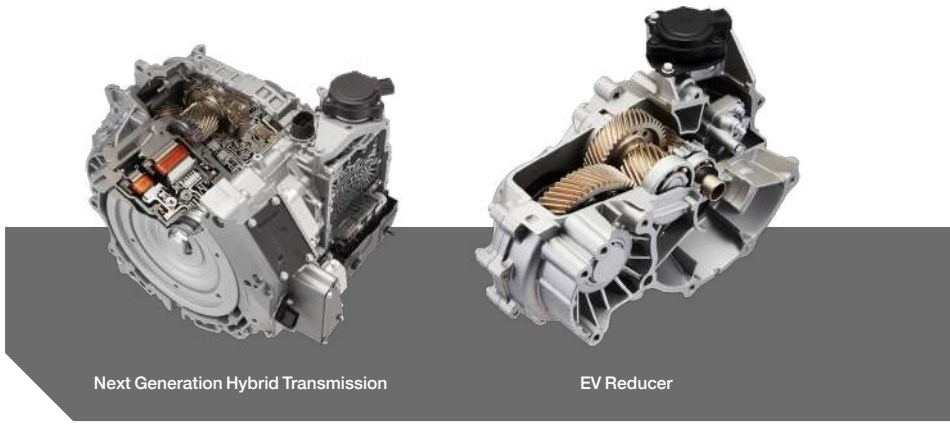
A hybrid EV drive system (HEV) is a system that controls the driving force using two power sources: an internal combustion engine and an electric driving motor. Based on our expertise in internal combustion transmission technology, Hyundai Transys has developed the world's first new-concept HEV drive system, e^2AT, which combines P1+P2 types. Additionally, the system ensures vehicle compatibility with a built-in damper and enhances power performance by increasing the gear ratio span. Furthermore, by developing an integrated Oil Pump Unit (OPU) inverter and optimizing the layout, Hyundai Transys continues to secure global competitiveness

Business Overview

Powertrain for Future Mobility

The global automotive industry is undergoing a major transformation toward carbon neutrality and energy transition, with electrification transformation well underway. According to IHS, a market research firm, electric vehicles (EV) and hybrid vehicles (HEV) are expected to account for about 35% of global automobile sales in 2025, with that share projected to exceed 60% by 2030. This shift is driven by the combination of global initiatives addressing climate change and growing consumer demand for electrified vehicles, accelerating a paradigm shift in the automotive industry.

Hyundai Transys is actively responding to these changes and positioning itself to emerge as a leading future mobility solution provider. Leveraging our proven expertise in automatic transmission technology, we are spearheading innovation in the HEV and EV powertrain parts sector, establishing ourselves as a key player in the electrification market through the development of high-efficiency, high-reliability products. In particular, we have established a technology road map (TRM) to develop xEV powertrain technology, focusing on securing technologies that simultaneously enhance efficiency, reduce resource usage, and lower carbon emissions. Additionally, we are incorporating various ESG considerations throughout the product development process-including material innovation and product lightweighting-to promote a circular economy and ensure sustainability. Through these efforts, we are playing a pivotal role in responding to climate change.



Next Generation Hybrid Transmission

EV Reducer

Creating Circular Economy Value

1) Resource Saving

- Hyundai Transys is working in collaboration with Hyundai Motor Group through carbon neutrality committee activities, aiming to minimize raw material usage and resource input through carbon reduction material application and metal recycling.

2) Product Miniaturization & Lightweighting

- Through the optimized HEV powertrain design, we are reducing material usage and minimizing environmental impact during production and transportation by lowering the weight and number of components—without compromising performance. Additionally, these efforts increase energy efficiency and reduce carbon emissions.
- To enhance vehicle compatibility and performance, we have improved the products' mounting capability through built-in dampers, increased system efficiency by developing an integrated OPU inverter and optimizing layout, and achieved product lightweighting.
- Additionally, we are pursuing lightweighting strategies that boost both component integration and energy efficiency by leveraging highly integrated component technologies such as built-in dampers and integrated OPU inverters. These efforts contribute significantly to carbon emission reduction across the entire product lifecycle.

Efficiency Maximization

1) High-Efficiency Electrified Powertrain

- We have enhanced system efficiency through the development of high-efficiency electrified powertrains, such as e²AT (Next Generation Hybrid Transmission) and 3-in-1 EDS, contributing to reduced vehicle energy consumption and carbon emissions.

e²AT: This is the world's first P1+P2 type hybrid powertrain that integrates the inverter, motor, and transmission. It is being mass-produced as Hyundai Motor Group's next-generation HEV powertrain (Next Gen HEV AT), delivering a 4% improvement in fuel efficiency and an 11% improvement in acceleration performance compared to the previous model (Hybrid Transmission[AT]).

Application of Hairpin Winding & Direct Oil Spray Technology: We are maximizing fuel efficiency gains by applying a hairpin winding technology to the drive motor and incorporating a direct oil spray-type cooling design. This extends the vehicle's driving range and minimizes environmental impact by reducing energy consumption.

EV Reducer Disconnector System: This world's first EV reducer disconnector system enables switching between AWD and 2WD modes to reduce unnecessary power loss, resulting in approximately a 6-8% improvement in fuel efficiency. This is a key technology that enhances energy efficiency and reduces carbon emissions.

Business Overview

Seat System

Hyundai Transys is shaping the future of mobility through innovations that add freedom of movement and create intelligent, human-interactive seats. By embracing open innovation across various sectors, we are evolving from an auto parts manufacturer into a mobility systems provider.

Vision

" A Leader in Seat System Solutions Connecting Present and Future Mobility "

Develop "intelligent seats that interact with passengers"

Strategy

Seat R&D Theme

Eco-friendly mobility

Freedom of mobility

Connected mobility

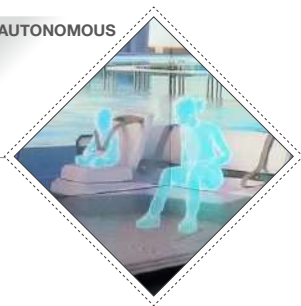
Direction of R&D

Technologies responding to the car industry mega trends

CONNECTED

Seats that monitor, assess, and respond based on internal passenger data by utilizing external communication systems through the vehicle.

AUTONOMOUS



Seats that support various activities for non-driving scenarios and adapt to diverse indoor environments.

SHARING

Seats that are compatible with various vehicle models, offering multi-purpose functionality and customizable options to suit individual preferences.

ELECTRIFICATION & ECO

Seats that integrate lightweight, eco-friendly materials to enhance energy efficiency

Business Overview

We design human-centered experiences.

Future mobility is evolving beyond mere transportation into shared spaces that offer passengers new experiences and value. Hyundai Transys is at the forefront of this transformation, providing seat solutions optimized for future mobility environments through human-centered R&D. We develop innovative seats that prioritize passenger safety, convenience, experience, and even emotional satisfaction across various future mobility platforms—such as autonomous vehicles, PBVs, and UAMs—setting new standards for future mobility experiences.

Autonomous Driving Car Seats

Comfort in the Freedom of Movement

In the autonomous driving era, car seats evolve beyond simple seating to become personalized spaces where passengers can relax and engage in various activities. Hyundai Transys leads this transformation through innovative seat designs integrated within total interior systems.

Variable Seat Layout

Through research on seat movement, function, and form optimized for vehicle modular structures, we reflect passengers' diverse lifestyles and support free space configuration as needed. This is human-centered design that enables diverse experiences such as work, rest, and entertainment even during travel.

Passenger-Centered UX Technology

For customers seeking unique and diverse experiences, we develop UX technologies that intuitively control seat movement, angle adjustment, and convenience functions to maximize boarding comfort and ease.

Mobility Interior Solution (HTVM) for Next-Generation Autonomous Driving

Hyundai Transys develops future mobility seats centered on safety, space, and sustainability, responding to evolving mobility environments driven by advances in autonomous driving technology. Aligned with this trend, Hyundai Transys emphasizes UX design—particularly spatial experiences—to create interiors that offer passengers freedom from manual driving and diverse experiences. Through continuous innovation and human-centered technology development, Hyundai Transys aims to deliver safe, comfortable, and sustainable mobility experiences that define the future mobility era.

Purpose Built Vehicle (PBV) Seats

Mobility Experience Extending to Customized Spaces

PBVs are designed for specific uses and differ from conventional vehicles as they allow flexible interior configurations tailored to passengers' unique mobility needs. Hyundai Transys researches and develops seat solutions that maximize the advantages of these PBV characteristics.

Technology for Maximizing Space Utilization

We maximize interior space utilization through innovative technologies such as seat detachment systems and pop-up/hidden seats. We offer space solutions tailored to specific purposes and users—for example, interior space utilization mechanisms for families with infants. This approach embodies a human-centered philosophy aimed at providing optimal spaces for a variety of activities beyond basic transportation.

PBV Mobility-Based UX Scenario Research

We create innovative user experiences (UXs) through research on differentiated seat UX and specialized structures for PBVs, addressing the diverse needs of B2B customers such as delivery services, transportation for the mobility disadvantaged, and personalized service provision.

Purpose Built Vehicle (PBV) Seats

Business Overview

Environment-Conscious Seat Materials

Sustainable Solutions for Both People and the Environment

With advances in autonomous driving technology, automotive interiors are evolving beyond simple transportation spaces into living environments, increasing the focus on passenger health, safety, and compliance with environmental regulations. Hyundai Transys is actively investing in the development of environment-conscious materials to meet the demands of the mobility era.

Utilization of Human-Friendly Natural Materials

We incorporate natural materials, such as Korean traditional paper and bamboo, into seats to create healthy and comfortable environments for passengers while minimizing environmental impact. Our efforts toward sustainable mobility include the development of diverse material technologies, such as biomass utilization, use of silicon extracted from quartz, and alternatives to natural cotton fibers.

Resource Circulation Efforts

We obtained Global Recycled Standard (GRS) certification through the development of recycled leather using scraps from the manufacturing process. In addition, we are contributing to the circular economy by participating in national projects such as the ‘Application of End-of-life Vehicle Leather.' These efforts reflect our commitment not only to environmental protection but also to the values of consumers who pursue ethical consumption.

Infotainment Seats

Immersive Experiences That Enhance Enjoyment During Travel

The transition to the EV era has led to expanded interior spaces, driving growth in the infotainment market, where passengers can enjoy a variety of activities while on the move.

Hyundai Transys is researching and developing multipurpose mobility seat systems that deliver rich information and entertainment to passengers, in line with the evolving mobility landscape.

Technology for Immersive Experiences

Through technologies, such as 4D motion simulators, vibration-based haptic sound systems, and directional speakers, we stimulate multiple senses—including sight, hearing, and touch—to deliver a more immersive infotainment experience for passengers. This is human-centered technological innovation that transforms travel time from boredom into enjoyment.

HTVM Seat Solutions

Urban Air Mobility (UAM) Seats

Advanced Aviation Experience Combining Safety and Comfort

Aviation mobility, including UAM and AAM, demands higher standards of safety and lightweighting technology compared to ground mobility. Hyundai Transys is developing aviation mobility seats that comply with aircraft safety standards while delivering optimal comfort and convenience to passengers.

Lightweighting and Safety Technology

We improve aviation mobility efficiency and ensure safety by utilizing a frame-exposed slim seat design and eco-friendly lightweight materials. This approach aims to provide comfortable mobility experiences and prioritize passenger safety.

UAM Interior Design Solutions

Business Overview

Seat Solutions: Innovation for People, Designing Better Mobility Experiences!

Automotive seats are core components that connect passenger safety, comfort, and enjoyable experiences—going beyond the role of simple mobility spaces. Hyundai Transys fully recognizes this importance and delivers seat solutions optimized for future mobility through human-centered R&D. From compact cars to large vehicles, sedans, SUVs, EVs, autonomous vehicles, PBVs, and even aviation mobility, we develop innovative seats tailored to each vehicle's unique characteristics and passenger needs—contributing to safer, more comfortable, and more enriching mobility experiences.

R&D for People

Hyundai Transys' seat development goes beyond mere technological advancement, focusing on core values such as passenger safety, space utilization efficiency, and sustainable future mobility. With the advent of the autonomous driving era, vehicle interiors are evolving into spaces that deliver new experiences and value beyond traditional functions. In response, Hyundai Transys is placing strong emphasis on human-centered UX design.

1) Human-Centered Fatigue Reduction and Right Posture Maintenance Technology

- Safety is the fundamental role of seats, and we prioritize it above all. Beyond enhancing collision safety performance, we reduce driver and passenger fatigue and promote safe postures through ergonomic design.

Ergo Motion Seats: Human-centered technology that detects minute movements during driving and actively controls air cells within the seats to maintain optimal posture, thereby reducing fatigue and enhancing concentration while driving.

2) Maximizing Interior Utilization Through Structural Innovation and Modularization

- We continuously innovate seat structures focused on optimizing vehicle interior utilization and are developing solutions that accommodate various scenarios, including seat slimming, lightweighting, and swiveling.

Standard Seat Frame Solutions and Core Mechanisms: Simultaneously ensures compatibility across various vehicle platforms and cost efficiency by modularizing core components such as sliders, recliners, and height adjusters.

Swivel Seats: Human-centered innovative technology that transcends basic swiveling functions to enhance passenger interaction in the autonomous driving era and maximizes vehicle interior space utilization, delivering richer mobility experiences.

Ergo Motion Seats (seat pneumatic control system)

2nd Row Independent Swivel Seats

Material Development with Human Health and the Environment in Mind

Throughout the entire seat development process, we prioritize human health and the environment. The use of eco-friendly materials is not just a trend-it is our responsibility and commitment to creating a better future.

1) Eco-friendly Material Development : We actively incorporate natural materials such as Korean traditional paper and bamboo, while focusing on developing new safe and sustainable materials—including biomass-based materials, silicon extracted from quartz, and alternatives to natural cotton fibers.

2) Lightweighting and Structural Improvement : We enhance fuel economy through lightweight seat designs while ensuring passenger safety and comfort with ergonomic features.

Moving forward, we are committed to delivering safer, more comfortable, and sustainable mobility experiences through human-centered technological innovation and sustainable design strategies.

New Material Development

Global Network

Hyundai Transys maintains close communication with customers worldwide through its 37 production, R&D, and sales bases across 11 countries.

	Korea	Asia	North America	Latin America	Europe
Powertrain	• Hwaseong Powertrain R&D Center	• Beijing Powertrain Plant	• Georgia Powertrain Plant	• Monterrey Powertrain Plant	• Europe Control Development Lab
	• Seosan Jigok Powertrain Plant	• Rizhao Plant	• Michigan Branch		• Europe Technical Center
	• Seosan Seongyeon Powertrain Plant	• Sacheon Plant*			
	• Seosan Jigok Powertrain Plant (TRANIX)	• India AP Powertrain Plant			
	• Seosan Seongyeon Powertrain Plant (TRANIX)	• Shanghai Office			
Seat	• Dongtan Seat R&D Center (HQ)	• Beijing Seat Plant	• Georgia Seat Plant	• Monterrey Seat Plant	• Czech Plant
	• Asan Plant (Hyundai Mseat)	• Cangzhou Plant*	• Illinois Branch	• Brazil Plant	• Slovakia Plant
	• Ulsan Plant (Hyundai Mseat)	• Chongqing Plant*	• Alabama Branch		
	• SCM Plant (Hyundai Mseat)	• India AP Seat Plant	• Arizona Branch		
		• India Chennai Plant	• Savannah Plant		
		• Indonesia Plant	• California Branch		
Common	• Seoul Office	• India Technical Center			

* Excluded from the data aggregation scope as liquidation procedures are in progress

SUSTAINABILITY STRATEGY

ESG Vision and Implementation Strategy

ESG Strategic Framework

Under the vision of 'Transition to Sustainable Mobility,' Hyundai Transys has established a mid- to long-term ESG strategic framework and is actively advancing ESG management. In particular, we are creating both environmental and social value by aligning our core product strategies-powertrains and seats-with ESG strategies, and are implementing product-specific sustainability strategies

Mid- to long-term ESG vision

Transformation to Sustainable Mobility

Strategic directions

Enhance green management	Establish a human rights management system	Expand stakeholder communication

Key tasks

Build a carbon neutrality system

Contributing to a sustainable environment for future generations by striving to achieve carbon neutrality across the entire value chain

Expand green product development

Contributing to a sustainable environment for customers and nature by developing more eco-friendly products as a global corporate citizen

Build an eco-friendly workplace

Minimizing the impact on local communities and the natural environment by reducing pollutant emissions from business sites

Create future jobs

Enhancing social contributions by securing growth engines and providing employment opportunities through talent acquisition in the eco-friendly field

Establish a human rights risk management system

Ensuring human rights protection and risk mitigation in the course of business operations along with proactive human rights management

Promote diversity and inclusion

Strengthening implementation efforts to realize a society without discrimination and foster an organizational culture with diversity and inclusion

Internalize safety and health

Creating qualty and safe jobs by preventing safety-related accidents, spreading a safety culture, and internalizing it

Innovate the corporate culture

Establishing a creative horizontal corporate culture and cultivating innovative and flexible-mindset talents through employee engagement, facilitated communication, and capacity building

Expand stakeholder communication

Contributing to achieving sustainability for future generations by resolving community problems

Innovate customer experience and improve product reliability

Providing valuable products and services for customers at the optimal moment when they need them

Build a sustainable supply chain

Establishing a supply chain ESG management process to evaluate, manage, and improve potential ESG risks of suppliers

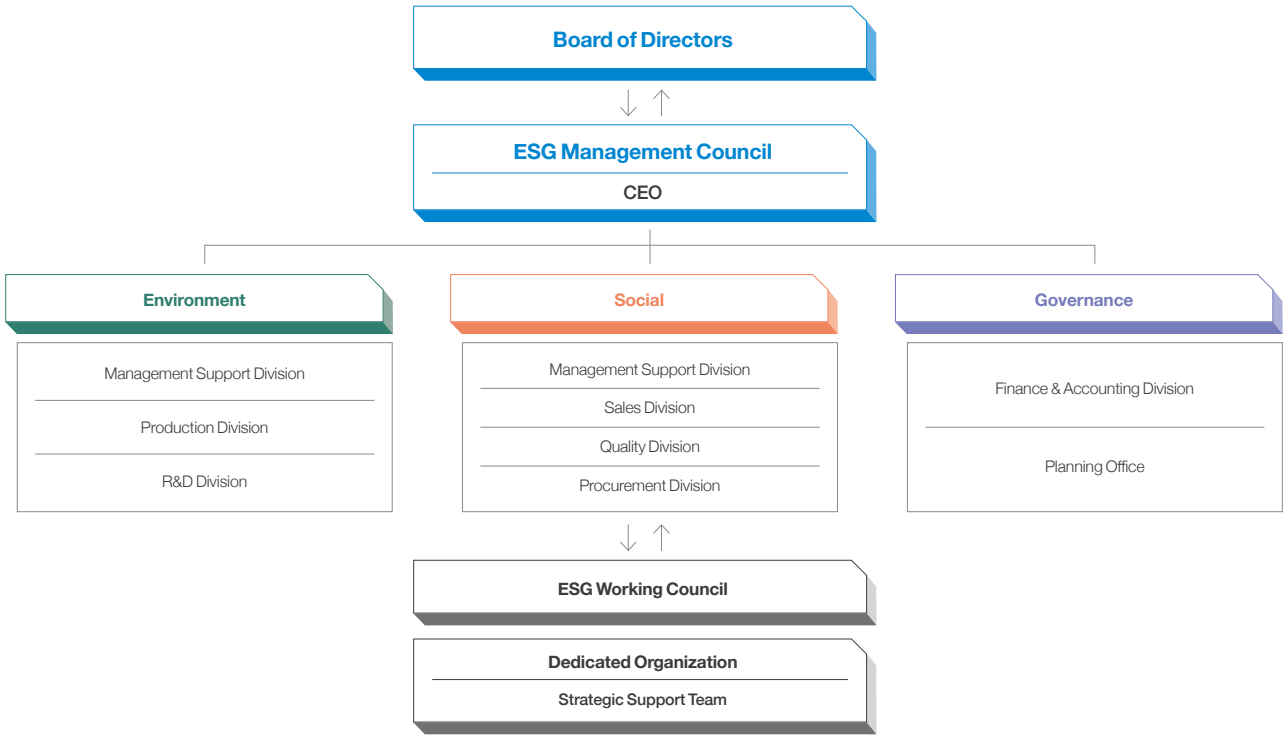
Secure the soundness of the Board of Directors

Securing independence, diversity, and expertise of the board to improve its soundness and operational efficiency

ESG Vision and Implementation Strategy

ESG Governance

The ESG Management Council, Hyundai Transys' highest ESG decision-making body, is composed of the CEO and ESG-responsible executives. The ESG Working Council, led by the Strategic Support Team as the dedicated ESG function, collaborates with key subdivisions from subdivisions to carry out ESG-related tasks. In addition, material ESG issues are reported to and approved by the Board, as necessary. Hyundai Transys remains committed to becoming a sustainable company through structured ESG management, performance management, and transparent disclosure.

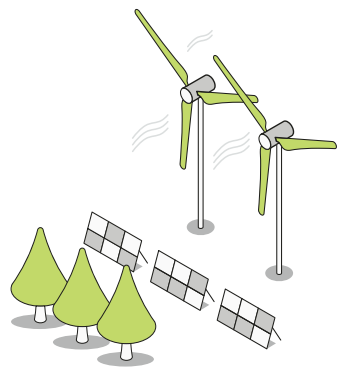


Environment			Social							Governance		
Workplace Carbon Reduction	Workplace Environment	Product Environment (PT/Seat)	Human Rights/ Labor	Safety and Health	Organizational Culture/ Education and Training	Social Contributions	Customer Satisfaction	Supply Chain Management	Conflict Minerals	Customer Satisfaction	Compliance/ Ethics	Security
Infrastructure Support Team	Environment and Fire Prevention Team	Electrification/ Seat Research Planning Team	Human Resources Team Labor Relations Planning Team	Safety Planning Team	Value & Development Team	Business Support Team	Procurement Planning Team Supplier Relations Team	Business Operations Team Quality Planning Team	Global Logistics Team	Finance Team	Legal Affairs Team	Information Security Center

Status of Major ESG Agenda Deliberations

Hyundai Transys regularly reports key ESG issues to the Board, with major strategies and implementation plans finalized through Board deliberation. Agenda items reported and deliberated include greenhouse gas (GHG) reduction targets, ESG assessment results, and outcomes of double materiality assessments. In 2025, material issues derived through double materiality assessment were submitted to and deliberated by the Board. We will continue to strengthen our reporting and deliberation systems to further embed ESG management into our organizational practices.

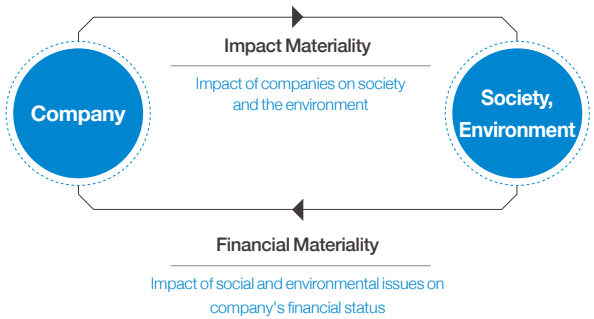
Meeting Date	Agenda	Approval Status	Attendance Rate
Jan. 31, 2024	Approval of the 2024 Safety and Health Management Plan; Approval of the 2024 ESG Plan	Approved	100%
Apr. 26, 2024	Approval of the next-generation hybrid powertrain investment	Approved	100%



Double Materiality Assessment

Assessment Overview

Hyundai Transys annually assesses whether sustainability issues have financial or impact materiality according to the double materiality concept defined by the European Sustainability Reporting Standards (ESRS), to enhance the reliability and transparency of ESG information. This year, we built a more objective and reliable analysis system by advancing materiality assessment methodology through issue pool refinement, subject-specific value chain and stakeholder identification, and stakeholder interviews.



Double Materiality Assessment Process

Hyundai Transys conducted a materiality assessment in four stages: ① sustainability issue pool composition ② impact, risk, and opportunity identification ③ impact, risk, and opportunity assessment ④ material issue selection. Consequently, we identified nine material issues that were finalized following a report to the Board.

Sustainability Issue Pool Composition → **Impact, Risk and Opportunity Identification** → **Impact, Risk and Opportunity Assessment** → **Material Issue Selection**

Issue Pool Derivation

Derived a pool of 123 issues including global disclosure standards (ESRS, GRI, SASB, etc.), previous year's material issues, and industry-specific issues

Issue Pool Finalization

Selected a total of 26 issues as 2025 candidate issues through the integration and adjustment of similar issues

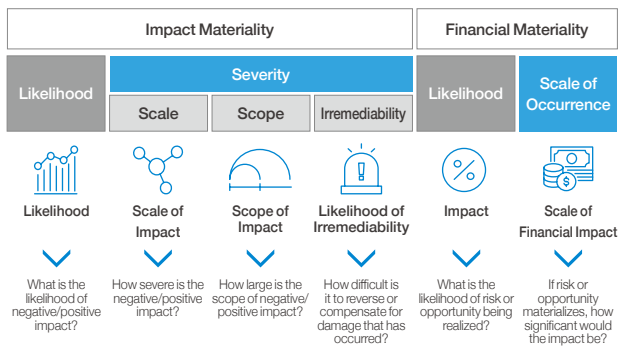
Value Chain Stakeholder Analysis

Identified stakeholders within the value chain of major subsidiaries and the Head Office and mapped relevant issues by stakeholder

Internal Stakeholders	• Issue Relevance • Decision-Making • Operational Management Responsibility
External Stakeholders	• Issue Impact • Regulatory and Policy Subject • Cooperation/Partnership Opportunities

IRO* Identification

Conducted interviews with internal stakeholders mapped to each issue to review issue-specific impacts, risks and opportunities identified and gather opinions



Materiality Analysis (Issue-specific Weight Derivation)

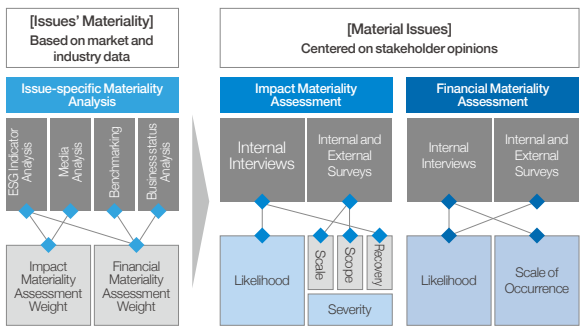
- Issue-specific materiality was determined by comprehensively considering ESG disclosure standards, evaluation frameworks, media research, external benchmarking, and internal business status analyses. It was then utilized to determine issue-specific weights.

Internal Stakeholder Interviews and Surveys

- Internal Stakeholder Interviews and Surveys Evaluated financial and impact materiality targeting responsible employees in departments with high relevance to each issue
- Conducted parallel surveys on impact materiality targeting all employees to reflect relevant departments' practical experience and perspectives

External Stakeholder Surveys

Conducted surveys targeting approximately 208 external stakeholders (customers, suppliers, local communities, etc.)



Material Issue Derivation

Comprehensively evaluated impact and financial materiality, and qualitatively analyzed ESG strategic direction and internal materiality, and as a result, selected 9 from 26 sustainability issues

Board Reporting

Reported double materiality assessment results to the Board and discussed issue-specific management and advancement plans

* GRI: Global Reporting Initiatvie
** SASB: Sustainability Accounting Standards Board

* IRO : Social and environmental impact of companies (Impact), Social and environmental impact on corporate finance (Risk & Opportunity)

* Irreversibility: An attribute used to assess the nature of an impact—if recovery is difficult or impossible, the issue is considered to be more significant.

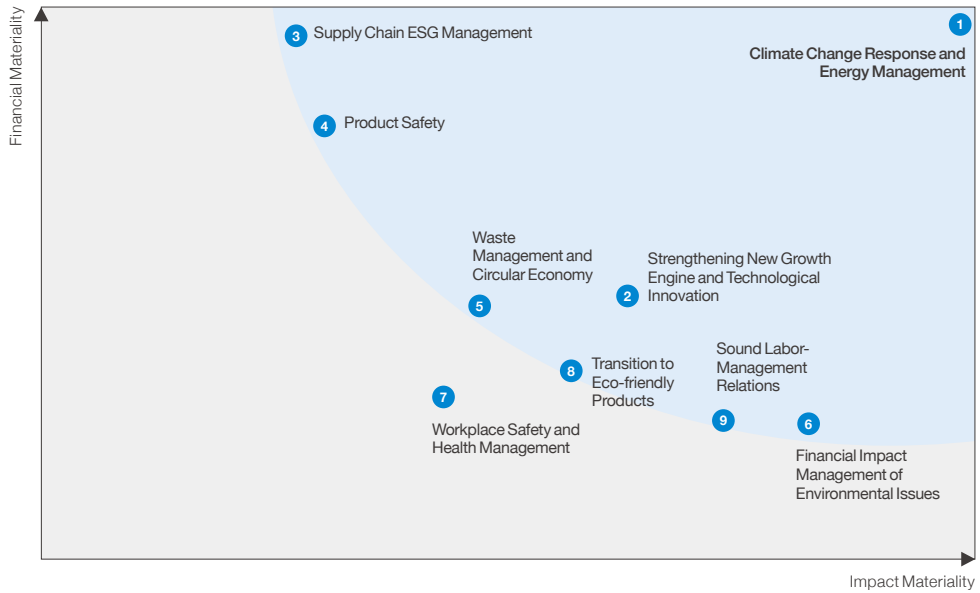
Double Materiality Assessment

Double Materiality Assessment Results

Each issue was comprehensively evaluated by reflecting both 'impact materiality' and 'financial materiality,' and then internal materiality according to external environmental changes, such as ESG strategic direction and implementation of the Serious Accidents Punishment Act, was additionally reflected to derive nine final material issues. In the Environment area, a total of four material issues were selected: 'Climate Change Response and Energy Management,' 'Waste Management and Circular Economy,' 'Financial Impact Management of Environmental Issues,' and 'Transition to Eco-friendly Products.' Hyundai Transys has declared the goal of achieving carbon neutrality by 2045 and is pursuing various climate change response strategies including GHG reduction, energy efficiency improvement, and resource circulation expansion. Through this, we plan to systematically manage environmental risks and strengthen low-carbon, resource circulation-centered operating systems.

In the Social area, four issues were selected as material issues: 'Supply Chain ESG Management,' 'Product Safety,' 'Workplace Safety and Health Management,' and 'Sound Labor-Management Relations.' Hyundai Transys continues to make efforts to enhance supply chain sustainability throughout the value chain, strengthen product quality and safety, establish a safety culture within workplaces, and build cooperative labor-management relations.

Additionally, the 'Strengthening New Growth Engines and Technological Innovation' issue was once again selected as a material issue this year, following its selection last year. Hyundai Transys is strategically pursuing technology development and new business expansion to prepare for future mobility markets, such as electrification and autonomous driving, and plans to drive mid- to long-term growth through this. This report complies with IFRS Sustainability Disclosure Standards and systematically reports selected material issues in four areas: Governance, Strategy, Risk Management, and Metrics and Targets.



● : High ◐ : Mid ○ : Low

Material Issues (Ranking changed from the previous year)	Impact Materiality							Financial Materiality		
	Positive/ Negative	Actual/ Potential[4]	Timing	Impact Scope			Result	Opportunity/Risk	Timing	Result
				Workplace	Supply Chain	Customers				
1 Climate Change Response and Energy Management[1] (▲3)	Positive	Actual	Med-term	✓	✓	✓	●	Risk	Short-term	●
2 Strengthening New Growth Engine and Technological Innovation (-)	Positive	Actual	Med-term	✓	-	-	●	Opportunity	Med-term	●
3 Supply Chain ESG Management (▲5)	Positive	Actual	Long-term	✓	✓	✓	○	Risk	Short-term	●
4 Product Safety (New)	Positive	Actual	Short-term	✓	-	✓	○	Opportunity	Short-term	●
5 Waste Management and Circular Economy[2] (▲1)	Positive	Actual	Med-term	✓	-	✓	◐	Opportunity	Med-term	◐
6 Financial Impact Management of Environmental Issues (New)	Negative	Actual	Med-term	✓	-	✓	●	Opportunity	Long-term	◐
7 Workplace Safety and Health Management[3] (▼4)	Positive	Actual	Short-term	✓	✓	-	◐	Risk	Med-term	◐
8 Transition to Eco-friendly Products (▼7)	Positive	Actual	Med-term	✓	✓	✓	◐	Opportunity	Med-term	◐
9 Sound Labor-Management Relations (▲1)	Negative	Actual	Short-term	✓	-	-	●	Risk	Short-term	◐

1) Name changed to include energy management 2) Name changed to include circular economy 3) Ranking adjusted reflecting internal materiality following the implementation of the Serious Accidents Punishment Act

4) Actual: Impact of sustainability issues already caused by the company on corporate financial performance and business strategy, etc. Potential: Potential impact that corporate activities may have on the environment, society, and economy

Double Materiality Assessment

Hyundai Transys identifies the financial (risks and opportunities) and social/environmental materiality (positive and negative impact) of the nine material issues on its business and establishes plans to strengthen sustainable management.

Material Issue Management Status

Material Issue		Issue Definition	Response Status	Key Plans	Report Page
General Management	Strengthening New Growth Engine and Technological Innovation 	Refers to strengthening corporate technological competitiveness through future mobility response, high-efficiency and low-carbon product development, and R&D investment expansion as a core strategy to drive sustainable growth amid rapidly changing industry trends	• Establishes product technology strategies, PRMs, and TRMs in line with global automakers' technology strategy directions while considering the continuous expansion of electrified products (HEV, EV) and increased consumption of eco-friendly products • Regularly monitors project progresses based on the PRM and TRM and manages commercialization risks • Analyzes risks when performing technology development projects and establishes response strategies for execution after management review	• Advance electrified powertrain and seat technologies to respond to EV transition. • Prioritize R&D investments in line with the TRM and PRM and strengthens execution capabilities. • Collaborate with startups through open innovation and spread PoC-based technology innovation.	23-25
Environmental	Climate Change Response and Energy Management 	Activities linked to corporate carbon neutrality strategies, such as GHG reduction, energy use efficiency improvement, and renewable energy expansion, implying the effort to realize mid- to long-term energy transition while responding to climate change risks	• Establishes goals of 100% renewable energy transition by 2040 and carbon neutrality by 2045 • Improves energy efficiency and ESS and recovers waste heat to manage GHG generated at plants • Regularly monitors energy intensity by plant and product • Evaluates the feasibility of using renewable energy by plant and implements procurement strategies tailored to local conditions, such as PPA, REC purchase, and self-generation	• Work to reduce GHG emissions by 87% by 2035 compared to 2022 and transition to 100% renewable energy by 2040, thereby achieving carbon neutrality by 2045, • Reduce annual GHG emissions by 2.7% compared to product output • Accelerate global production bases' RE100 implementation by diversifying renewable energy procurement methods, such as expanding solar power facilities and signing long-term PPAs	38-54
	Waste Management and Circular Economy 	Means reducing environmental impact—by using less resources, reducing waste, recycling, and reusing—and realizing sustainable production and consumption structures	• Realizes resource circulation and reduces waste disposal costs by systematically sorting and selling metal scraps generated in powertrain production processes • Simultaneously saves raw materials and improves the eco-friendliness by reusing materials recovered from end-of-life vehicles as automobile seat parts • Develops products that utilize scraps generated from seat production and recycles metal scrap for powertrains, contributing to the circular economy • Continuously reduces waste generated at plants through recycling and resource recovery	• Advanced the environmental management system to create eco-friendly workplaces in 2024; Plans to implement environmental management with a focus on quantitative and qualitative performance in 2025 • Strengthen the company-wide resource circulation strategy with a focus on waste reduction and recycling expansion • Advance recycling systems and expand commercialization of circular material technologies tailored to material characteristics by product such as metal scraps, polyurethane, and artificial leather	55-57
	Financial Impact Management of Environmental Issues 	Means activities to strengthen management systems that simultaneously ensure sustainability and financial stability by systematically identifying the impact of environmental issues on the corporate strategy, financial performance, and risk management, and integrating this into the strategy, financial planning, decision-making, and risk management systems	• Manages the impact of environmental issues by quantifying risks, opportunities, and financial impacts on the environmental issues and natural capital • Identifies risks by environmental factor—waste and water resources—and quantifies the impact on profit and loss, cash flow, and costs through the scenario-based financial impact analysis system • Sets reduction formulas and indicators for major environmental issues—renewable energy, water recycling, and metal scrap reuse—to quantify annual financial effects and incorporate them in reports	• Since 2024, we have been quantifying the financial impacts of water and waste—key factors directly related to our operations—and have been strengthening the management for high-risk areas based on these assessments. • Plans to incorporate the profit/cost simulations—reflecting risks such as waste regulations and water resource depletion—into our mid- to long-term financial planning and capital allocation strategy	26-27
	Transition to Eco-friendly Products 	Refers to efforts to minimize environmental impact throughout the entire product lifecycle by improving materials, design, and manufacturing processes, while also expanding the development of eco-friendly products with low-carbon, recyclable, and non-toxic attributes	• The Powertrain and the Seat Divisions pursue R&D with goals of 'zero emission' for powertrains and 'nature-friendliness' for seats, respectively. • Diversifies the supply chain and strengthens collaboration with major startups and global suppliers to address supply instability and quality variations of recycled raw materials (PCR, PIR) • Sets 5 strategic themes—hazardous substance reduction, sensory quality improvement, resource circulation, and lightweighting—for phased expansion with a focus on developing sustainable seat technologies utilizing natural and recycled materials	• Expand seats' bio-material content to 30% by 2028 and 50% by 2032, and achieve a recycled material application rate of over 10% by 2028 • Accelerate the transition to eco-friendly products by linking quantitative targets for each strategic theme to KPIs and managing departmental implementation rates	58-59

Double Materiality Assessment

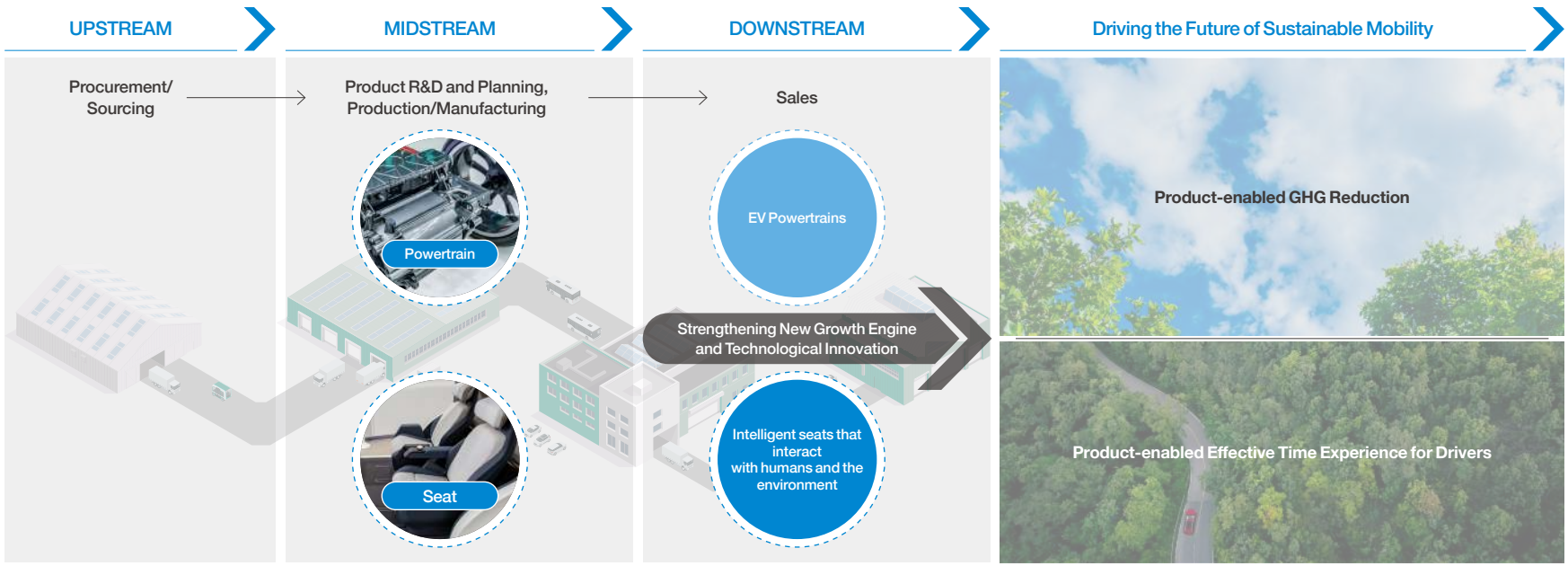
Material Issue		Issue Definition	Response Status	Key Plans	Report Page
Social	Supply Chain ESG Management	Means preventing supply chain risks and creating a sustainable value chain by systematically inspecting and managing sustainability factors—environmental, social, and ethical-across suppliers	• Conducted ESG assessment and education for 15 suppliers starting in 2021, 91 in 2022, and 182 in 2023 • Won the best shared growth award for 10 consecutive years in 2024 • Contributed to strengthening supplier ESG capabilities by providing consulting through supply chain ESG assessments and shared growth activities • Controls risks by requiring ethical evaluations for newly registered suppliers and applying practical sanctions, such as bidding restrictions based on the results of ESG assessments • Requires suppliers to submit the Conflict Mineral Reporting Template (CMRT)/Extended Minerals Reporting Template (EMRT) once a year and takes phased actions—such as requesting improvements, requiring written pledges, or imposing bidding restrictions-depending on the inclusion of non-certified smelters to manage conflict mineral risks	• Expand the scope of ESG assessments to include suppliers in Europe and plans to expand the coverage to North America in 2025. • Aim to achieve 100% in ESG inspection rate, audit rate, and corrective action rate. • Continuously operate comprehensive programs—such as capacity building for suppliers, performance sharing systems, shared growth funds, and smart factory support—to enhance supply chain sustainability and competitiveness. • Achieve and maintain a 100% response rate from suppliers subject to the CMRT.	87-90
	Product Safety	Refers to activities associated with design standards, quality control, and certification systems required to protect customer lives and property throughout the entire product lifecycle—from development and production to shipment, use, and disposal; these are directly linked to brand trust and represent a critical issue	• Incorporates functional safety requirements into design standards from early stages of product development, and proactively mitigates risks through design verification plans (DVP) and simulations • Introduces functional safety certification systems based on ISO 26262 centered on powertrains • Secures ASIL-D development capabilities for electronic components • Provides education and technical support to strengthen suppliers' functional safety capabilities • Monitors field issues in real time and operates IOT tracking systems for major components to promptly contain the spread of safety and quality issues	• Continuously advance internal quality standards and verification processes in line with global safety regulations and customer certification requirements. • Expand global market entries through products that meet high safety and functional safety standards.	102-103
	Workplace Safety and Health Management	Refers to systematic operation of the physical work environment, equipment, education, and prevention systems to protect the lives and health of employees, aiming to minimize industrial accidents and incidents	• Revised our safety and health policy and strengthened a company-wide prevention-focused safety management system to realize 'zero-accident workplaces' • Opened a safety experience education center to improve safety and health management for our workplaces and supplier employees • Operates a system that enables prompt response and prevention through phased incident reporting, management-level inspections, and regular risk assessments • Institutionalizes improvement activities engaging employees and suppliers by operating the Occupational Safety and Health Committee, discovering potential risks (T-SHE system), and conducting joint inspections with in-house suppliers • Discovered 7,771 hazards in 2024 through two risk assessments, and completed or planned to complete phased measures for 285 high-risk cases • Obtained ISO 45001 (Occupational Health and Safety Management Systems) certification for all domestic plants and 89% of overseas plants	• Advance safety indicator (KPI) management to incorporate TRIR and OIFR beyond LTIFR. • Reflect safety culture level evaluation results (T-SCLA) into KPIs for company-wide employee safety and health management.	79-85
	Sound Labor-Management Relations	Means creating a sustainable employment environment by transparently and fairly addressing labor-related issues, such as employment stability, wage negotiations, welfare system improvement, and grievance handling based on mutual respect and consultation with labor unions and workers	• Maintains dialogue channels between labor and management and continuously pursues follow-up communication activities for trust recovery and relationship normalization • Provides training to promote communication; organizes events to promote communication for technical leaders; supports overseas training; and diversifies communication channels by publishing Transys Topic twice a month focusing on internal news, Transys Life monthly focusing on external news, and Transys Leader monthly for technical leaders	• Operate various field-centered communication channels to prevent labor-management conflicts and build stable labor-management relations. • Strengthen regular communication among employees through technical leader communication events, overseas training, internal newsletter publication, and management briefings. • Strengthen the constructive labor-management cooperation foundation by regularly convening council meetings and advancing grievance handling channels.	86-87

Double Materiality Assessment

Linkage Between Material Issues and Business Strategies

Hyundai Transys does not merely identify material issues but manages them in close alignment with its business and product strategies. Material issues play a central role in shaping our management direction and risk response systems. They are particularly critical when formulating major strategic initiatives, such as climate change response, ESG management across the supply chain, and technological innovation. Notably, Hyundai Transys integrates ESG and product strategies with a focus on two core product areas: electrified powertrains and intelligent seats that interact with humans and their environment. Each product is closely linked to material issue management—powertrains positively impact the environment through GHG reduction, while seats make a positive social impact through improved driving experiences. Through this product-centered ESG strategy—product-enabled Impact—Hyundai Transys is actively pursuing sustainability through its products themselves. Moving forward, we plan to pursue sustainable growth by strengthening the alignment between ESG management and business strategy, grounded in continuous material issue management and proactive adaptation to changing business environments.

Value Chain



Material Issues

Supply Chain Management	Transition to Eco-friendly Products	Workplace Safety
	Financial Impact Management of Environmental Issues	Sound Labor-Management Relations
	Product Safety	Waste Management and Circular Economy
Climate Change Response and Energy Management		

- General Management Issues
- Direct impact on seats
- Direct impact on powertrains

Strengthening New Growth Engine and Technological Innovation

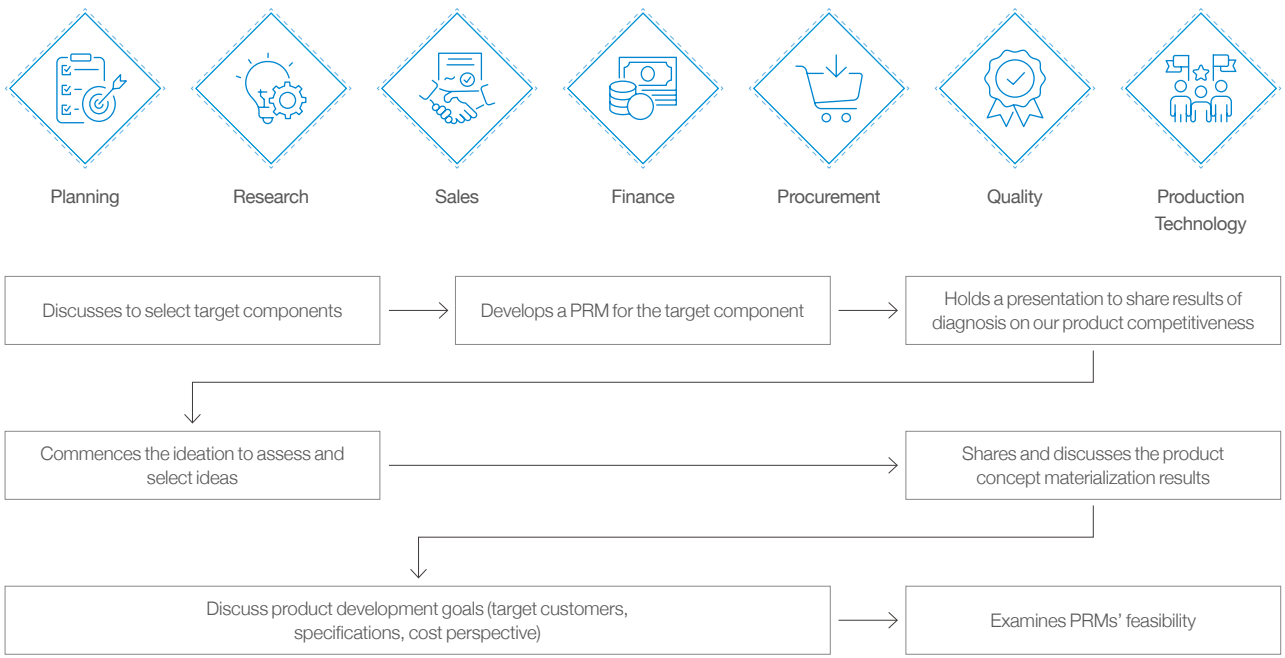
Governance

Discovering new growth engines and driving technological innovation have been established as core strategic directions for our sustainable growth in response to the rapid expansion of the global electrification market and increasingly stringent environmental regulations. To realize this, we have established company-wide technology strategy governance systems and systematically manage the entire process—from developing product technology strategies to executing R&D activities. Mid- to long-term strategies are developed based on global automaker product sales forecasts, evolving market environments, and internal competitiveness analyses. The analysis results serve as the foundation for building mid- to long-term product portfolios.

In both the powertrain and seat divisions, PRM councils are operated under the supervision of the Planning Office. Through these councils, PRMs aligned with mid- to long-term business strategies are formulated, and the direction for corresponding TRMs are set to support PRM realization. In particular, the councils establishing PRMs and TRMs serve as core decision-making bodies involving management, business units, and R&D teams. They play a vital role in strategic planning, prioritization, and investment decisions.

These roadmaps are systematically reviewed and managed to ensure the timely development of products and technologies. These efforts include monitoring progress and potential risks at each stage through regular governance such as monthly management strategy meetings, an annual mid-to long-term business strategy workshop, and an annual management strategy seminar.

Interdepartmental Collaboration Framework for Product and Technology Development



* Upon consultation, PRMs are finalized or updated. → They are reflected in TRMs, and relevant tasks are identified.

Strategy

Product (Powertrain, Seat) and Technology Development Strategy

Hyundai Transys works to strengthen its mid- to long-term competitiveness by proactively responding to policy and regulatory changes in the automotive industry utilizing market intelligence and business environment analysis. We improve our business structure and internalize key technologies in line with industry transformation trends such as the popularization of EVs. Leveraging our technological expertise in internal combustion engine powertrains, we are accelerating the development of EV powertrains and electrification-dedicated seat technologies, thereby strengthening our responsiveness to the electrification era through product transition.

Technology and product development strategies are being systematically established based on differentiation approaches that holistically consider market trends, customer value, and business strategy. In particular, we are strengthening both the direction and execution capabilities of our R&D efforts by aligning our Technology Road Map (TRM) with our Product Road Map (PRM).

Technology Road Map(TRM): A technology plan that predicts market changes and product requirements, identifies and selects necessary technological tasks to meet those requirements, and organizes them along a timeline. It establishes priorities for technology acquisitions and serves as a foundation for mid- to long-term technology development strategies.
Product Road Map(PRM): A product plan that discovers and selects strategic products aligned with the company's business strategy and capable of meeting market demands, mapping them along a timeline. It provides a direction for product development and contributes to enhancing market competitiveness and the commercialization of technologies.

Based on the strategy development system linking the TRM and PRM, Hyundai Transys operates a PRM council to continuously monitor consistency between technology development and commercialization. These efforts enable us to strategically determine R&D investments and priorities.

New Business and Technology Development Strategy

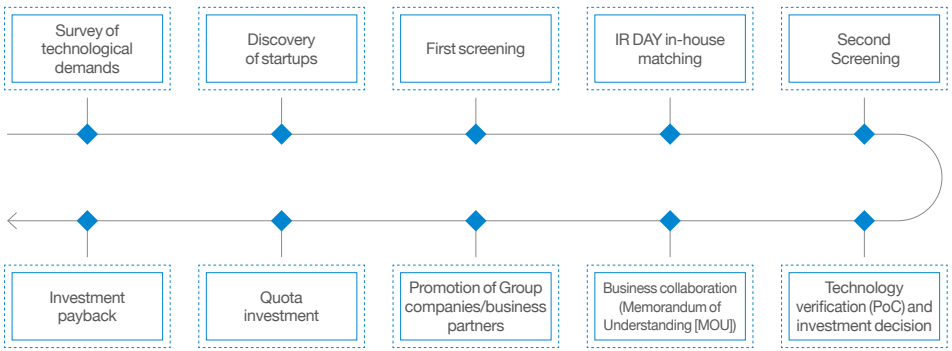
Hyundai Transys is actively pursuing open innovation to enhance technological competitiveness and strengthen internal capabilities. We identify promising startups and engage in various innovation initiatives through collaborative efforts. Through close collaboration with relevant internal departments that have needs for improving work efficiency and effectiveness beyond technology development, we define field-centered tasks, systematically match them with suitable startups, and support proof of concepts (PoCs). These efforts enable us to accelerate digital transformation and technology innovation throughout the organization.

Strengthening New Growth Engine and Technological Innovation

Open Innovation

Hyundai Transys is actively pursuing open innovation to proactively respond to global environmental changes and accelerate its transition to a future-oriented business model. Based on close three-way collaboration among the new business departments, R&D departments, and Hyundai Motor Group's ZERO1NE, we identify promising startups and enhance new technology development and product competitiveness through PoC collaborations. Through this, we are advancing internal capabilities and continuously creating new business opportunities.

Implementation Process



Key Open Innovation Achievements

Startup	Collaboration period	Collaboration achievements
ENR	2021-2023	Development of recycled leather products for seat covers using waste leather and acquisition of Global Recycled Standard (GRS)[1] certification
MUJIN CHEMICAL	2021-2023	Development of multi-design punching technology and awarded the IR52 Jang Young-shil Award[2]
Algorigo	2019	Development of film-type body pressure measuring sensors and algorithm for analyzing/determining sitting postures
Smarteum bangE	2022	Development of an all-in-one footrest and shoe sterilization module
AU	2023	Development of a technology for measuring biological signals using radar sensors

1) Products that meet the criteria proving that recycled materials were used in the production of fiber and clothing, as well as contain more than 20% of recycled materials, are eligible for this certification.

2) A system of the Korean Ministry of Science and ICT that awards outstanding technologies and products with excellent technological innovation achievements.

We strengthen PoC-centered collaboration with promising startups in the short term, focus on the internalization through commercialization and investment linkage in the medium term, and aim to transition into a platform that leads the open innovation ecosystem in the long term.

Phase 1

Discover strategic startups and enhance consistency with internal demand (short-term).

We advance needs-based task derivation systems centered on new business and R&D departments, and proactively discover promising startups with verified technology and service capabilities through linkage with Zero1ne. We secure pilot performance and prepare for internalization through joint task discovery and PoC performance between departments.

Phase 2

Advance the PoC and build a commercialization linkage system (mid-term).

Beyond quantitative expansion of PoCs, we systematize internal processes and investment linkage methods, which can commercialize the result of our collaboration with verified startups. In particular, we maximize commercialization possibilities by setting common KPIs for relevant business units.

Phase 3

Develop open innovation as a platform and take the lead in shaping the ecosystem (long-term).

We evolve into a platform-based structure by building a collaborative network with internal and external stakeholders, positioning ourselves as a leading player in the open innovation ecosystem. We secure global-level technological and market competitiveness by collaborating with startups, venture capital firms (VCs), universities, and research institutions, laying the foundation for expanding into new business areas.

Enhancement of Collaboration Framework

In 2024, Hyundai Transys refined its internal operational processes and advanced its collaboration framework with relevant departments to internalize open innovation. We systematically identified field needs and set directions for discovering startups through an annual technology demand survey, and expanded the scope of application of technology reviews by including relevant departments-such as production technology, ESG, and environmental organizations-which used to focus on P/T and seat research centers. For startups expected to create synergy effects with field operations, we presented them to our relevant departments and supported their subsequent PoC linkage. We focused on raising employee knowledge and strengthening execution capabilities by running two rounds of in-house demo days and benchmarking other companies. Additionally, we diversified startup discovery channels by expanding collaboration with external accelerators (ACCs), VCs, and the Creative Economy Innovation Center. We further strengthened our capabilities to discover technology-focused startups with high commercialization potential.

Strengthening New Growth Engine and Technological Innovation

Risk management

Hyundai Transys implements periodic monitoring and inspections: we inspect the implementation of mid- to long-term strategic tasks for each business sector quarterly to sustain new mid- to long-term growth engines; and monthly, we inspect key tasks and KPI-linked tasks for the current year to proactively response to their progress and potential issues/risks in a timely manner.

Our R&D organizations are engaged in R&D projects aiming for technological innovation with multifaceted analyses on each project's viability and commercial feasibility. When a project in progress is exposed to potential risks, response strategies are established and presented to the top executives committee for decision-making. Once confirmed, the response strategy is reviewed at each phase to ensure that risks are prevented, mitigated, and addressed in time. For a PRM aimed at commercialization, the PRM council assesses the product competitiveness, identifies improvement measures, materializes the product concept, sets development goals, and reviews or revises the PRM to proactively eliminate potential hazards. For a TRM, we conduct monthly reviews to track progress against the schedule and assess any changes. In parallel, we evaluate the need for supplementary or additional development tasks.

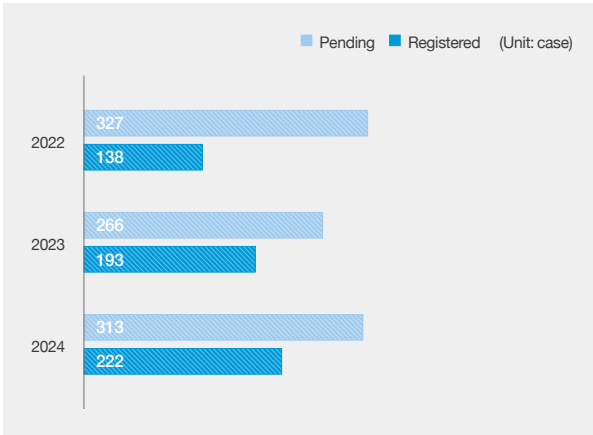
Metrics & Targets

Hyundai Transys has set key metrics—the number of R&D projects, number of researchers, and acquisition of intellectual property rights—to fortify its new growth engines, and it pursues management by objectives. The number of R&D projects has increased steadily year over year—314 in 2022; 376 in 2023; and 433 in 2024. The R&D investment-to-revenue ratio has also risen, from 3.42% in 2022 to 4.18% in 2023 and 4.27% in 2024. The number of R&D personnel has steadily increased over the past three years, and we plan to continuously strengthen our technological competitiveness by maintaining the proportion of R&D staff at over 20% of the total workforce.

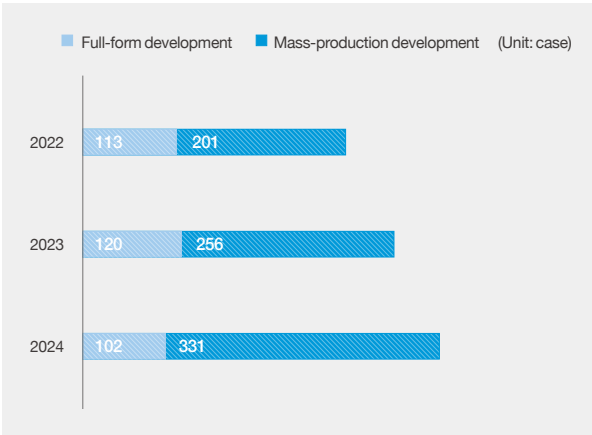
R&D Related KPIs

Category	Unit	2022	2023	2024
R&D Investment	KRW 100 million	2,586	3,594	3,556
R&D Investment-to-Revenue Ratio	%	3.42	4.18	4.27
No. of R&D Personnel	Person	906	953	995
R&D Staff-to-Total Workforce Ratio	%	22.7	23.1	26.3

Intellectual Property Rights



R&D Projects



Based on Hyundai Transys R&D Centers

Key ESG Performance

ESG ·Assessment and Awards

Ecovadis Attained Gold Grade for 2 consecutive years

Labour, human rights and sustainable procurement are highly rated only the top 5 per cent of companies Gold status for two consecutive years*.

Selected as a Best Practice at the Energy Saving through Partnership hosted by the Korea Energy Agency

Recognized as an excellent case for energy saving under the Energy-Saving Technology Cooperation Project.

Awarded Presidential Citation at the Korea National Quality Innovation Award

Awarded the Presidential Commendation in the Quality Competitiveness category of the National Quality Innovation Awards through quality improvement activities across the entire process from product development to after-sales service.

Won 2 Prizes at 'iF Design Award 2024'

Won two prizes in the professional concept category with the 'Urban Air Mobility (UAM) Cabin Concept' and 'Future Mobility Concept Seat'

Key Achievements by Area

Environment

Expansion of renewable energy transition

Achieve RE15 with On-Site PPAs and Renewable Energy Certificates

Improvement of Products' GHG Intensity

Achieved a 12.6% reduction in GHG emissions per product compared to 2022

Development of Life Cycle Assessment (LCA) Process

Developed our proprietary LCA process for EV (front wheel, rear wheel) reducers and seats

TNFD-based Biodiversity Risk Analysis and Response Plan

Established biodiversity policies for all domestic and overseas plants and the entire value chain and conducted biodiversity risk analysis for domestic plants

Environmental Management Certification Expansion

All four domestic plants and 16 out of 18 overseas plants acquired certification.

Social

Acquisition of International Standard Certification for Road Vehicles Functional Safety

Acquired international standard certification 'ISO 26262 Road Vehicles - Functional Safety,' indicating that the functional safety of our powertrains have been internationally recognized

Became the first in the auto parts industry to be selected for 10 consecutive years as a "Most Honorable Company," the highest rating

Became the first in the auto parts industry to receive the highest rating for 10 consecutive years by being recognized in the "2023 Shared Growth Index" announced by the Korea Commission for Corporate Partnership

Expansion of Workplace Safety and Health Coverage

All members of the domestic plants to be included in the safety experience and training at the "'Safety Experience Education Center" by 2025

20 out of 22 plants certified on safety & health and environmental management systems (ISO 45001 & ISO 14001)

Supplier ESG Management Enhancement

Assessed ESG management of suppliers—increased the number of target suppliers from 15 in 2021 to 165 in 2024 Achieved 100% ESG inspection rate, audit rate, and action rate for three consecutive years

Governance

Maintenance of International Certification (ISO 37001, ISO 37301)

Renewed ISO 37001 (Anti-bribery Management Systems) certification and maintained ISO 37301 (Compliance Management Systems) certification

Expanded Operation of Compliance Council

Expanded the operation of the the Compliance Council by encouraging participation from more organizations

*Platinum: Top 1%; Gold: Top 5%; Silver: Top 15%; Bronze: Top 35%

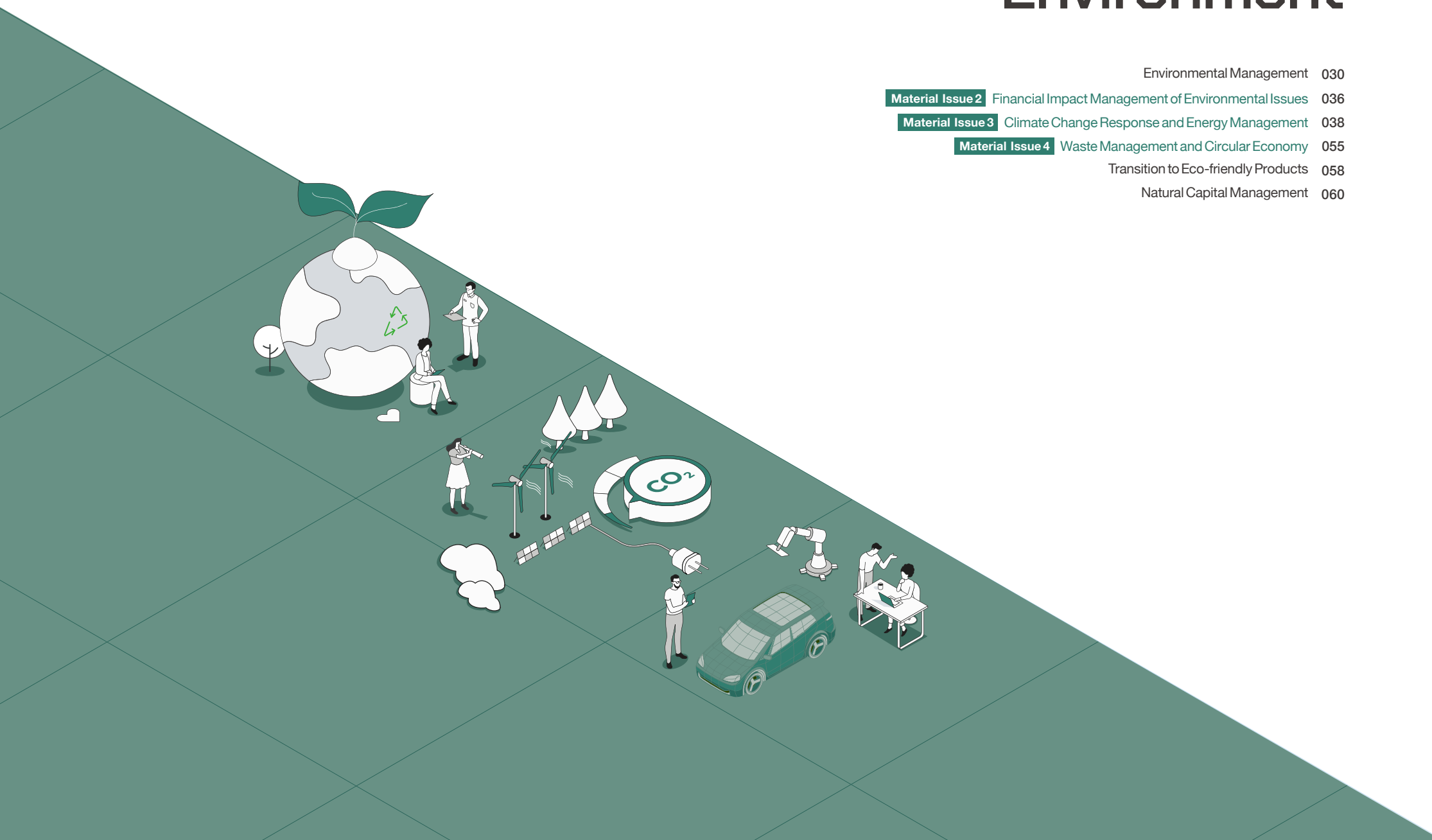
Stakeholder Engagement

Hyundai Transys uses various communication channels to collect feedback from its stakeholders and strengthens linkages with management activities by reporting major issues to the Board. Additionally, we encourage stakeholder engagement in management by continuously monitoring and providing feedback on sustainability management activities. Moving forward, we remain committed to fulfill our corporate social responsibility by incorporating stakeholder feedback into management.

Stakeholders	Customers	Suppliers	Shareholders and Investors	Local Community/Media	Governments/NGOs	Employees
Group Definition	Stakeholders who experience products and services and have material impact on corporate sustainability	In a collaborative relationship in terms of production processes and the product/service quality	Stakeholders who provide financial capital to maintain sustainable growth engines	Stakeholders who are directly or indirectly affected by business activities	Stakeholders who have decision-making authority by enacting laws/ regulations related to the automotive industry	Core assets that play roles in organizational functioning and value creation
Communication Channels	• Customer satisfaction survey (annual) • VOC surveys (at all times) • International trade fairs (at all times) • Customer visits (at all times) • Sustainability report (annual)	• Supplier councils (meetings, lectures, etc.; annual) • 24/7 response channels (online/offline)	• Shareholders' meeting (annual) • Website (at all times) • Management information disclosures (at all times) • Conferences and meetings (at all times)	• CSR (at all times) • Sisterhood activities (at all times) • Press releases (at all times)	• National project participation (at all times) • Conferences and meetings (at all times)	• Labor union meetings (at all times) • Business status briefings (quarterly) • Organizational culture diagnosis (annual)
Major Communication Topics	• EV product lineup expansion • Internal combustion engine vehicle fuel efficiency improvement • Related technology investment and development • Product safety/quality control • Customer Satisfaction • Brand image • Product safety and quality management	• Supply chain ESG risk management (assessments and improvements) • Support for suppliers' carbon neutrality efforts and shared growth • Support for suppliers' safety and security management	• Strengthening ESG governance • Mid- to long-term future business strategies • Economic performance • ESG risk management • Board transparency • Shareholder rights protection	• Strategic social contributions in collaboration with local communities • Job creation and retention • Enhancement of the environment and efficiency for plants • Press releases on ESG assessments and ESG-related activities	• Safety improvement • Electrification support for small and medium-sized suppliers • Support for global supply chain and trade issues • Corporate ethics • Infrastructure construction • Compliance with fuel efficiency regulations • Environmental investments • Support for new business commercialization	• Organizational culture, performance appraisal and compensation • Employee human rights and respect for diversity • Employee empowerment • Labor-management relations • Sharing information on management status • Workplace safety and health

SUSTAINABILITY PERFORMANCE

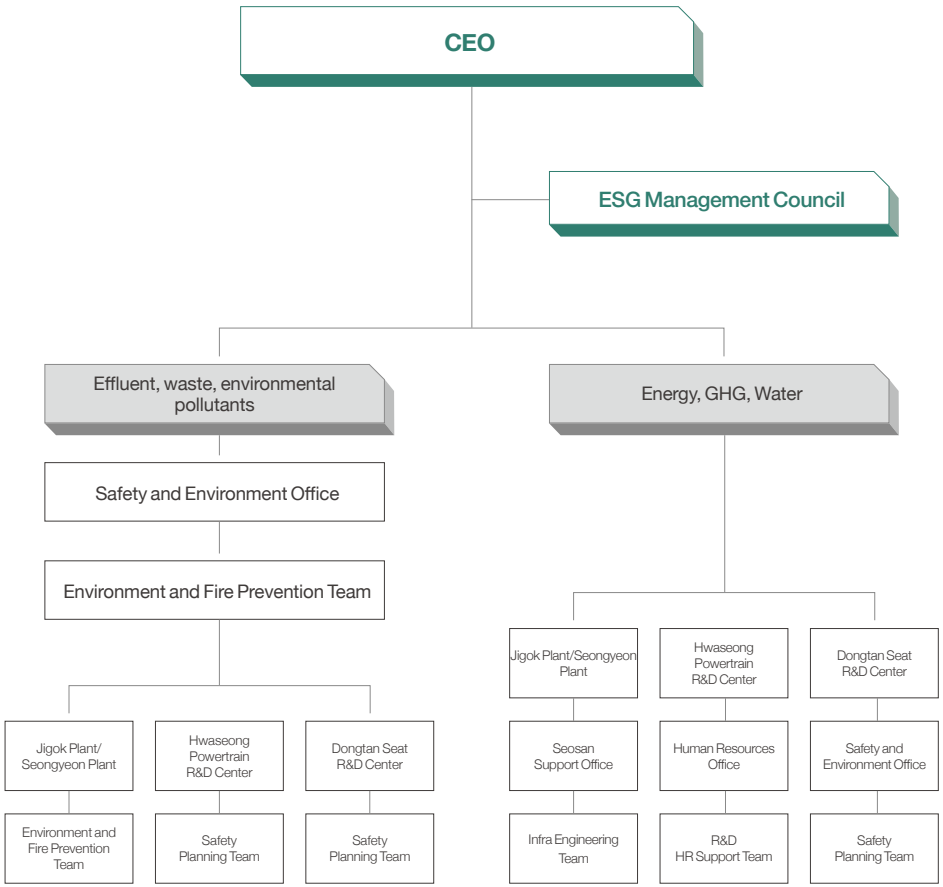
Environment



Environmental Management

Governance

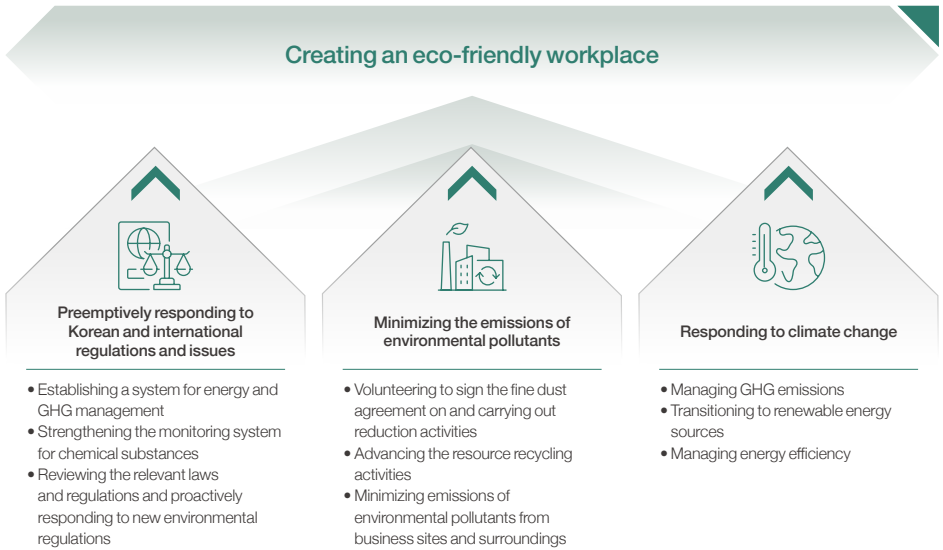
The ESG Management Council, including the CEO, along with dedicated organizations, is responsible for environmental management governance. The management makes key decisions, manages risks, and supervises performance related to environmental management, while dedicated organizations focus on field-specific environmental management, monitor environmental pollutant emissions, identify environmental risks, and improve shortfalls. Based on this governance system, Hyundai Transys is realizing company-wide responsible environmental management and ESG-conscious sustainability management.



Strategy

Environmental Management Direction

Hyundai Transys recognizes addressing climate change and reducing and managing the various environmental impacts of its business activities as key priorities. Accordingly, we manage and oversee environmental management from an integrated perspective, and our dedicated teams establish and systematically implement core environmental tasks. Major environmental achievements and risk response measures monitored and reviewed by the highest decision-making body and the ESG Management Council, and we are strengthening execution capabilities based on this.



Environmental Policy

Hyundai Transys transparently discloses environmental policies for major stakeholders, including employees and partners, through our website and secures accessibility so that anyone can easily view them. The policy is designed to be applicable across the entire supply chain, including all suppliers and contractors. It clearly defines the scope of application, implementation measures, and fundamental principles for environmental management. The policy outlines core principles for key management goals—concerning raw materials, energy, water, GHG, hazardous substances, and local communities—and includes our environmental management framework and supply chain compliance recommendations. It serves as a foundation for extending our commitment to environmental responsibility throughout the entire supply chain.

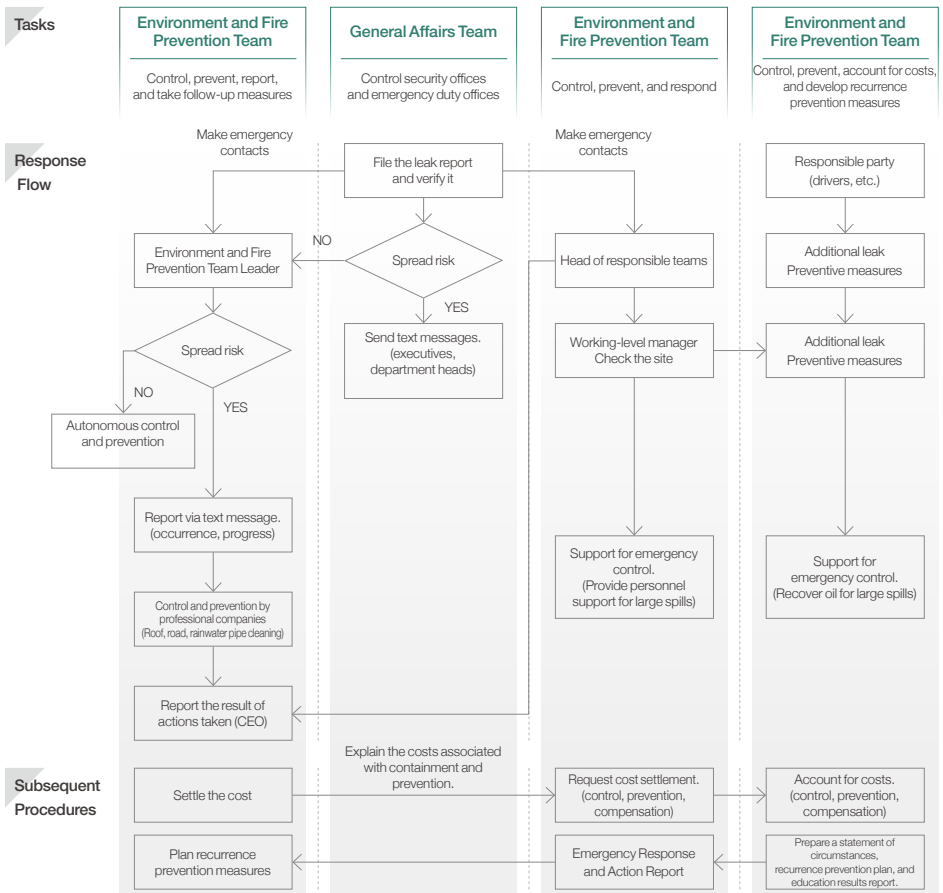
Environmental Management

Risk Management

Environmental Risk Response System

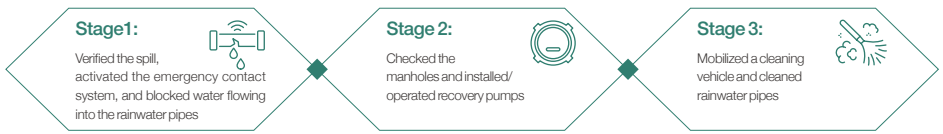
When accidents involving environmental pollutants, hazardous chemicals, waste, or the like occur, Hyundai Transys responds promptly in accordance with its environmental safety emergency response procedures. An immediate response is followed by a thorough investigation into the cause and the implementation of recurrence prevention measures. The incident is then reported to the Board, and continuous improvement activities are carried out through follow-up management systems.

Environmental Accident Response Flow



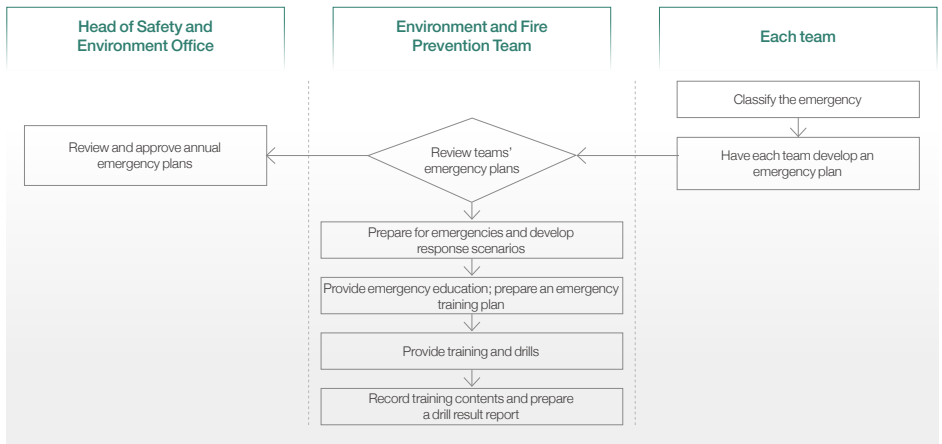
Emergency Drills

Our Jigok and Seongyeon Plants conducted effluent spill drills in the first and second half of 2024 according to the response plan to strengthen environmental accident response capabilities. The drills were organized and operated in the following three stages:



During drills, we also train employees to familiarize themselves with response manuals for each type of incident and ensure that all relevant departments, including the Environment and Fire Prevention Team, organically cooperate to prevent incidents and continuously enhance their response.

Check the Hazardous Substance Management System



Effluent spill drill at Jigok Plant

Effluent spill drill at Seongyeon Plant

Environmental Management

Education for Employees

To strengthen its environmental management system, Hyundai Transys not only provides statutory education on environmental law and regulatory requirements, but also updates its environmental education programs annually to reflect company-wide environmental goals and best practices. In addition, we continuously offer training to enhance the practical capabilities of environmental personnel.

Education for Employees and Suppliers on Compliance with Hazardous Substance Regulations

To improve its suppliers' hazardous substance management and proactive response to global regulations, Hyundai Transys provided online education on hazardous substance response on December 17, 2024, targeting 52 Tier 1 seat component suppliers and functional component suppliers. The education, attended by 83 people, including our employees and 52 suppliers, consisted of sharing global hazardous substance regulation trends and the seat sector's response status, presenting our analysis capabilities and providing guidance on IMDS input methods and major data rejection cases. It is operated regularly once a year to align suppliers' response directions. In the post-education survey, overall satisfaction with the educational content was high. Key feedback included the need for balanced offline education delivery with online accessibility, the importance of internal dissemination, and the necessity of offering regular education in the future.

Major Content	Assessment Results
Global hazardous substance regulation trends	Very satisfied and satisfied: 47 persons (90.3%); Moderate: 5 persons (9.6%)
Hazardous substance regulation compliance trends in the seat sector	
Hazardous substance analyses and related capabilities at Hyundai Transys	Very satisfied and satisfied: 47 persons (90.4%) Moderate: 5 persons (9.6%)
Education on completing an MDS and presentation of major data rejection cases	Very satisfied and satisfied: 45 persons (86.5%); Moderate: 5 persons (13.5%)

Environmental Management System Certification

To materialize systematic environmental management at a global level, Hyundai Transys has acquired and maintains environmental management system certification (ISO 14001) for domestic and overseas plants. In line with ISO 14001 certification, both domestic and overseas plants are subject to the same policies and guidelines. All four domestic plants have acquired certification, while 16 out of 18 overseas plants are certified. The plants in Indonesia and in Savannah, United States, are scheduled to acquire certification by the end of 2025.


ENVIRONMENTAL MANAGEMENT SYSTEM
HYUNDAI-TRANSYS INC.

Air Pollutant Management

Hyundai Transys operates air pollution prevention facilities, such as filtration dust collection facilities and adsorption equipment to perform systematic reduction activities for air pollutants such as dust, VOCs (volatile organic compounds), and heavy metals emitted during business activities. Air pollutants and prevention facilities undergo daily inspections and semiannual regular inspections. In the event of an issue, immediate corrective actions are taken to minimize environmental risks.

Emission Facilities	Emitted Substances	Prevention Facilities
Shot blast, shot peening machines	Metallic dust (dust, chromium compounds, etc.)	Filtration and dust collection facilities (cartridge filters)
Boilers, hot/cold water dispensers	Nitrogen oxides	Combustion control facilities (low NOx burners)
Degreasing facilities	Total Hydrocarbons (THC)	Adsorption facilities (A/C towers)

Odor Management

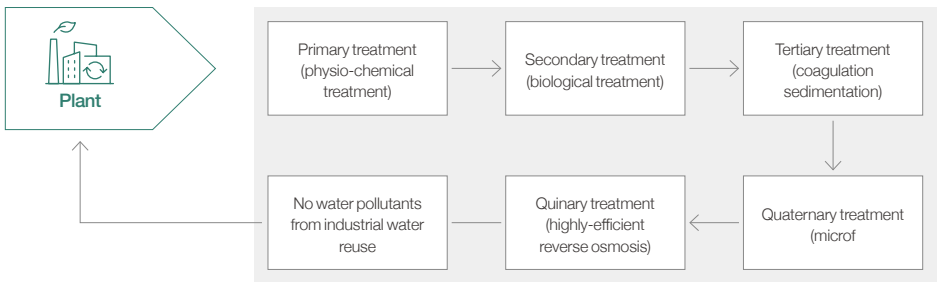
Hyundai Transys proactively manages potential odors around effluent treatment facilities at its Jigok and Seongyeon Plants. To protect the residential environment, we conduct monthly odor measurements and take immediate action based on the results when necessary to systematically prevent odor-related complaints.

Environmental Management

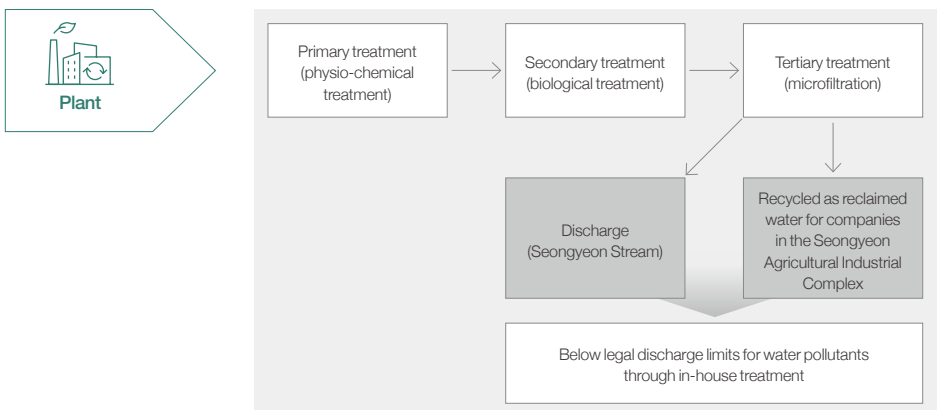
Effluent Management

Hyundai Transys maintains effluent at all domestic and overseas plants at levels 50% below legal standards. The Jigok Plant fundamentally blocks the discharge of water pollutants by treating effluent it generates on-site through its own treatment facility and recycling it as industrial water. Similarly, the Seongyeon Plant treats effluent at its in-house treatment facility and discharges it into the Seongyeon Stream, with a portion reused as gray water by companies located in the Seongyeon Agricultural Industrial Complex.

Jigok Powertrain Plant Effluent Treatment System Diagram



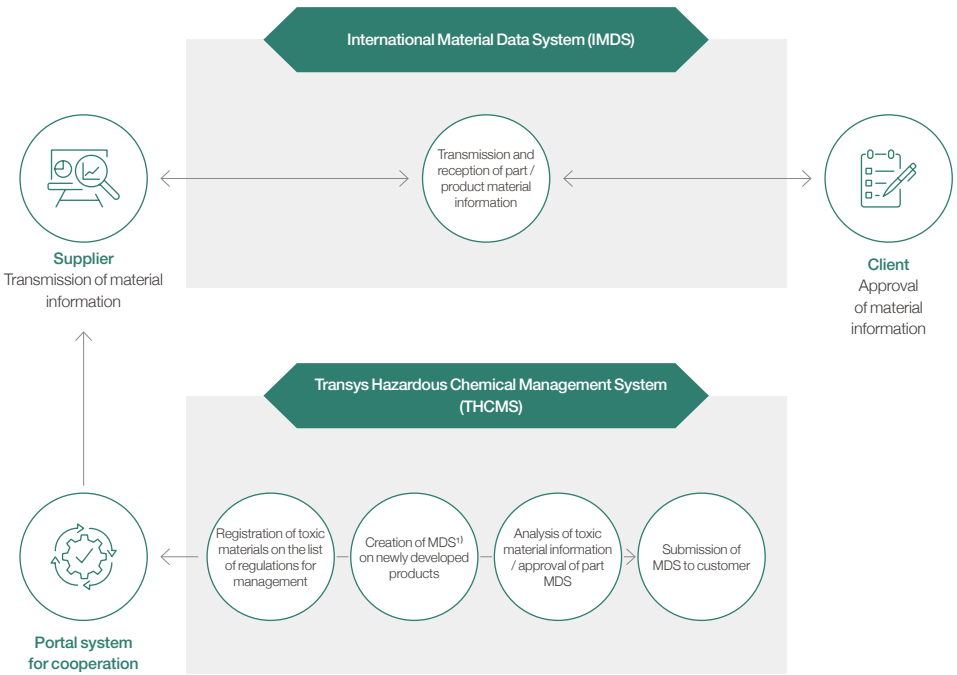
Seongyeon Powertrain Plant Effluent Treatment System Diagram



Hazardous Substance Management System for Products

Hyundai Transys places top priority on reducing hazardous substance emissions and preventing chemical accidents, operating an integrated management system that contemplates regulations and customer requirements throughout the entire product development process. In particular, through the Transys Hazardous Chemical Management System (THCMS), we systematically register and manage substance information from the product development stage through to final approval. Based on substance data received from our suppliers, we register component and product information in the International Material Data System (IMDS) and transparently disclose it to customers, thereby strengthening our proactive response to hazardous substances.

Hazardous Chemical Management Process



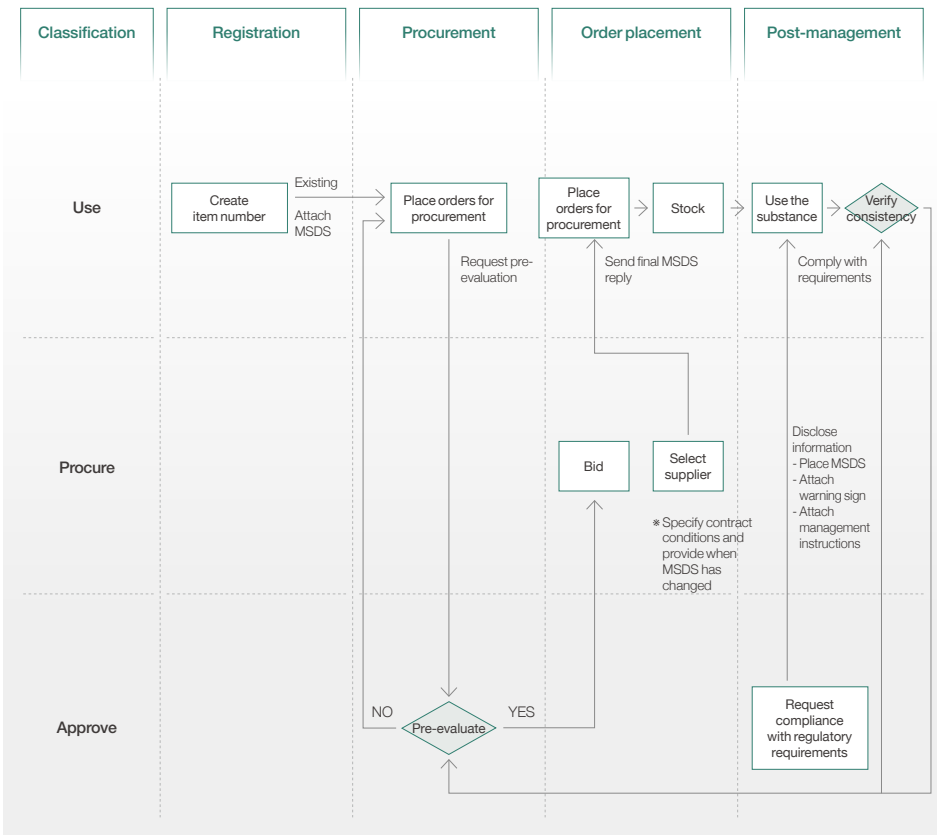
* If the use of harmful substances in violation of regulations is detected, we immediately apply the development of alternative substances through the establishment of a consultative body.
1) A list of components that describe the actual materials included (MDS input unit)

Environmental Management

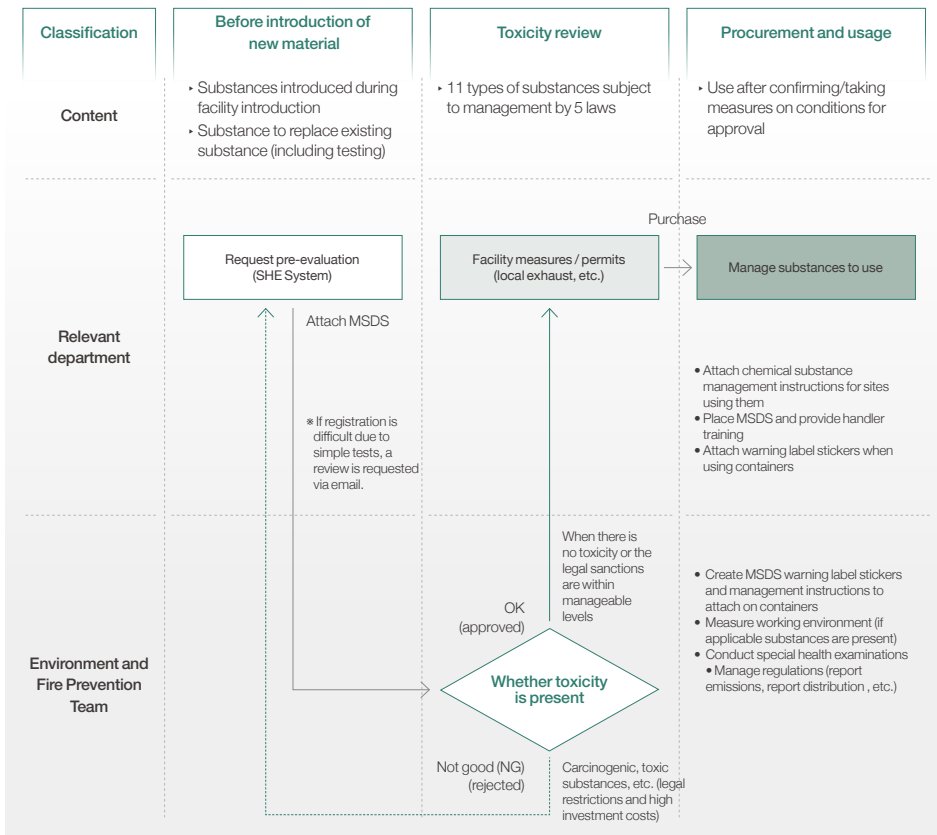
Plants' Chemical Substance Management System

Hyundai Transys monitors regulations related to the environment, safety, and health through its T-SHE system when purchasing new chemical products to check for the presence of substances violating laws, and guides products that violate laws to be handled through substance substitution or compliance with regulatory management standards. Approved chemicals are assigned a control code and managed through regular updates of the Material Safety Data Sheet (MSDS) to check for any changes in the components of the products or suppliers. Furthermore, an annual survey of chemical substance handling by each department is conducted to thoroughly manage any unclassified or unregistered chemical products in the system. In the future, the system will be improved to send alerts in case of changes in the status of stocked chemical products, and a function will be added to automatically change the MSDS update date (approved → unapproved) to allow for re-evaluation of chemical products which have passed a certain period.

Chemical Substance Management Process



New Chemical Substance Evaluation Procedure



Environmental Management

Metrics & Targets

Hyundai Transys quantitatively evaluates performance in substance emission reduction through annual environmental impact assessments. Specifically, we designate intensity indicators for high-relevance air and effluent as KPIs. For air pollutants, we conduct quarterly analyses at major plants—above the statutory requirement requiring annual measurements—and apply internal standards that are 30% stricter than legal emission limits to ensure thorough monitoring and management. Through these practices, we are building proactive environmental management systems that exceed compliance requirements.Although the intensity of effluent has increased, we are committed to ongoing improvement efforts to maintain stable levels through strengthened management. Notably, the Seongyeon Plant is achieving both water usage reduction and operating cost savings through efficient operation of its effluent treatment system. The quality of recycled water is managed at levels below 50% of legal standards for major indicators such as BOD, TOC, and TSS. Hyundai Transys aims to strengthen environmental risk mitigation and regulatory compliance at its plants through initiatives such as process improvements, the application of in-process pollutant control technologies, and enhancements in effluent treatment efficiency and regular KPI management.

Environmental Impact Management Indicators

Pollutant emissions

Data Scope: Domestic plants

Air pollutant emissions	Unit	2022	2023	2024
Water pollutant intensity	kg/ KRW 10 billion	0.1161	0.1291	0.1673
Air pollutant intensity	ton/ KRW 10billion	0.0484	0.0390	0.0408

Certification (ISO 14001) on Environmental Management Systems

Data Scope: Domestic plants

Category	Unit	2022	2023	2024
Number of target plants for certification	Number	4	4	4
Number of certified plants	Number	4	4	4
Certification acquisition ratio	%	100%	100%	100%

Environmental education for responsible managers

Data Scope: Domestic plants

Category	Unit	2022	2023	2024
Number of persons who completed environmental education	Person	2	2	3
Total education hours	Hour	40	40	120
Education hours per person	Hour/person	20	20	40

Environmental law violations[1)]

Data Scope: Domestic plants

Category		Unit	2022	2023	2024
Total violations		Number	0	0	0
Fines		KRW million	0	0	0
Damages		KRW million	0	0	0
Stakeholder complaints/ charges	Number of complaints received	Number	0	0	0
	Action rate	%	0	0	0
	Monetary compensation	KRW million	0	0	0

1) KRW 10 million or above

Financial Impact Management of Environmental Issues

Governance

When significant financial impact from environmental issues occurs or is identified as potential risks, we operate a governance system that enables reporting of these risks and financial impacts to management and the Board. This system also facilitates strategic deliberation and decision-making on response directions and resource mobilization plans.

In particular, through the ESG Management Council and its Working Council, we set climate change, water resources, waste, and natural capital-related risks as strategic agenda items. We also integrate these issues into our mid- to long-term financial plans and capital allocation strategies.

Strategy

Hyundai Transys seeks to strengthen its management systems to ensure both sustainability and financial stability. It involves systematically identifying the impact of environmental issues on corporate strategy, financial performance, and risk management—and integrating these insights into company-wide strategy development, financial planning, decision-making, and risk management systems. As part of our 2024 double materiality assessment, we incorporated not only ESRS E1-E5 topics but also ESRS 2 disclosure requirements (SBM-1 and SBM-2), which call for an explanation of how our business models and strategies are connected to environmental issues and how these issues, in turn, affect financial performance and financial planning.

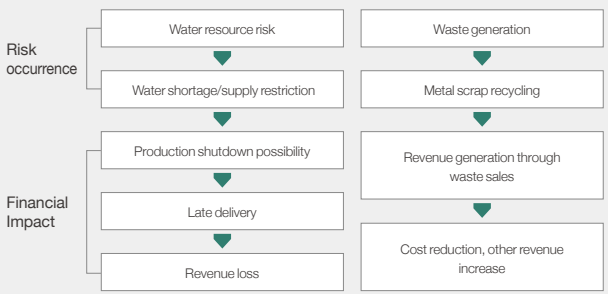
Accordingly, Hyundai Transys identified “Financial Impact Management of Environmental Issues” as a new material sustainability topic. This effort goes beyond the conventional categorization of environmental issues and aims to establish an integrated management framework that links company-wide strategy with ESG implementation. Moving forward, Hyundai Transys will strengthen its strategic planning and execution capabilities with a focus on environmental risks, thereby enhancing sustainable competitiveness through alignment of resource planning and ESG goals.

Risk Management

Environmental Issues’ Financial Impact Calculation Process

01 Risk Identification and Scenario-Based Analysis

- We identify risks arising from environmental factors—such as water resource depletion, stricter waste regulations, and restrictions on the use of hazardous substances—and develop scenarios to assess their potential impact on our business.
- Example of a Scenario



※ For each scenario, we identify possibilities of production disruption, cost increases, legal sanctions, etc. and analyze them in connection with financial indicators such as revenue, costs, and investment plans

02 Impact Calculation Standard Setting

- We built quantitative evaluation models to objectively measure the impact of environmental risks on financial performance and systematized calculation standards and formulas.
- Example of Financial Impact Calculation

Water Resources
- Operating cost savings = Water rate x Water recycled
- Representative product sales volume x Damage rate (%) x Product unit price

Waste
- Material cost savings = (Existing material’s unit price - Recycled material’s unit price) x (Annual use of recycled material)
- Revenue from waste resource utilization = (Metal scrap and other waste’s unit price) x (Annual recycling volume)

※ We quantify factor-specific impacts to set standards applicable to profit and loss forecasts and budget plans.

03 Analysis Result Utilization and Decision-Making

- We share analysis results with the ESG Council and relevant departments to build company-wide proactive risk response systems.
- Example of an Action Plan

1. Report to management.
2. Prioritize management strategies and action plans.
3. Plan for regulatory compliance.
4. Manage company-wide KPIs.
5. Review whether to incorporate a long-term investment plan. (e.g., recycling equipment, alternative raw material securing, etc.)

Financial Impact Management of Environmental Issues

Calculation of Financial Impacts of Environmental Issues

Hyundai Transys identifies and manages both risks and opportunities by assessing the range of key environmental issues affecting plant operations and categorizing their financial impact by type—such as effects on cash flow and profitability. Going forward, we will minimize financial risks stemming from environmental issues through ongoing monitoring and improvement efforts, while pursuing new business opportunities.

Category	Impact Stemming from Environmental Issues	Impact Scope	Factor	Financial Impact	
Waste	• We are focusing on developing new materials by utilizing natural materials like Korean traditional paper and bamboo and biomass, using silicon extracted from quartz, and replacing chemical fibers with natural cotton fibers. • We are developing a technology to recycle scrap generated during the manufacturing of natural leather seat coverings by processing through crushing, bonding, and physical property reinforcement. This technology is currently in the pre-mass production stage. Once implemented, it is expected to contribute significantly to our resource circulation strategy and carbon neutrality goals by simultaneously reducing material costs and improving environmental performance.	Entire value chain	Opportunity	Profitability improvement (cost reduction)	• Cost reduction effects can be expected when using recycled leather.
	• Hyundai Transys' Jigok and Seongyeon Plants are creating additional revenue by recycling metal scraps, such as aluminum and iron scraps, generated during production processes. • We are simultaneously realizing circular economy and improving financial performance through ESG management.	Workplace	Opportunity	Profitability improvement (other revenue increase)	• By recycling 9,800 tons of metal scrap, we prevent resource waste, and create additional revenue through waste sales.
Water	• Hyundai Transys' Jigok Plant reduces operating costs and contributes to circular economy by treating effluent it generates and recycling it as industrial water.	Workplace	Opportunity	Cash flow improvement (water cost reduction)	• Our Jigok Plant recyled 317,752 tons of water in 2024, reducing operating costs by KRW 253 million. *Calculation method: Savings in operating costs in 2024 = 2024 water rate (KRW 796 per ton in Korea in 2024) x Water recycled (317,752 tons) = KRW 252,930,592
	• India is considered a high-risk region in terms of financial impact, as difficulties in securing water could lead to production disruptions and shutdowns. The country accounts for approximately 25% of global groundwater use, reflecting its heavy dependence on this resource. • Hyundai Transys conducted pilot calculations of the financial impact of water resource risks at its facility in India and plans to continuously monitor such risks at plants located in high-risk regions in the future.	Workplace	Risk	Profitability deterioration (revenue decrease)	• Based on 2024 revenue, a production shutdown at the facility in India due to water resource risks— such as drought— could result in damages of approximately KRW 2.9 billion per day. *Calculation method: Indian plants' (AP Plant, Chennai Plant) daily revenue = 2024 revenue/annual working days = KRW 693.9 billion/240 days = approximately KRW 2.9 billion/day

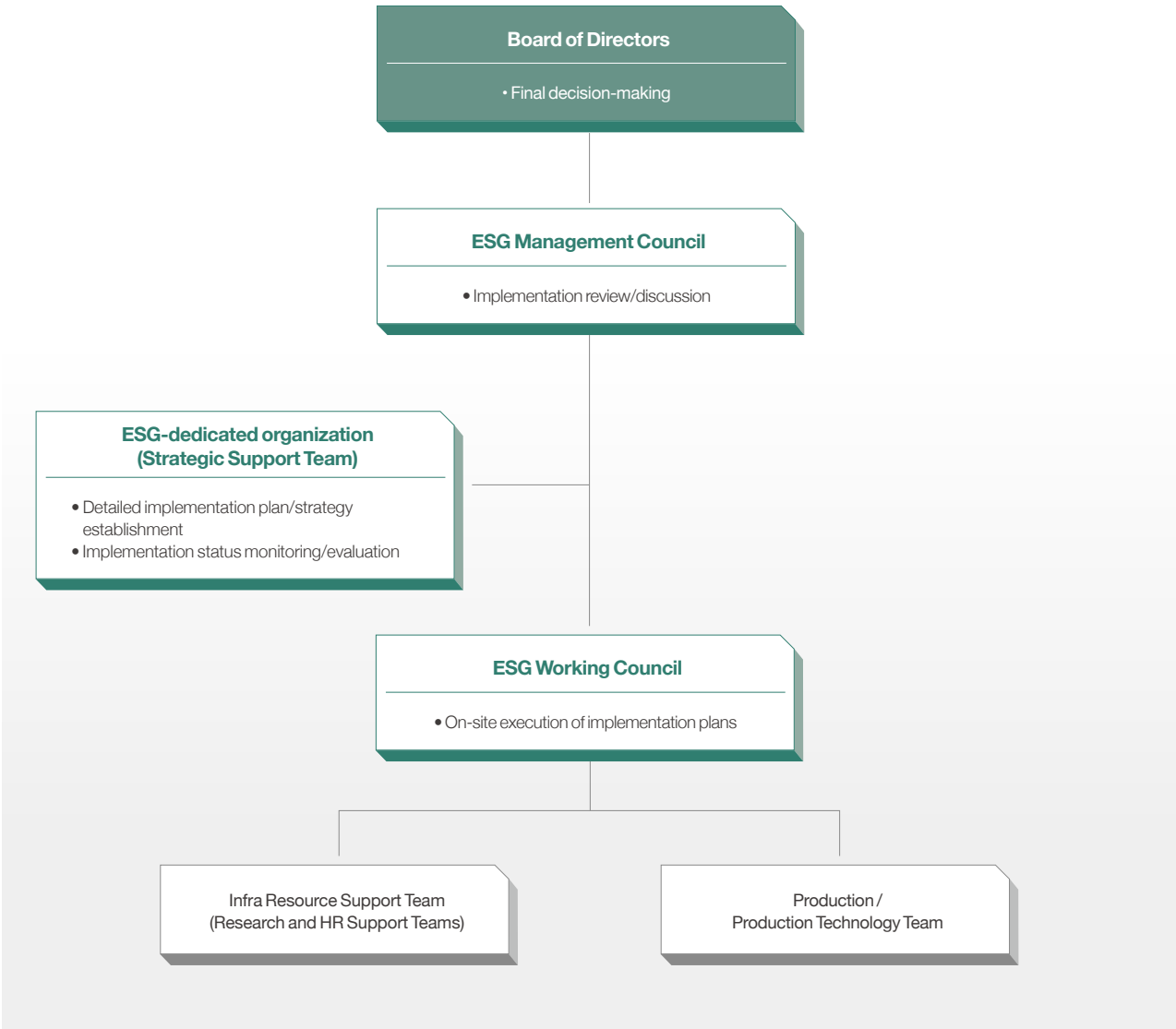
Metrics & Targets

Hyundai Transys plans to regularly assess financial impacts of environmental issues and manage risks starting from 2025. We will also strengthen company-wide risk management using environmental KPIs such as water reuse rate and waste recycling rate.

Climate Change Response and Energy Management

Governance

Under the ESG governance system described above, Hyundai Transys defines and carries out distinct roles related to climate change response and energy management. The Board, as the highest decision-making body, reviews climate change response strategies and approves company-wide response directions for related issues based on major risk and opportunity analysis results. Board decisions are followed by detailed implementation discussions within the ESG Management Council. The Council continuously reviews company-wide environment and energy-related risks and issues, ensuring prompt discussion and action when risks are identified. To support the development and execution of carbon reduction plans, a subdivision was newly formed at each plant under the ESG Working Council. These subdivisions also gather and report relevant issues during regular meetings. Through in integrated approach that connects strategic planning, execution, and risk management, Hyundai Transys is strengthening its company-wide capabilities to respond to climate change .



Climate Change Response and Energy Management

Strategy

To proactively respond to climate risks and contribute to a sustainable future mobility industry, Hyundai Transys has established three core principles and is pursuing its unique carbon neutrality strategy centered on six strategic pillars. As global climate action accelerates, the mobility industry is undergoing a rapid transition centered on EV placing Hyundai Transys' core business—electrified powertrains—at the heart of this transition. Accordingly, Hyundai Transys is simultaneously pursuing product innovation and carbon reduction strategies leveraging its global production hubs and comprehensively strengthening measures to reduce emissions from manufacturing processes and advance energy transition at the product level.

Key Strategic Principles for Carbon Neutrality

Principle 1
Transparent Energy Management

Transparently disclose energy usage and GHG emission information and establish reduction strategies and identify key tasks based on that information.

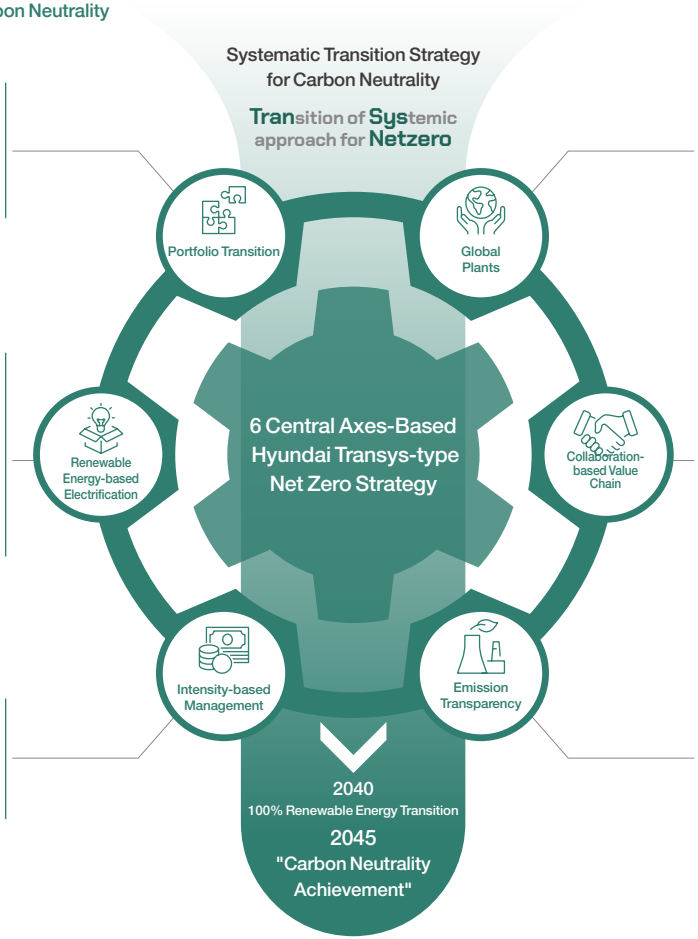
Principle 2
Product Energy Intensity Improvement

Make 'reducing energy intensity' a key direction to simultaneously achieve climate action and cost reduction.

Principle 3
Fuel Transition Through Renewable Energy

Transition to renewable energy by combining PPA, EAC, and self-generation, according to regional conditions.

Central Axes for Materializing Carbon Neutrality



Expanding EV Proportion

- Manage carbon emissions generated during manufacturing processes on an intensity basis (tCO_2e/unit), comparing each product to an internal combustion engine vehicle.

Renewable Energy-based Electrification

- Transition to renewable energy-based fuels, taking into account process conditions.
- Take a phased approach, taking into account the economic feasibility of the available renewable energy application methods.

Product Intensity

- Incorporate carbon costs and risks into business management by managing energy and emissions based on intensity per facility and per product.

Net Zero for Global Plants

- Have each plant transition to net zero with a phased approach reflecting mid- to long-term production strategies.

Value Chain Collaboration

- Establish a foundation for sharing product-centered carbon information throughout the value chain.
- Accelerate renewable energy transition in collaboration with electricity and energy industries.

Securing Emission Information Transparency

- Build a quantitative and qualitative carbon information provision system to transparently convey the meaning of emissions in the context of product value and business activities.

Climate Change Response and Energy Management

Climate Change Response

With the goal of achieving carbon neutrality by 2045, Hyundai Transys plans to reduce GHG emissions by 86% compared to 2022 levels by 2035 through phased and systematic implementation in collaboration with its global plants. By 2040, we will transition 100% of our electricity usage to renewable energy and are accelerating carbon-free through energy efficiency improvements and a shift toward electrified vehicle-focused business. We aim to reduce emissions by 98% relative to the base year, with the remaining emissions to be addressed through carbon offsetting and the deployment of new technologies. Additionally, we aim to contribute to creating a global carbon neutrality ecosystem by reflecting emission increases from production expansion and new investments in our carbon neutrality strategy.

Carbon Neutrality Strategy

Vision

Creative Leader for Mobility Innovation

"Achieving carbon neutrality by 2045"

Purpose

- Expand the scope of green business with the expansion of eco-friendly product lineup
- Achieve green plants by transitioning into renewable energy
- Build capacity to manufacture sustainable products

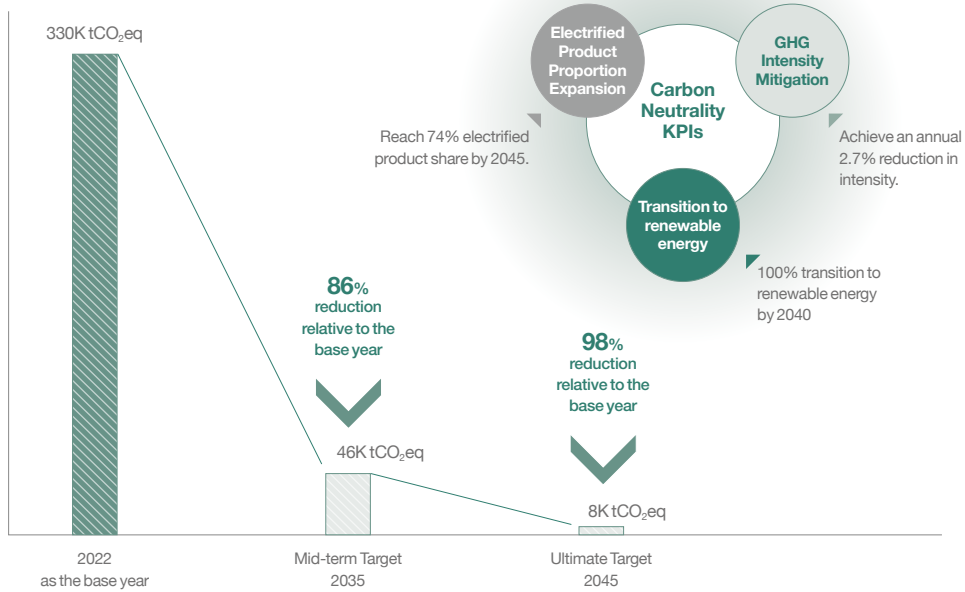
Strategic Themes

R	O	A	D
Responsible Partnership	Optimization with Smart Operation	Accelerating the Energy Transition	Design to Sustainable Mobility

Key Initiatives

R	O	A	D
• Establish a supplier carbon management system • Switch to eco-friendly modes of transportation	• Reduce energy consumption through enhanced operational efficiency • Promote green buildings by mitigating energy use	• Transition to renewable energy sources • Introduce zero-carbon, future energy technologies	• Convert to the electrification business • Adopt sustainable designs

Carbon Neutrality Goals (Based on Scope 1, 2 Emissions)



Category		Unit	2024	2025 (Target)	2035 (Target)*	2045 (Target)*
Emissions	Scope 1	tCO_2eq	27,082	20,115	11,872	8,286
	Scope 2		250,016	236,838	35,060	0
Reduction	Scope 1	tCO_2eq	-	6,035	14,278	17,864
	Scope 2		57,874	71,052	272,831	307,890

* In the FY23 Sustainability Report (SR), emission reductions were calculated based on reductions from the BAU projections. However, as part of the reorganization of our carbon neutrality strategy, this report recalculates reduction performance based on reductions relative to the base year.

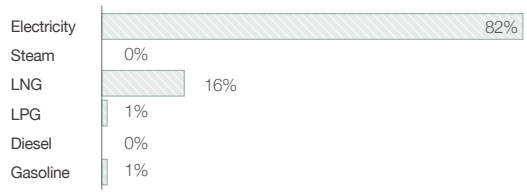
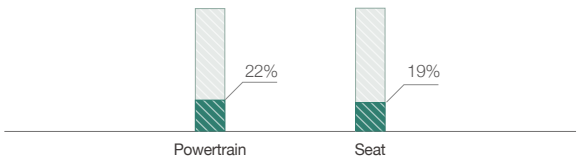
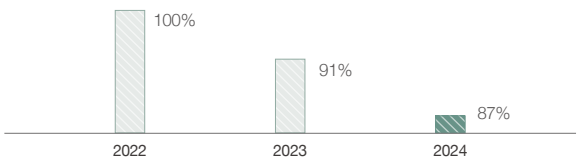
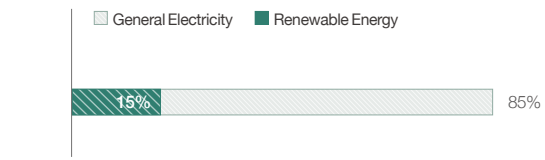
Climate Change Response and Energy Management

Assessment the progress of the net-zero implementation planned for 2025

Hyundai Transys aims to achieve net zero by 2045 and conducts regular implementation reviews across its global plants. We are building intensive management systems for major emission sources by combining the expansion of renewable energy adoption with energy efficiency activities. As of 2024, 22% and 19% of powertrains and seats, respectively, were electrified. Additionally, GHG emission intensity per product improved by 12.6% compared to the base year, reflecting an average annual improvement of approximately 6.5%.

Carbon Neutrality Strategy Implementation Review

◆ Achieving 100% or above the target ◆ Achieving 75% or above the target Achievement Rate 75%+ ◆ Achieving less than 50% of the target

		2024 Target	2024 Performance	2025 Target
Base Year Energy Consumption Proportion (% of MWh) 	◆ Verify domestic and overseas plants to secure transparency in energy usage performance and GHG emission data. ◆ Work to improve the proportion of renewable energy consumption by spreading it to the global plants and building an emission monitoring system.	Secure transparency in energy usage performance and Scope 1 & 2 emission data.	Verified domestic and overseas plants' energy consumption and Scope 1 &2 emissions in 2024 ◆	Verify domestic and overseas plants' energy consumption and Scope 1 & 2 emission data (including subsidiaries).
2024 Electrified Product Output 	◆ As of 2024, 22% of powertrains and 19% of seats were produced for electrified vehicles. ◆ Expand the electrified product portfolio in the future.	Powertrain: 24% Seat: 20%	Powertrain: 22% Seat: 19% ◆	Powertrain: 22% Seat: 21% Revised the mid- to long-term production plan by considering the economic slowdown in the EV industry growth and transitional stage of market development (chasm phenomenon)
GHG Intensity Reduction Rate (100% = Base Year) 	◆ Achieved a reduction of approximately 12.6% in product GHG emission intensity in 2024, significantly exceeding our original target of a 3% reduction	0.032 (tCO_2eq/product)	0.029 (tCO_2eq/product) ◆	0.031 tCO_2eq/product
Proportion of Renewable Energy Used in 2024* 	◆ Achieved RE15 in 2024 through on-site PPA and renewable energy certificates	RE 2	RE2 (location-based) RE15 (Market-based) ◆	RE4 (location-based) RE25 (Market-based)

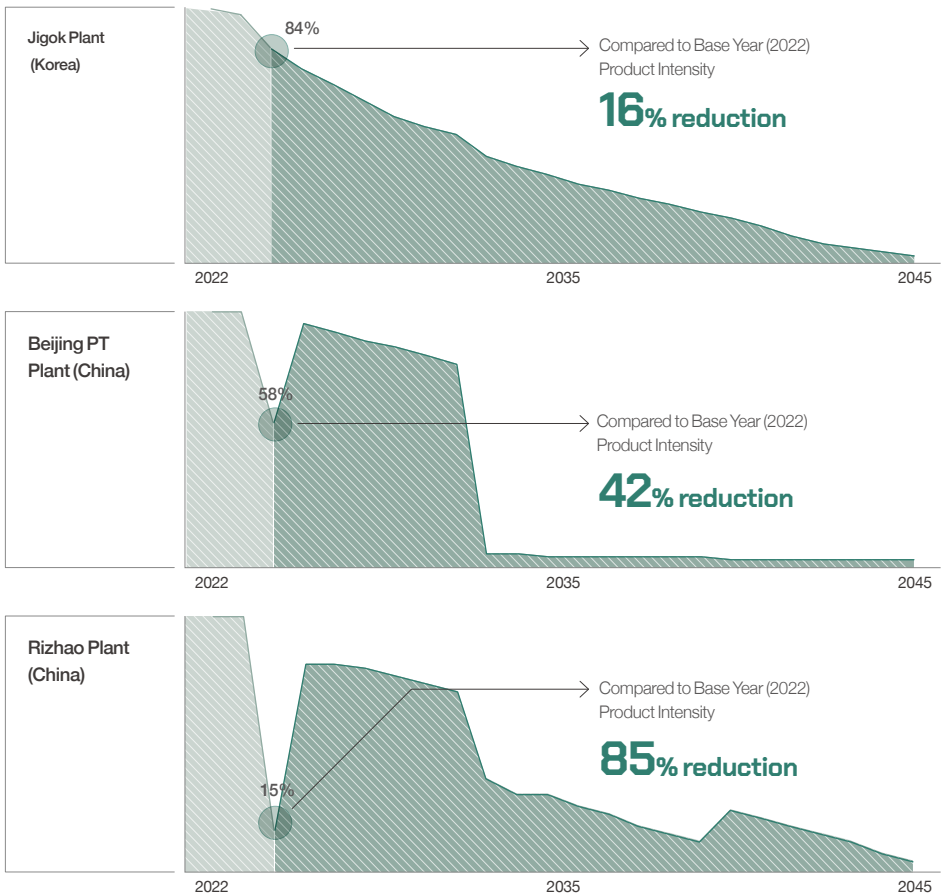
* Jigok, Beijing, and Rizhao plants

Climate Change Response and Energy Management

Inspection of the major plants' 2024 Net Zero Implementation

Hyundai Transys reviewed the net-zero implementation status of the Jigok Plant (Korea) and Beijing and Rizhao Plants (China), which produce powertrains with a high proportion of energy consumption. The Jigok Plant overachieved the intensity target by 16% through product portfolio transition, energy intensity reduction, and renewable energy transition, while Beijing PT and Rizhao Plants reduced intensity emissions by 42% and 85% respectively as of 2024 through the expansion of renewable energy usage and REC purchases. Going forward, we plan to continue renewable energy transition as the priority strategy while pursuing carbon neutrality through alternative means, such as REC, depending on market and investment environments.

Carbon Neutrality Strategy Implementation Review



Key Plants' GHG Emissions and Intensity

Category			Unit	2022	2023	2024
Scope 1	Jigok (Korea)		tCO_2eq	13,487	13,451	12,529
	China	Beijing		1,185	868	856
		Rizhao		1,072	1,201	1,070
	Total			14,744	15,520	14,455
Scope 2[1)]	Jigok (Korea)		tCO_2eq	122,079	126,631	119,768
	China	Beijing		15,635	16,442	0
		Rizhao		34,312	32,392	0
	Total			172,026	175,465	119,768
Scope 1+2	Total		tCO_2eq	187,770	190,985	134,223
Scope 1 Emission Intensity			tCO_2eq / unit	0.006	0.006	0.005
Scope 2 Emission Intensity				0.067	0.063	0.040
Scope 1 & 2 Emission Intensity				0.073	0.068	0.044

* See Appendix for other domestic and overseas plants' emissions.
1) Market-based emission calculation

Climate Change Response and Energy Management

Energy Management

Transition to renewable energy

Hyundai Transys promotes the adoption of renewable energy at its domestic plants through various strategies, including in-house solar power generation, power purchase agreements, and the acquisition of Renewable Energy Certificates (RECs).

- Since September 2024, our Jigok Plants 1 and 3 have been commercially operating a rooftop solar power system with a capacity of 2.9MW. They consume about 986MWh of electricity, and as of 2024, their use of renewable energy accounted for 0.26% of our total domestic electricity consumption.
- In 2025, our Seosan Plant will install an additional solar power system to increase the capacity to 12.9MW by 2030. Our Hwaseong R&D Center is outsourcing renewable energy (PPA and VPPA methods) in addition to in-house solar power generation to attain the RE35 target by 2030.
- Furthermore, we are building a mid- to long-term implementation foundation for RE100 by signing an MOU with Hyundai Engineering & Construction for long-term PPAs.

Our overseas plants are also advancing renewable energy adoption through multiple approaches, accelerating progress toward RE targets by expanding the use of renewable energy and purchasing RECs.

- Our Beijing P/T and Rizhao Plants in China consume a total of 10,966MWh of renewable energy. Our plants in China and India have converted energy sources by purchasing RECs totaling 84,197MWh.
- The Beijing P/T Plant 4 and its auxiliary facilities plan to install a solar power system with a capacity of 4 MW through the Phase 2 On-Site PPA method.
- The plants in Czech and Slovakia plan to install renewable energy facilities, with total investments of KRW 3 billion (approximately 0.7 MW per plant),
- The Chennai Plant in India is securing locally-sourced renewable energy through joint equity investments totaling KRW 200 million.

Jigok Plant 1 Solar Installation

Jigok Plant 3 Solar Installation

RE100 Implementation Status

Workplace		Renewable Energy Transition Rate (%)	Portion of each transition method (%)			
			In-house power generation	On-Site PPA	Off-Site PPA	REC Procurement
Domestic	Jigok Plant	0.4	-	0.4	-	-
China	Beijing P/T	100	-	1	-	99
	Rizhao	100	-	18	-	82
India	Chennai	100	-	-	-	100

Bejing PT REC

Rizhao REC

Chennai (India) REC

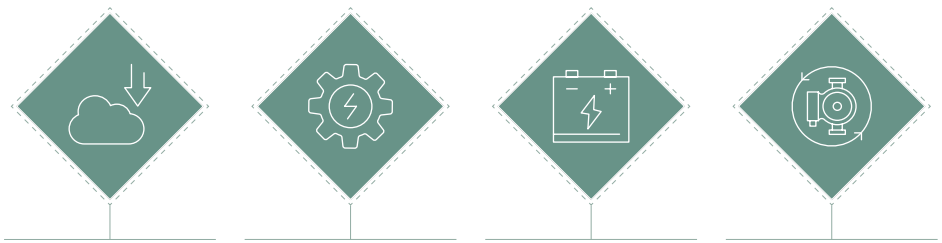
Group-wide Joint MOUs on PPAs

Climate Change Response and Energy Management

Energy Efficiency Improvement

Hyundai Transys is pursuing various improvement activities to enhance energy efficiency. Major energy efficiency improvement methods can be categorized into (i) air and steam energy reduction, (ii) standby energy reduction, (iii) energy cost reduction through Energy Storage System (ESS) utilization, and (iv) equipment efficiency improvement through aging pump replacement.

Specifically, during non-production hours, we minimize energy consumption through the low-capacity equipment operation of air compressors and optimize energy use by applying inverters to pumps with high operation rates.We plan to expand the scope of reduction management in 2025 and onward to include not only electricity but also compressed air and standby steam energy and strengthen performance management through energy management systems to build plant- and shift-level management by objectives. We plan to introduce reward systems for working groups with excellent energy reduction performance and continuously discover and expand the application of best practices through standby energy comparison between similar lines.



1) Air/Steam Energy Reduction Activities

Hyundai Transys is strengthening compressed air and steam reduction activities to minimize energy loss during non-production hours with 2025 as the target year. For compressed air, we establish reduction targets by plant and manage performance monthly and plan to install automatic shutoff valves in cleaning facilities and light alloy lines in parallel with air leak inspections.

Steam reduction is pursued centered on valve shutoff of processing facilities during holidays, and mid- to long-term shutoff plans are established for major demand points such as processing lines, cafeterias, and shower rooms.Additionally, our production teams are reviewing the introduction of alternative heat sources, such as electric heaters, and from an infrastructure perspective, we are simplifying supply systems in parallel to minimize condensate loss.

2) Standby Energy Conservation

In 2025, Hyundai Transys enhanced energy conservation efforts during holiday periods, resulting in energy cost savings of KRW 80 million—exceeding the target by 10%.Major conservation efforts included shutting off power to production and auxiliary facilities, locking air and steam valves, turning off shoe dryers, and turning off lighting. Building on these efforts, Hyundai Transys plans to continuously expand efforts to reduce standby energy consumption.

Production Facilities

Shutting off power to lines & energy conservation programs

Air & Steam

Locking air and steam valves

Dust Collector

Turning off dust collectors (Timer setting)

Shoe Dryer

Turning off shoe dryer

Climate Change Response and Energy Management

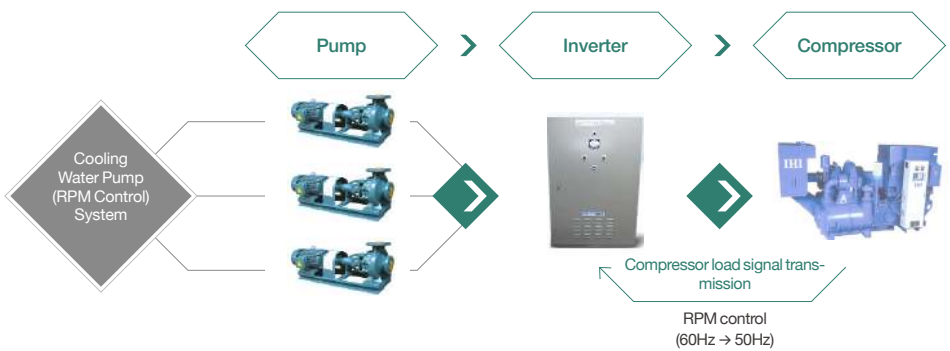
3) Energy Saving with ESS

Hyundai Transys operates ESSs to improve energy efficiency and save costs. By utilizing ESSs, electricity can be stored during off-peak hours when rates are lower and used during peak hours when rates are higher, thereby saving costs through time-of-use rate differences. At the same time, by managing peak demand through the use of ESSs, we are reducing maximum demand levels, thereby achieving additional savings on the base rate. As of 2024, we achieved electricity cost savings of KRW 370 million through the operation of ESSs, with cumulative savings totaling KRW 4.2 billion.

Category	Before ESS Introduction	After ESS Introduction
Energy Usage Structure	High rate burden during peak hours	Off-peak charging, peak discharge
Time-of-use Rates	Fixed rate system (large proportion of peak rates)	Cost reduction utilizing time-of-use rate differences
Peak Management	Difficulty to manage maximum demand power	Avoiding peak rates through ESS discharge, saving basic rates
Energy Loss Consideration	Not applicable	Net efficient management, reflecting charge/discharge losses
Total Energy Cost	Relatively high	Approximately saving KRW 370 million (as of 2024), cumulatively saving approximately KRW 4.2 billion
Additional Effects	None	Additional electricity fund (3.2% of the rate) saving effects

4) Improving energy efficiency by replacing aging pumps

Hyundai Transys achieved annual savings of KRW 78 million by replacing aging cooling water pumps with inverter-controlled ones and optimizing their capacity. This includes reductions of KRW 55 million in electricity costs, KRW 1 million from GHG reduction, and KRW 22 million related to RE100 purchases. Energy efficiency improved from 92% to 95% compared to conventional constant-speed operation methods, profitability increased by 60%, and the payback period is estimated at 1.3 years based on an investment of KRW 100 million. Expanding the application to single-motor pumps, which operate for extended hours, is expected to generate additional annual savings of KRW 55 million.



Energy Saving

Activity Content	Workplace	Savings in operating costs (KRW million)	Energy savings MWh	GHG reduction tCO_2eq
Replaced aging heating/cooling devices at Plant 4 cafeteria	Jigok Plant	5	36	16.54
Replaced aging heating/cooling devices at Plants 1 and 3 offices		8	50	22.97
Replaced aging heating/cooling devices at Plant 4 offices		9	56	25.73
Replaced aging pumps		78	274	125.69
Participated in Demand Resource (DR)		64	385	176.74
Solar power generation at Plants 1 and 3		165	986	453.03
Optimized the operation of compressed air equipment	Seongyeon Plant	24	72	32.93
Optimized the operation of large pumps		7	52	23.91
Optimized transformer voltage		1	4	2.01
Replaced aging fluorescent fixtures with LED lighting	Hwaseong Powertrain R&D Center	6.8	39	17.92

Climate Change Response and Energy Management

Risk Management

Transition Risks

Hyundai Transys estimated carbon costs by business sector considering production forecasts, product unit prices, and carbon emission intensity at each production base, based on the Paris Ambitious 1.5°C scenario and UN PRI's IPR scenario. We also estimated carbon emissions and carbon costs relative to estimated revenue according to our production plan to quantify the impact of carbon price increases on profitability. We analyzed financial impacts by applying regional explicit carbon prices and weighted average carbon prices, and based on this analysis, we quantified mid- to long-term exposure and risk proportions relative to revenue for powertrain and seat sectors.

Risk Scenario Selection

• Climate Scenario

Paris-aligned 1.5°C scenario (IEA Net Zero Emission by 2050)

A scenario in which large-scale energy transitions are implemented to achieve net-zeroCO_2 emissions by 2050, with the goal of limiting global temperature rise to within 1.5°C

IPR scenario (UN PRI)

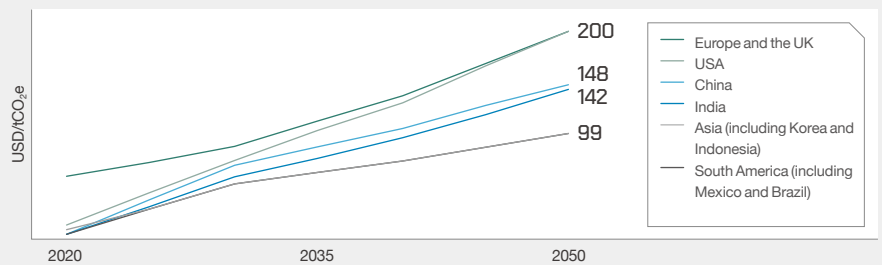
A scenario focused on establishing strategies to prepare for policy risks such as carbon taxes, internal combustion engine bans, and renewable energy mandates

• Key Assumptions

- Achieving carbon neutrality in all industrial, transportation, electricity, and building sectors
- Carbon price forecasts according to IEA scenarios

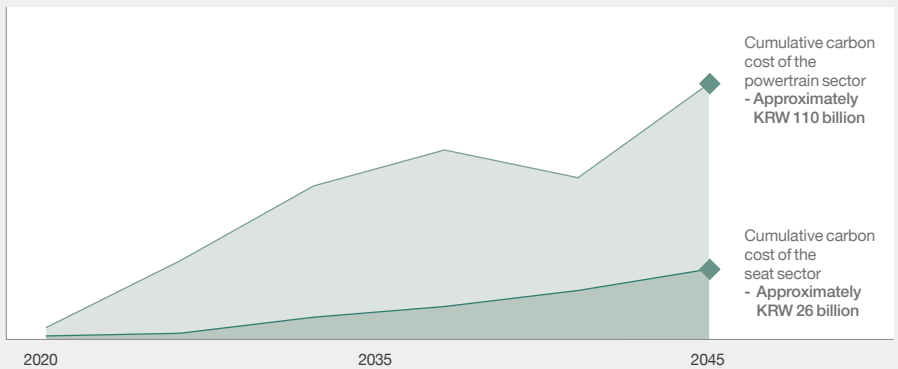
• Carbon Prices by Country

Unit: USD/tCO_2



Risk Exposure and Financial Risk Analysis

• Carbon Cost Analysis Results



Unit: KRW Million

Year	2024	2025	2030	2035	2040	2045
Powertrain Sector	1,876	10,743	20,306	25,326	21,532	34,014
Seat Sector	612	1,180	3,174	4,841	6,985	9,927

- Assuming that carbon emissions per product unit remain constant, we calculated carbon costs for our powertrain and seat sectors by incorporating country-specific carbon prices and our plant-level mid- to long-term production plans.
- As a result, cumulative carbon costs by 2045 are estimated at KRW 110 billion for powertrains and KRW 20 billion for seats.
- The seat sector may be more vulnerable to higher carbon prices due to regional concentration of global production bases; however, the financial impact could be reduced to one-fourth, as its GHG emission intensity per product is lower than that of powertrains.

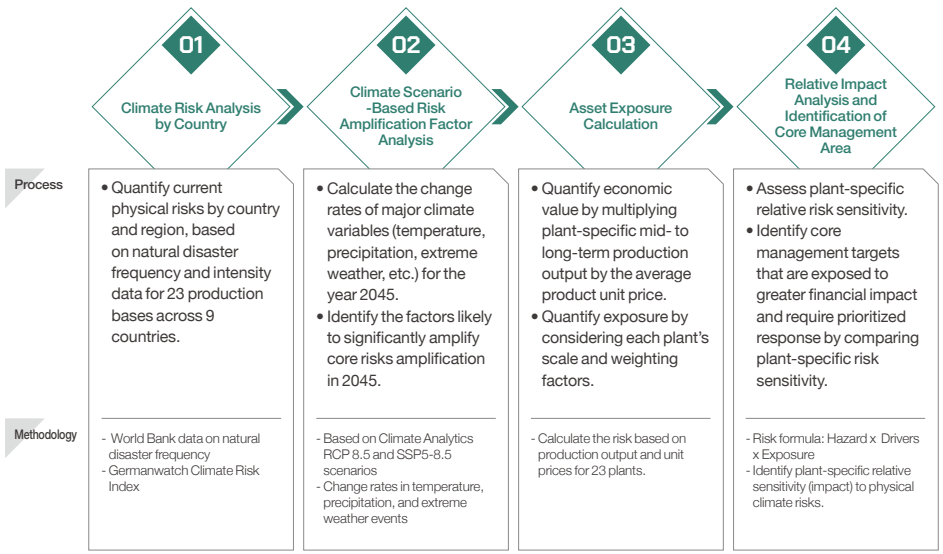
Climate Change Response and Energy Management

Physical Risks

In our physical climate risk assessment conducted last year, we transitioned from using RCP 2.6 and RCP 8.5 scenarios in parallel to adopting RCP 8.5 and SSP5-8.5 scenarios. This shift was made to better reflect realistic climate risks and improve the accuracy of risk sensitivity analyses. SSP5-8.5 represents a high emission pathway, projecting an average global temperature increase of approximately 4.4°C above pre-industrial levels by 2100. It is widely utilized as a benchmark for assessing the impacts of extreme weather events and long-term environmental changes driven by accelerated climate change. This change aligns with recent assessment trends that call for a more conservative approach to risk assessment in the context of continued carbon emissions.

Analysis Methodology for Physical Risk of Climate Change

Hyundai Transys analyzed the likelihood of regional natural disasters based on World Bank climate data (1980-2020) and conducted a quantitative comparative analysis using Germanwatch Climate Risk Index to supplement country-level risk levels. Using the RCP 8.5 scenario, we identified key climate changes at each plant by setting projected changes in temperature, precipitation, and extreme weather events (such as heat waves, heavy rainfall) in 2045 as primary parameters. Building on these findings, we quantified the relative climate sensitivity of each plant by integrating economic indicators such as production output and product unit price. We then established risk response priorities, focusing on plants identified as having higher climate vulnerability.



Climate Factor and Risk Type Analysis by Business Division

Hyundai Transys is systematically analyzing and quantifying the financial impacts of physical climate risks across all business sectors—including the supply chain, plants, workforce, energy, and raw materials—by mapping major types of climate disasters to each sector. Notably, the powertrain and seat sectors exhibit distinct risk characteristics depending on key climate variables, such as temperature, humidity, and dependency on disaster-prone regions. Based on these differences, we have developed climate factor-specific scenarios to assess potential business impacts and resilience. Through these efforts, Hyundai Transys is refining its production strategies and risk management systems, with a strong focus on securing financial stability and ensuring operational continuity in the face of climate change.

Business Sector	Business Characteristics	Major Climate Disasters
Powertrain Component Manufacturing	- Characterized by sensitivity to both high and low temperature environments - Uses raw materials such as aluminum and alloys - Dependent on international supply chains	Flooding Storm Heat waves Wildfires
Seat Manufacturing	- Uses materials sensitive to humidity and temperature such as leather and textiles - The manufacturing facilities are sensitive to environmental conditions.	

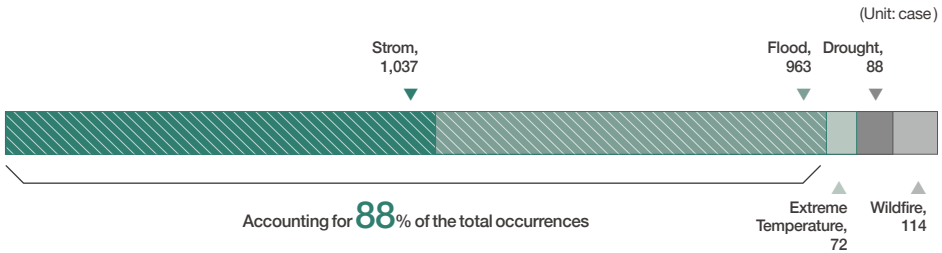
Disasters	Risk Type	Risk Indicator	Business Impact Indicator	Financial Impact
Floods and storms	Supply chain disruption	Climate-related disasters can lead to supply chain disruption and shipment delays frequency and influence the frequency and length of late deliveries.	Leads to a decline in delivery performance, increased customer complaints, and higher procurement costs	Decreases revenue and operating profit and increases inventory
Floods, storms, and heat waves	Production facility damage and	Extreme weather events damage assets and extend shutdown	Equipment recovery costs rise, production output decreases, and fixed costs surpass revenue.	Asset values decline, repair costs increase, and investment expenditure rises.
Heat waves	shutdown	Affects worker productivity and leads to increased absenteeism	Results in higher labor costs, reduced productivity, and workforce attrition	Labor expenses rise, profits decline, and cash flow deteriorates.
Heat waves and storms	Labor productivity declines.	Causes power outages and increased energy costs	Raises unit energy costs and reduces operational efficiency	Increases operating costs and damages energy assets
Floods, heat waves, wildfires	Leads to unstable energy supply	Causes fluctuations in raw material prices	Leads to increased product costs, reduced profit margins, and greater challenges in passing costs to customers	Results in higher costs, increased working capital requirements, and fluctuations in inventory asset value

Climate Change Response and Energy Management

Physical Risk Assessment Results

Occurrence Frequency of Physical Risks

We analyzed the average annual frequency of climate-related natural disasters from 1980 to 2020 across nine countries where our production bases are located. Five major types of climate disasters were selected: storms, floods, extreme temperatures, droughts, and wildfires. Among these, storms (1,037 cases) and floods (963 cases) accounted for 88% of the total occurrences.



Major Physical Risk Indicators

Hyundai Transys identifies and analyzes key acute and chronic risk indicators that significantly impact supply chains and production facilities, selected from approximately 40 physical climate-related risk factors provided by Climate Analytics. In particular, the river flood exposure rate and the proportion of land exposed to heat waves are used as key indicators to quantitatively assess acute physical risks such as factory flooding, equipment damage, and operational shutdowns caused by flooding and heat stress.

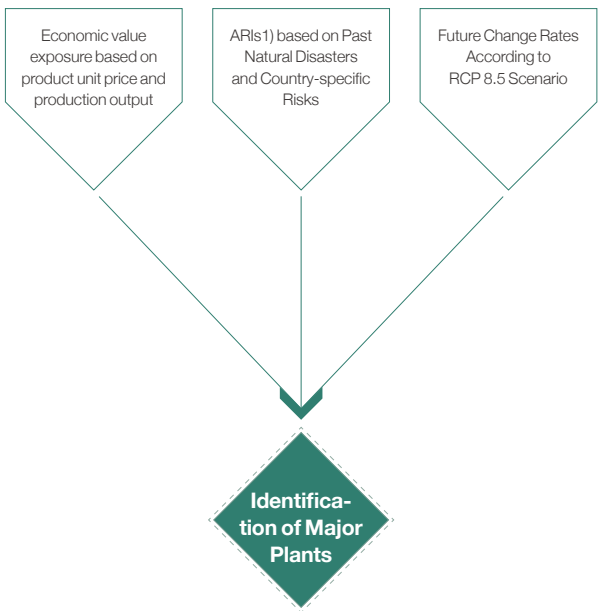
Natural Disaster		Risk Indicator
Acute	Flood	Proportion of land annually exposed to river floods
		Maximum daily river runoff
	Heat waves	Proportion of land annually exposed to heat waves
	Wildfire	Proportion of land annually exposed to wildfires
Chronic	Typhoon	Extreme rainfall (5-day accumulation)
		Average wind speed
	Heat waves	Daily maximum temperature
		Annual average temperature
		Labor productivity decline due to heat wave stress
	Flood	Surface runoff

Physical Risk Occurrence Frequency by Plant

Climate Change Response and Energy Management

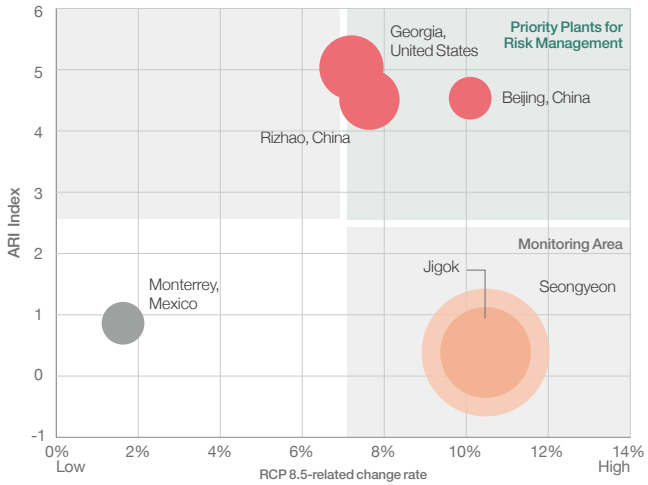
Physical Risk Assessment Results

We calculated production output exposure using mid- to long-term production forecasts of our domestic and overseas plants, and assessed economic value exposure (based on expected revenue) by applying product unit price and production output data. To quantify the risks associated with major disaster types, we calculated storm risk proportions based on the rate of increase in extreme rainfall and the rate of decrease in average wind speed. Flood risk proportions were determined using river overflow exposure rates, changes in maximum daily runoff, and variations in surface runoff. As a result, we identified Adjusted Risk Indexes (ARIs) that reflect each country's risk profile (country risk index).

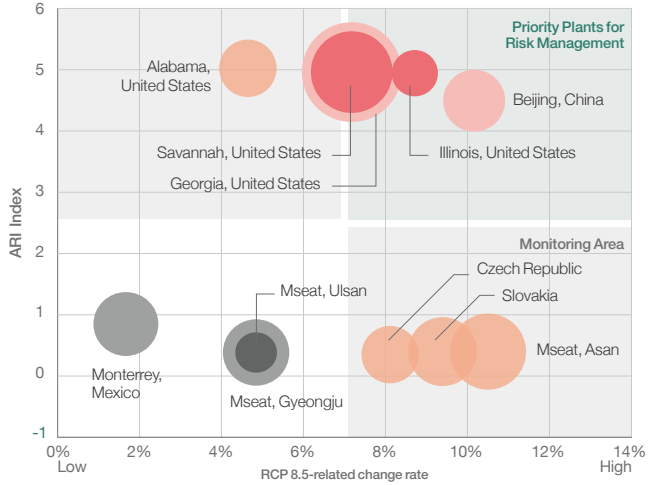


*Bubble size: Economic value exposure ●High Risk, ●Mid Risk, ●Low Risk

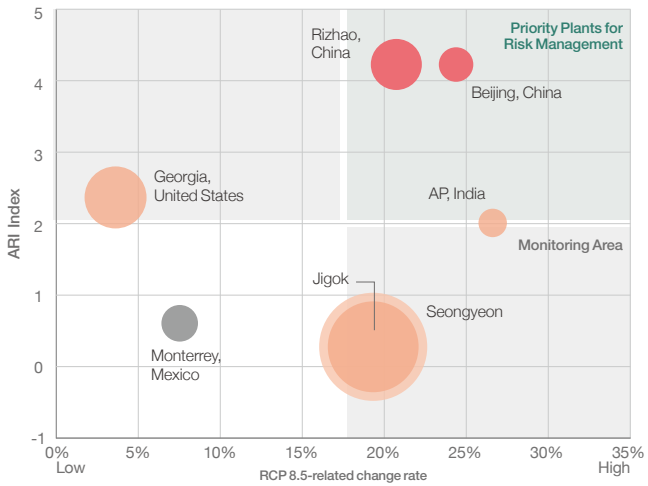
Powertrain Plants Storm Risk Analysis



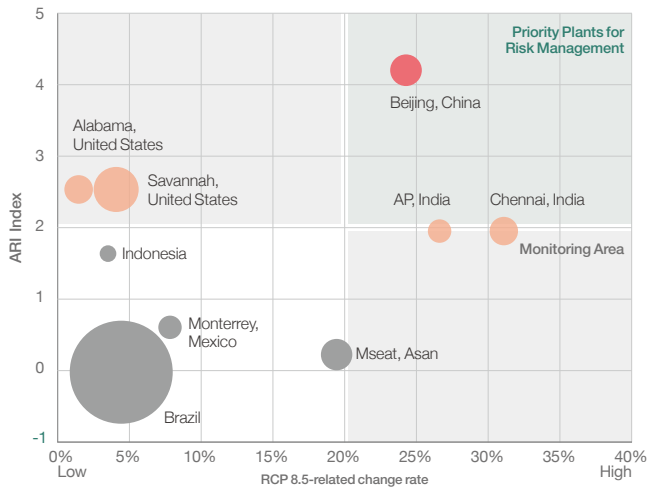
Seat Plants Storm Risk Analysis



Powertrain Plants Flood Risk Analysis



Seat Plants Flood Risk Analysis



1) The level of disaster risk of each plant was normalized and graded from 1 (low risk) to 5 points (very high risk) based on the calculated ARI values.

Climate Change Response and Energy Management

Priority Plants for Risk Management

Plants in United States

Major Climate Disaster Factors in the U.S.

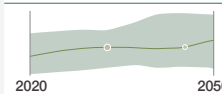
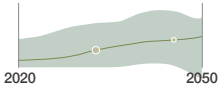
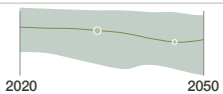
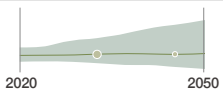
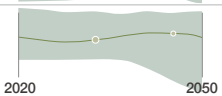
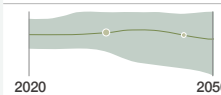
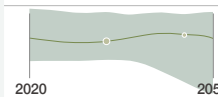
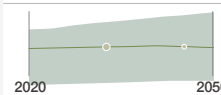
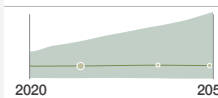
Storm	Flood	Wild Fire	Heat Wave	Drought
66%	20%	10%	3%	2%

Economic Value Exposure by Plant

Plants in United States	Economic Value Exposure
Georgia	21%
Savannah	0.8%
Illinois	1%

Plant-specific Response Framework

Category	Georgia State	Illinois State
Major Risks	Hurricanes, high temperature and humidity, concentrated rainfall	localized heavy rain, cold waves, and heavy snowfall
Major Phenomena	Poor drainage and increased flooding risk Quality deterioration, equipment operation shutdown	Surface runoff increase, poor drainage
Response Plans Under Review	• Store components susceptible to quality deterioration in high-temperature and high-humidity environments (e.g., leather/textiles) in temperature-controlled and dehumidified warehouses. • Pre-check weather risk response manuals in advance of hurricane season. • Reinforce drainage systems around production buildings and warehouses; install rainwater retention tanks.	• Expand the use of permeable pavement within factory premises. • Relocate equipment vulnerable to flooding to elevated areas or install waterproof barriers.

Category		Based on ARI	Georgia State (Georgia Plant, Savannah Plant)		Illinois State (Illinois Plant)	
			Indicator Change Rate (2020 - 2050)	2050 ARIs	Indicator Change Rate (2020 - 2050)	2050 ARIs
Storm	Extreme rainfall (5-day accumulation)	374	 2020 2050 Compared to the base year, 8.7% increase in 2050	401	 2020 2050 9.5% increase in 2050 compared to the base year	407
	Change rate in average wind speed		 2020 2050 1.8% decrease in 2050 compared to the base year		 2020 2050 0.9% decrease in 2050 change rate compared to the base year	
Flood	Proportion of land annually exposed	177	 2020 2050 0.01pp increase in 2050 compared to the base year	183	 2020 2050 0.07pp increase in 2050 compared to the base year	177
	Daily maximum river flow		 2020 2050 4.4% decrease in 2050 compared to the base year → causing a risk of water resource shortage		 2020 2050 0% change rate in 2050 compared to the base year	
	Surface runoff		 2020 2050 7% increase in 2050, compared to the base year→ Decrease in soil infiltration rate and increase in rainfall concentration		 2020 2050 1% increase in 2050 compared to the base year	

Climate Change Response and Energy Management

Priority Plants for Risk Management

Plants in China

Key Climate Disaster Factors in China

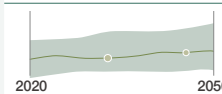
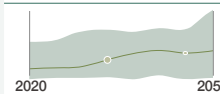
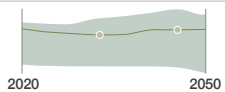
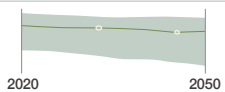
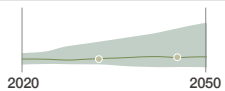
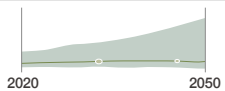
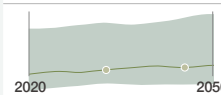
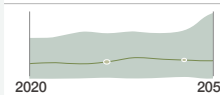
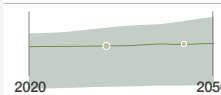
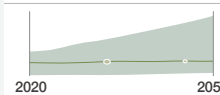
Storm	Flood	Wild Fire	Heat Wave	Drought
47%	44%	5%	2%	1%

Economic Value Exposure by Plant

Plants in China	Economic Value Exposure
Beijing	6%
Rizhao	5%

Plant-specific Response Framework

Category	Beijing Region	Shandong Province
Major Risks	During summer, the environment is characterized by high temperature and humidity with frequent concentrated rainfall. The area has a high infrastructure density and a large proportion of impervious surfaces	During the monsoon season, the high proportion of low-lying areas causes delayed drainage when water levels rise
Major Phenomena	Poor drainage and increased flooding risk Quality deterioration, equipment operation shutdown	Surface runoff increase, poor drainage Heavy rainfall may block transportation routes.
Response Plans Under Review	• Maintain and update flood response manuals, and train employees on emergency protocols for rainy conditions. • Reinforce rainwater retention tanks and drainage pumps in underground passages at high-risk sections	• Regularly maintain stormwater inlets on roads and around warehouses within the factory premises. • Secure alternative shipping routes in advance to prepare for potential port and land transportation disruptions during heavy rainfall

Category		Based on ARI	Beijing Region (Beijing Plant)		Shandong Rizhao City (Rizhao Plant)	
			Indicator Change Rate (2020 - 2050)	2050 ARIs	Indicator Change Rate (2020 - 2050)	2050 ARIs
Storm	Extreme rainfall (5-day accumulation)	340	 10.4% increase in 2050 compared to the base year	374	 8.4% increase in 2050 compared to the base year	366
	Change rate in average wind speed		 0.3% increase in 2050 compared to the base year		 0.8% decrease in 2050 compared to the base year	
Flood	Proportion of land annually exposed	317	 0.4pp increase in 2050 compared to the base year	394	 0.08pp increase in 2050 compared to the base year	382
	Daily maximum river flow		 17.7% increase in 2050 compared to the base year		 14.6% increase in 2050 compared to the base year	
	Surface runoff		 22.6% increase in 2050 compared to the base year		 25% increase in 2050 compared to the base year	

Climate Change Response and Energy Management

Monitoring Plants for Risk Management

Plants in Korea [1)]

Key Climate Disaster Factors in Korea

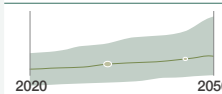
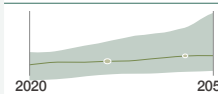
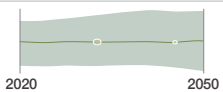
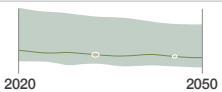
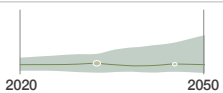
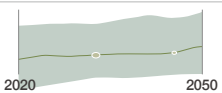
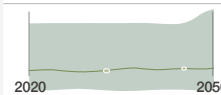
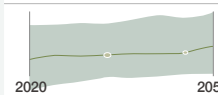
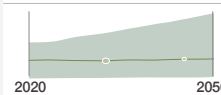
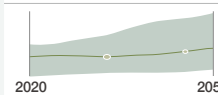
Storm	Flood	Wild Fire	Heat Wave	Drought
58%	32%	5%	4%	1%

Economic Value Exposure by Plant

Plants in Korea	Economic Value Exposure
Sites in Chungcheongnam-do (Seosan and Seongyeon)	38%
Sties in Gyeongsangbuk-do (Mseat)	4.3%

Plant-specific Response Framework

Category	Gyeongsangbuk-do	hungcheongnam-do
Major Risks	Increased probability of extreme rainfall events, in terms of both intensity and frequency	Increased likelihood of higher daily river discharge and surface runoff
Major Phenomena	Increased risk of poor drainage and flooding, leading to quality deterioration and equipment downtime.	Increased risk of flooding and damage to underground facilities
Response Plans Under Review	• Automated alert system linked to local weather information to respond to localized heavy rainfall. • Flexibility in shipment planning and rerouting of logistics in the event of rain damage	• Upgrade dehumidification equipment in raw material storage areas to address high humidity • Establish a priority recovery system for processes prone to quality issues in the event of flooding • Implement CCTV monitoring and automated alert systems for flood-prone areas

Category		Based on ARI	Gyeongsangbuk-do (Mseat)		Chungcheongnam-do (Seosan and Seongyeon)	
			Indicator Change Rate (2020 - 2050)	2050 ARIs	Indicator Change Rate (2020 - 2050)	2050 ARIs
Storm	Extreme rainfall (5-day accumulation)	29	 9.7% increase in 2050 compared to the base year	31	 11.9% increase in 2050 compared to the base year	32
	Change rate in average wind speed		 -0.2 % decrease in 2050 compared to the base year		 -2.5% decrease in 2050 compared to the base year	
Flood	Proportion of land annually exposed	18	 0% change in 2050 compared to the base year	20	 0.02pp increase in 2050 compared to the base year	22
	Daily maximum river flow		 6.5% increase in 2050 compared to the base year		 22.6% increase in 2050 compared to the base year with a high likelihood of floodingflood	
	Surface runoff		 6.3% increase in 2050 compared to the base year		 Approximately 17.5% increase in 2050 compared to the base year → Potential for flooding due to concentrated rainfall	

1) Although the Korean site was not classified as a major management target, it represents about 40% of Hyundai Transys' total production volume and economic value, and was analyzed in detail as a key operational hub

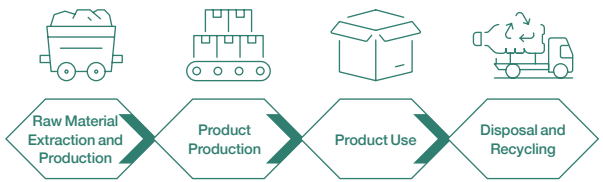
Climate Change Response and Energy Management

Product Life Cycle Assessment

Life Cycle Assessment Overview

Life Cycle Assessment (LCA) is a method for quantitatively evaluating environmental impacts across all stages of a product's life cycle—from raw material extraction and production to use and end-of-use disposal. Whereas past efforts focused on emissions generated within manufacturing plants, recent attention has shifted towards assessing environmental impacts across the entire value chain. Hyundai Transys is collaborating with its supply chain to quantify inputs and outputs at the product level and is leveraging this data to conduct comparative environmental analyses and drive product-level improvement initiatives.

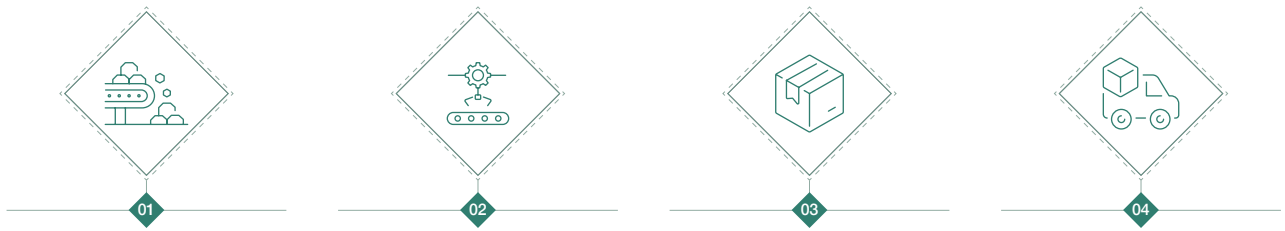
Life Cycle Assessment Stages



Calculation Process during Product LCA

Hyundai Transys conducted an LCA of reducers—key EV drive components—in accordance with ISO 14040 and ISO14044 standards. Global warming potential was selected as the environmental impact category to calculate product-level carbon emissions. The assessment scope was set to Cradle to Gate, covering raw material extraction and production, component production, product production, and transportation to customers. Stage-specific data were collected to calculate emissions for each category, and the carbon footprint per reducer was ultimately quantified in terms of kilograms of CO_2 equivalent ($kgCO_2eq$).

Product LCA and Calculation Process



01 Raw Material Extraction and Production

Raw material data for each component were collected to identify raw materials constituting reducers. Carbon emissions from the extraction to production phases of each raw material were calculated using the Life Cycle Inventory Database (LCI DB).

02 Component Production

Data on weight, raw material composition, and component ratios per reducer were collected to calculate carbon emissions associated with each component. Additionally, input and output data from supply chains responsible for component manufacturing were collected, and carbon emissions were calculated using relevant emission factors.

03 Product Production

Reducers are produced at Hyundai Transys' Seongyeon Plant, where electricity serves as the primary energy source. Carbon emissions were calculated using the plant's annual energy usage and the corresponding emission factors, consistent with the approach used for component production.

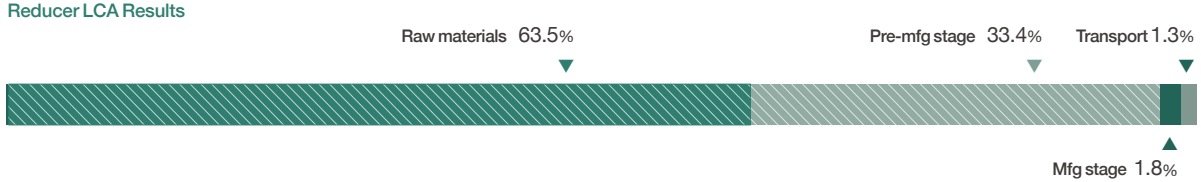
04 Transportation

Transportation is divided into two main processes. First, the movement of components from the supply chain to the Seongyeon Plant. Second, the delivery of finished reducers from the Seongyeon Plant to domestic customers. Fuel efficiency, travel distance, fuel calorific value, and fuel emission factors of each transportation mode were used to calculate carbon emissions for each transportation process.

Product Carbon Emission Calculation Results

Following an LCA of its reducers, Hyundai Transys found that the raw material extraction and production stages account for 63.5% of total carbon emissions, while component manufacturing accounts for 33.4%. The majority of reducer materials—primarily iron and non-ferrous metals—generate significant emissions upstream, from extraction to refining and processing, This highlights the upstream supply chain as a key contributor to overall carbon emissions. These findings serve as fundamental data for shaping Hyundai Transys' carbon neutrality strategy. Looking ahead, we plan to reduce emissions in the raw material stage by expanding the application of low-impact technologies and developing products with lower environmental footprints. This includes increasing procurement of low-carbon materials with high recycled content. Although emissions from the production stages are relatively low, we aim to achieve both carbon neutrality and product competitiveness by pursuing process-level emission reductions, including transitioning to renewable energy.

Reducer LCA Results



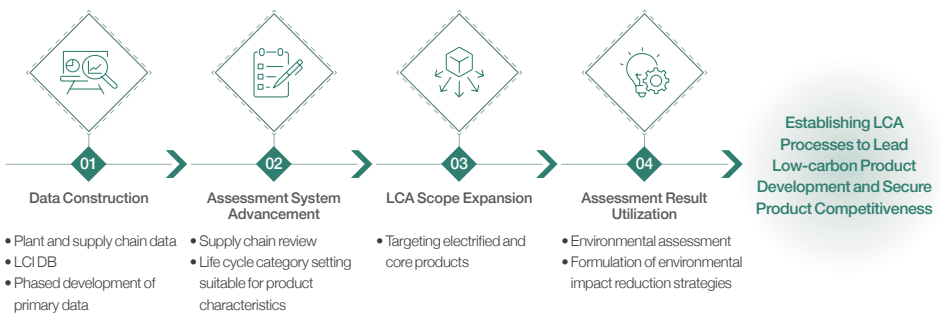
Climate Change Response and Energy Management

Plan to Develop Product LCA Process

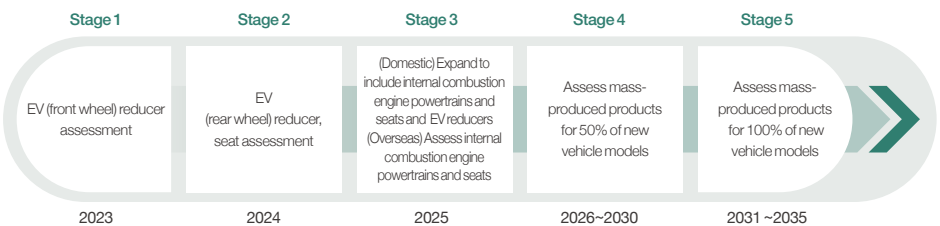
Hyundai Transys aims to build product-specific LCA systems as part of its effort to advance LCA-based environmental management. In the initial stage, the focus in on collecting accurate data and ensuring consistency across datasets. Given the diversity of Hyundai Transys' product portfolio, conducting LCAs for individual products requires securing extensive data not only from in-house processes but also across the entire supply chain.

Primary Data	Secondary Data
Process-specific operational data from Hyundai Transys' plants and suppliers	Raw material-level data and emission factors → To be secured through national and global LCI DBs

In the next stage, we plan to define life cycle categories—such as Cradle to Gate—that align with the characteristics of each product, based on the collected data. We will also advance our assessment systems to accommodate the diverse structure of components and processes. Through this approach, we aim to expand LCA application across global strategic products, particularly core EV components, and to develop systems with greater versatility and comparability.
Building on LCA results, we will formulate and implement environmental impact reduction strategies for each life cycle stage to promote low-carbon product development and sustainable supply chain operations, ultimately strengthening environmental competitiveness in the global auto parts market.



Product LCA Road Map



Metrics & Targets

In its effort to attain carbon neutrality goals, Hyundai Transys achieved a 17% reduction in GHG emissions in 2024 compared to the base year, driven by the transition to renewable energy, utilization of ESS, and improvements in energy efficiency. Going forward, we will continue to pursue GHG reduction by expanding renewable energy adoption and enhancing energy efficiency, while also setting and managing product-specific emission intensity targets.

GHG Management-Related KPIs

Data Scope: All domestic and overseas plants (including subsidiaries)

Category	Unit	2022 (Base Year)	2023	2024	2025 (Target)
Annual Carbon Reduction (compared to the base year)	tCO_2eq	0	0	56,968	77,087
Cumulative Carbon Reduction (compared to those in the base year)	tCO_2eq	0	0	56,968	134,055
GHG Intensity by Product	tCO_2eq/100 KRW million	3.257	2.929	2.120	1.880
Renewable Energy Usage Rate	%	-	-	15	25

Renewable Energy Transition Goals by Plant

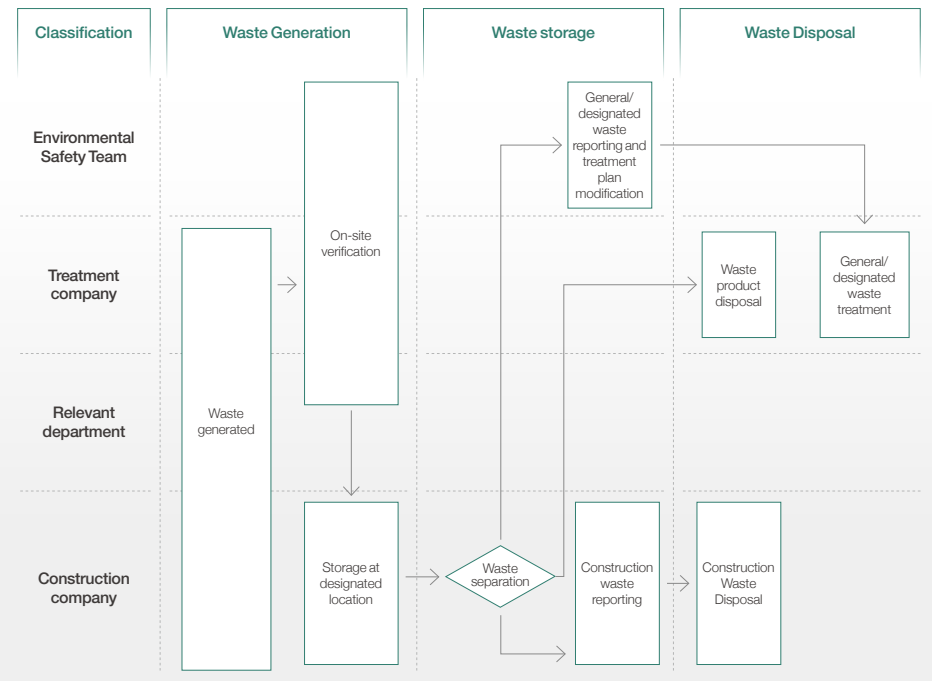
Category	Unit	2024	2025 (Target)	2030 (Target)	2045 (Target)
Domestic Powertrain Plants(Seongyeon, Jigok)	MWH	986	3,281	116,991	303,739
Domestic Seat Plants (Subsidiaries)		0	0	1,910	14,218
Overseas Plants (Powertrain, Seat)		89,631	149,324	304,172	322,242
Global Research Centers/Offices		0	0	125	23,582

Waste Management and Circular Economy

Governance

Hyundai Transys operates governance systems to systematically implement company-wide waste management strategies and goals aimed at minimizing the environmental impact of waste generated during plant operations. Company-wide strategies and major decisions—including waste management—are reviewed by the ESG Working council and the ESG Management Council. Mid- to long-term goals and key strategies are finalized by the Board. Execution of strategies and performance monitoring are carried out through close collaboration between environmental organizations and each plant's responsible departments.

Hyundai Transys manages waste in compliance with environmental laws and waste regulations in each country where its domestic and overseas plants operate. All waste generated at plants is managed by type and characteristic in accordance with its Environmental Policy and Waste Management Guidelines. For domestic plants, general waste such as synthetic resins is sent to licensed recycling companies, and efforts are continuously made to reduce the incineration of designated waste. Additionally, waste generation and treatment volumes are quantitatively monitored monthly through the Ministry of Environment's Allbaro System, and all recycling activities are carried out in compliance with legal requirements through contracts with licensed service providers.



Strategy

In response to national resource circulation goals, Hyundai Transys is systematically pursuing resource circulation strategies centered on waste generation prevention (Reduce) and recycling expansion (Recycle). Waste generated during plant operations is managed across the entire process—from discharge to transportation, storage, and treatment—in accordance with its Environmental Policy and Waste Management Guidelines. To enhance the effectiveness of this process, we continue to invest in site-based infrastructure improvements, including the implementation of sorting and collection systems, transfer management solutions, and the expansion of storage facilities and related equipment.

Hyundai Transys' environmental management policy is built on core principles: accurate measurement of waste, suppression of waste generation, and the promotion of resource circulation. In particular, we view resource circulation not merely as a waste management activity but as a strategic initiative to enhance resource efficiency and reduce costs across the full lifecycle of the manufacturing process. Looking ahead, we plan to strengthen circular economy practices both within and beyond our plants. Key focus areas include increasing recycling rates, reducing waste generation, and minimizing landfill use—ultimately building a sustainable operating system that balances environmental performance with economic viability.

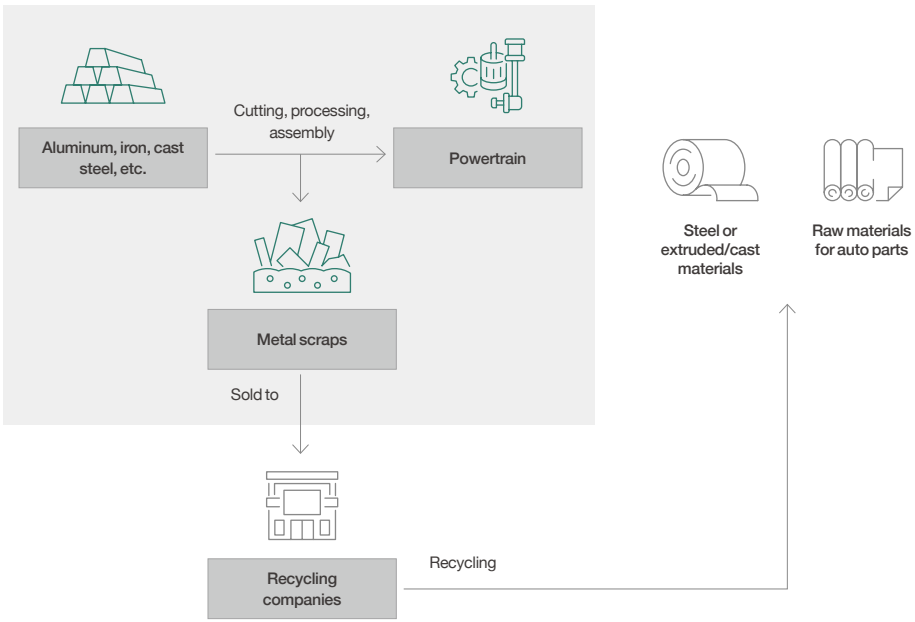
Waste Management and Circular Economy

Risk Management

Metal Scrap Recycling

Hyundai Transys views metal scraps—such as aluminum, iron, heat-resistant/carbide/high-speed steel, and cast iron—generated during powertrain production not as mere waste but as valuable resources. To strengthen resource circulation, these materials are systematically sorted and sold. This initiative is implemented not only at the domestic Seongyeon and Jigok plants, but also at overseas plants in China, India, the United States, and Mexico. By selling metal scraps to certified recycling companies, we promote the recovery and reuse of metal resources, while minimizing the environmental impact associated with landfill and waste treatment. These efforts contribute to indirect reductions in raw material consumption and support the development of resource circulation ecosystems across the manufacturing sector. As part of our broader circular economy transition strategy, we plan to further expand these practices. Looking ahead, we will continue to pursue resource circulation by identifying systematic ways to utilize by-products and waste materials generated throughout our production processes.

Powertrain Plants



Metal Scrap Recycling Status by Country

Country	Plant	Metal	Scrap Volume (tons)	Recycling Rate (%)
Korea	Jigok Plant, Seongyeon Plant	Aluminum	2,586	100
		Iron	7,206	
		Others	62	
China	Beijing Powertrain Plant	Iron	235	
	Rizhao Plant	Aluminum	230	
		Iron	555	
India	AP Plant	Iron	854	
United States	Georgia Powertrain Plant	Aluminum	935	
		Iron	570	
Mexico	Monterrey Plant	Aluminum	178	
		Iron	240	

Waste Management and Circular Economy

Use of Recycled Materials for Seats

Hyundai Transys is advancing a resource circulation economy through high-value-added waste recycling technology. One notable achievement is the development of recycled leather made from scraps generated during the leather cutting process, which has received Global Recycled Standard (GRS) certification. In parallel, we are enhancing the commercialization of circular material technologies and its alignment with global standards through a national project titled "Application of End-of-life Vehicle Leather."

We are also developing recycled foam pads and artificial leather components for automotive seats using Post-Consumer Recycled (PCR) materials recovered from end-of-life vehicles. By using recycled polyurethane—separated from seat cushions and headliners—as raw material for foam pads, we replace virgin urethane while maintaining both environmental performance and product functionality. Furthermore, recycled artificial leather with durability compared to virgin materials is being used as seat surface materials to comply with global environmental regulations (such as ELV) and enhance product competitiveness.

In addition, Hyundai Transys is reducing reliance on petroleum-based materials by using silicon extracted from quartz, a natural mineral resource. This innovation achieves up to 18.4kg CO_2 reduction per vehicle. This technology was applied to silicone artificial leather seats in the G90 and Grandeur GN7 vehicle models. These efforts go beyond environmental protection—they reflect customer values around ethical consumption and sustainability and form a key part of our eco-design strategy and LCA-based product development systems, which are centered on the circular economy.

Metrics & Targets

In alignment with national resource circulation goals, we have adopted core in-plant strategies focused on minimizing waste generation (Reduce) and expanding resource recovery (Recycle). To this end, we manage KPIs such as waste emission intensity and recycling rates.

We operate an integrated management system covering the full lifecycle—from generation to transportation, storage, and treatment—in accordance with our Waste Management Guidelines. We also reinforce our resource circulation infrastructure through upgrades to sorting and collection systems, storage facility expansion, and equipment investments. Looking ahead, we plan to further contribute to the realization of a circular economy by expanding the range of recoverable resources and broadening the scope of application across our plants.

Waste Management Indicators

*Data Scope: Domestic plants

Category	Unit	2022	2023	2024
Waste Recycling Rate	%	62	68	70

Transition Eco-friendly Products

Governance

As global carbon neutrality regulations continue to tighten, the transition to low-carbon and carbon-free vehicles is accelerating across the automotive industry. In response to this electrification trend, we are formulating mid- to long-term strategies aligned with the technology road maps of global automakers. Based on these, we are actively driving business portfolio shifts and product transformation strategies. We develop products systematically across the entire process—from strategic R&D planning to design, verification, and patent application—led by the Electrification R&D Center and Seat R&D Center. We are strengthening company-wide governance to achieve technology development goals aligned with environment considerations based on sustainability management.

Under the leadership of dedicated ESG promotion teams, we have built a collaborative framework that integrates key departments—including R&D, procurement, quality, and production—to manage environmentally focused material development initiatives. To further enhance ESG responsiveness, we have also formed a group-level carbon neutrality technology committee, which holds regular working-level meetings across departments. These efforts enhance both decision-making speed and execution capabilities. Additionally, we are expanding collaboration with external research institutions to rapidly understand latest technology trends and secure technological credibility as well as reviewing resource circulation technologies and the feasibility of bio-material application. At the company-wide level, we are reducing environmental impacts and strengthening proactive response capabilities throughout the supply chain by strengthening supplier compliance with hazardous substance regulations.

Strategy

Hyundai Transys conducts R&D aligned with each business division's future growth strategies, while fostering a creative research culture and strengthening technological competitiveness. We actively promote external recognition of our R&D achievements through award programs for outstanding research papers and by obtaining certifications and accolades from external technology organizations. In addition to strengthen product lineups centered on electrification, we are placing strategic focus on developing sustainable seat technologies that incorporate natural and recycled materials. For the powertrain business, three core themes have been defined as strategic R&D directions: transition to electrified auto parts, use of low-carbon materials, and expansion of metal recycling. For the seat business, five core themes have been established as strategic priorities. In particular, we are pursuing five core themes for the seat business through a phased approach, guided by mid- to long-term advanced technology road maps targeting 2028 and 2032.

Powertrain: Progress and Application Cases of the Three Strategic Themes

Strategic Themes	Progress and Application Cases
1. Electrification Transition	- Development of high-efficiency, high-reliability EVs and HEVs
2. Use of Low-carbon Materials	- Gradual carbon reduction through conversion to low-carbon component materials
3. Metal Recycling	- Contributing to Hyundai Motor Group's resource circulation economy by recycling aluminum and reusing machining chips

Seat: Progress and Application Cases of the Five Strategic Themes

Strategic Themes	Progress and Application Cases
1. Hazardous Substance Replacement/Reduction	- Promoting the adoption of polyketone (PK) as a substitute for polyoxymethylene (POM) - Providing education on compliance with hazardous substance regulations in parallel
2. Satisfying the Five Senses (5 SENSEs)	- Enhancing emotional quality through material development that considers tactile feel, odor, and visual appeal
3. Natural Material Expansion	- Applying castor oil-based bio-polyol to slab foam (13% biomass content) - Switching to bio-based adhesives for seat covering (78% biomass content)
4. Resource Circulation	- Developing PCR recycled foam pads using resources from end-of-life vehicles - Developing recycled artificial leather
5. Lightweighting	- Optimizing artificial leather weight to achieve a CO_2 reduction of approximately 13,020kg per vehicle - Developing low-density lightweight materials

Transition Eco-friendly Products

Risk Management

Hyundai Transys is advancing product R&D under the themes of "Zero Emission" in the powertrain business and "Human- and Nature-Friendly Seats' in the seat business. In the early stages of development, we clearly define task directions through feasibility reviews and systematically manage risks before the implementation stage via GATE reviews and quarterly progress evaluations.

One of the most significant risks in expanding the use of new eco-friendly materials is the supply stability of recycled raw materials. PCR and PIR (Post-Industrial Recycled) materials often lack consistent quality standards and exhibit high variability in supplier reliability and pricing, which can pose challenges for long-term production planning.

In response, Hyundai Transys is building the following risk response systems.

- **Supply Chain Diversification**: We are strengthening strategic collaborations with startups—such as Moredane, an end-of-life vehicle leather upcycling firm affiliated with Hyundai Motor Group—and securing supply stability through partnerships with a variety of domestic and overseas recycled material suppliers, including PYOU CORE and KPX Chemical.
- **Compliance with Hazardous Substance Regulations & Quality Management**: To proactively respond to global hazardous substance regulations, we are building monitoring and quality tracking systems and centrally managing material data through the International Material Data System (IMDS). We also work closely with Hyundai Motor regulatory compliance teams to monitor global regulatory trends in real time.
- **Material Transition & Supplier Capability Assessment**: Based on internal reviews and supplier status surveys, we continuously pursue transitions to materials with low environmental regulatory violation risks, and build stable supply systems for low-carbon, low-risk materials by conducting parallel supplier capability assessments.

Natural Material

Metrics & Targets

Hyundai Transys establishes qualitative/quantitative goals to develop products considering product environmental performance and pursues step-by-step implementation plans to achieve these.

Green product transition action plans by product

Powertrain

- **Low-carbon Material Usage:** Contributing to carbon emission reduction by collaborating with Hyundai Motor/Hyundai Steel to develop and expand use of low-carbon powertrain materials such as low-carbon aluminum cast materials and the application of low-carbon special steel
- **Metal Recycling:** Gradually expanding recycled metal usage such as recycled aluminum use and aluminum processing chip utilization, and component development

Seats

- **Hazardous Substance Reduction:** Reducing formaldehyde emissions by transitioning from POM to PK and managing the impact as a KPI.
- **Satisfying Five Senses:** Enhancing functional factors by targeting improvements in premium tactile feel, seating comfort, wrinkle resistance, and ventilation performance.
- **Natural Material Expansion:** Starting from a 13% bio-based content in slab foam, we aim to achieve 30% bio-material content across seat components by 2028.
- **Resource Circulation:** With a short-term goal of 1.2% recycled material application rate in foam pads, we are targeting a mid- to long-term increase to over 10%.
- **Lightweighting:** By applying lightweight PU artificial leather, we have achieved a carbon reduction of 13,020kg per vehicle. We are pursuing a phased expansion of annual cumulative carbon reduction through ongoing development of lightweight materials.
- Hyundai Transys conducts regular reviews of departmental task implementation rates based on company-wide KPIs and pursues transparent performance disclosure using standardized, quantitative indicators aligned with ESG reporting frameworks and external evaluation criteria.

Seat: Metrics Goals

Category	2025	~2028	~2032
Biomass Content	1~10%	~30%	~50%
Recycled Material Ratio	1~5%	~10%	~30%

Natural Capital Management

Governance

Hyundai Transys is building integrated governance systems to effectively manage natural capital risks. The Board, as the highest decision-making body, regularly reviews key issues and risks related to natural capital and incorporates them into strategic decision-making. The ESG Management Council oversees implementation progress in cooperation with relevant departments and supports the Board's supervisory functions. Dedicated ESG teams and relevant departments within working groups carry out practical natural capital management activities in partnership with local communities and external stakeholders.

We also operate a risk management process aligned with the TNFD (Task Force on Nature-related Financial Disclosures) LEAP approach to identify and address natural capital risks across our plants and supply chains. In the event of major management changes—such as the opening of a new plant, changes in the supply chain, or updates to environmental regulations—we reassess associated risks and update relevant policies and implementation plans to continuously improve our natural capital management practices.

Natural Capital-Related Governance

Strategy

Biodiversity Policy Establishment

Hyundai Transys is setting strategic directions for biodiversity conservation across all business operations and is implementing them in a systematic manner. To ensure the sustainability of our auto parts manufacturing and supply chain operations, we introduced a biodiversity protection policy in 2025 aimed at proactively mitigating biodiversity risks that may arise during operations. This policy complies with the principles of global initiatives such as the Convention on Biological Diversity (CBD), the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), and the Task Force on Nature-related Financial Disclosures (TNFD). It applies to all Hyundai Transys' domestic and overseas plants, subsidiaries, and suppliers.

Hyundai Transys prevents biodiversity loss and degradation across all stages of its operations, including raw material procurement, manufacturing, and sales. We also refrain from new business activities in designated biodiversity protection areas. In collaboration with central and local governments and specialized agencies near our plants, we actively engage in biodiversity conservation and restoration activities. To identify and manage biodiversity protection areas, we follow the IUCN (International Union for Conservation of Nature) protected area classification standards (Category I – IV) and comply with relevant national regulations. In cases of potential interaction with sensitive ecosystems, we apply avoidance, mitigation, and restoration measures. Furthermore, we contribute to ecosystem protection through various efforts, such as afforestation near our plants, waste reduction, and water resource reuse. We also promote employee awareness by incorporating biodiversity-related content into our ESG education programs. Our biodiversity protection activities and outcomes are disclosed transparently to internal and external stakeholders through sustainability reports, and other communication channels.

Natural Capital Management

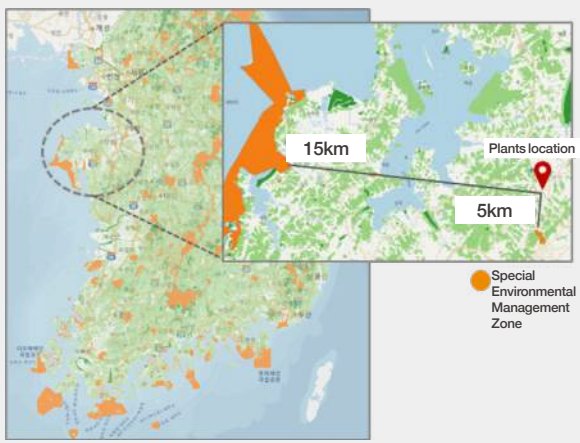
Risk Management

Locate (Contact with Nature) → Evaluate → Assess → Prepare

Hyundai Transys adopts the LEAP analysis approach (Locate, Evaluate, Assess, Prepare) recommended by the TNFD to systematically manage biodiversity risks. Initial LEAP analyses were conducted at domestic plants (Seongyeon and Jigok). The scope of application will be gradually expanded to include overseas plants and supply chains. Analyses of ecological naturalness maps and endangered species distribution data near our plants identified special management zones located approximately 5 to15km from the plants. There is no direct contact between the plants and these zones, and no endangered species were found to be present in the immediate vicinity.

Biodiversity Risk Analysis

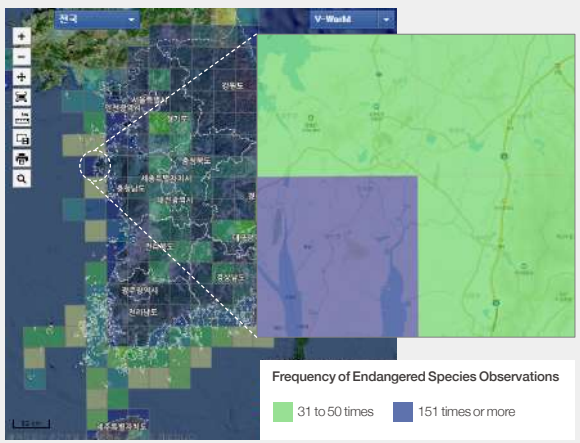
• Analysis Targets: Seongyeon and Jigok Plants in Seosan-si, Chungcheongnam-do



• Areas requiring specific action exist within 5 - 10km of the plants in Seosan-si.
→ There is a potential risk of directly or indirectly impacting water quality and soil conditions.

* Second Grade Zone of Ecology and Nature: Areas where conservation of natural environment and minimization of damage from development and utilization should be implemented

※Source: Ecology and Nature Zoning Map, Environmental Geographic Information Service



• No endangered species habitat information around facilities, but discovery frequency of about 31-60 times suggests low possibility of protected species impact but continuous monitoring needed

※Source: Environmental Thematic Map, Environmental Geographic Information Service,

Hyundai Transys is identifying and managing water resource risks at both domestic and overseas plants by utilizing the World Resources Institute (WRI) Water Risk Atlas. For domestic plants, the Water Stress Index is assessed as "Medium-High." While this does not indicate a serious risk, it suggests potential vulnerability to external factors such as climate change, necessitating proactive management.

For plants located in areas with an "Extremely High" Water Stress Index, we plan to continuously monitor water usage, water quality, and regulatory changes through ongoing risk assessments. Through these efforts, Hyundai Transys aims to ensure both operational stability and environmental responsibility across its plants.

Water Resource Risk Analysis (as of 2025)

Risk Grade	Plants
Low	Chongqing Plant, China
Low - Medium	Slovakia Plant
	Brazil Plant
	Czech Plant
	Hyundai Mseat Asan Plant
	Georgia PT Plant, U.S.
	Georgia Seat Plant, U.S.
	Alabama Branch, U.S.
	Illinois Branch, U.S.
	Savannah Seat Plant, U.S.
Medium - High	Seosan Seongyeon Powertrain Plant
	Seosan Jigok Powertrain Plant
	Hyundai Mseat SCM Plant
	Hyundai Mseat Ulsan Plant
	TRANIX Seongyeon Plant
	TRANIX Jigok Plant

Risk Grade	Plants
High	Monterrey P/T Plant, Mexico
	Monterrey Seat Plant, Mexico
	Indonesia Plant
Extremely High	Arizona Branch, U.S.
	Beijing P/T Plant, China
	Rizhao Plant, China
	Beijing Seat Plant, China
	Changzhou Plant, China
	Chennai Plant, India
	AP P/T Plant, India
	AP Seat Plant, India

Low (<10%)	Low-medium (10~20%)	Medium-high (20~40%)	High (40~80%)	EXtremely high (>80%)

Natural Capital Management

Locate → **Evaluate (Dependencies and Impacts)** → Assess → Prepare

In line with the TNFD recommendations, Hyundai Transys leverages the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) tool to identify and evaluate its dependencies and impacts on natural capital. Hyundai Transys' operations rely on key ecosystem regulating services, such as water supply, water flow regulation, and the mitigation of flood and storm damage. A decline in these ecosystem functions could lead to increased costs and business interruption. Additionally, operational activities may result in noise and light pollution, which can disturb surrounding ecosystems. The automotive manufacturing process also generates hazardous chemical waste—such as paint residues, lubricants, refrigerants—which can elevate the risk of soil and water contamination. To address these concerns, Hyundai Transys conducts systematic evaluations of its natural capital dependencies and impacts, enabling proactive risk management across its entire business.

Dependency Analysis

Ecosystem Services on Which the Industry Depends		Importance	Description
Supply	Water Supply	Low	Water is required for various manufacturing processes, including surface treatment and coating, paint spray booths, washing, rinsing, hose operations, cooling, HVAC, and boilers. However, overall water usage remains relatively low.
Ecosystem Regulating Service[2]	Soil Erosion Control	Medium	Due to the industry's need for large-scale industrial sites and infrastructure, it is dependent on ecosystem services such as vegetation cover, natural slopes, and buffer zones to protect roads, buildings and equipment from erosion.
	Water Purification	Medium	The natural ecosystem's water purification capacity plays a supporting role in managing industrial effluent. Even when in-house effluent treatment facilities are in place, the absence of nature's supplementary purification functions can significantly increase overall water quality risks.
	Water Flow Regulation	Medium	The industry relies, to a certain extent, on the natural hydrological regulation functions of ecosystem to ensure a stable supply of water necessary for manufacturing processes. This indirect dependency becomes particularly critical under conditions of climatic variability, such as droughts or intense rainfall events.
	Flood Damage Mitigation	Medium	An essential ecosystem regulating function that protects production facilities and key infrastructure from heavy rainfall and river flooding, although artificial drainage systems can partially substitute for this function
	Storm Damage Mitigation	Medium	The regulating function of ecosystems that helps prevent physical damage caused by extreme weather events such as strong winds and typhoons. In the auto parts manufacturing industry, most facilities are enclosed and reliant on artificial structures, which provide a certain degree of protection against such risks.

Impact Analysis

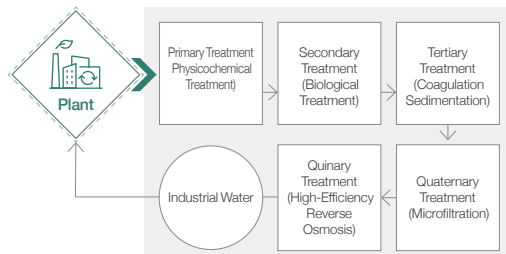
Impact of Industrial Activities	Importance	Description
Ecosystem Disturbance Physical and optical disturbance affecting species behavior and habitat	Medium	The auto parts manufacturing industry can cause noise and light pollution due to machinery operations, vehicle movement, and the use of high-intensity lighting. These disturbances may disrupt surround ecosystems by altering the behavioral patterns of flora and fauna, threatening habitats, and ultimately posing negative impacts on biodiversity.
Hazardous Substance Emissions This risk of soil and water contamination caused by paint, batteries, and lubricants	Medium	Chemical substances used in automobiles—such as paint residues, used lubricants and adsorbents, lead-acid batteries, refrigerants and antifreeze—can lead to the emission of toxic waste and pollutants, posing risks of soil and water contamination.

1) ENCORE: A tool that helps analyze how corporate business activities impact natural capital—such as water, soil, and biodiversity—and what risks changes in natural capital may pose to corporate management
2) Ecosystem Regulating Services: Services through which ecosystems help 'manage and stabilize' the environment, including functions like climate regulation, water purification, flood control, and soil erosion prevention
3) The importance is classified into five levels, based on quantitative data and expert qualitative assessment:
Very High: The natural element is critical to economic activities, or the business has a significant impact on nature;
High: Dependencies or impacts are considered important;
Medium: There is some level of dependency or impact, but it is relatively moderate;
Low: The impact or dependency on natural capital is minimal;
Very Low: There is little to no relationship with natural capital

Natural Capital Management

Locate → Evaluate → **Assess (Risks and Opportunities)** → Prepare

Based on its dependency and impact analysis, Hyundai Transys has identified water supply, ecosystem regulating services, and ecosystem pollution as key issues. Building on these findings, we are identifying related risks and opportunities at our domestic plants and evaluating the likelihood of risk occurrence through current response activities and scenario analysis.

Dependency Factors	Risks		Opportunities	Financial Impact		Response Status
Water Supply	Physical Risk	• Risk of production disruption due to inability to secure water supply at plants caused by water pollution and groundwater depletion	• Enhancing the water recycling system, including increasing reuse rates and introducing recycling technologies, can help stabilize water resource availability and enhance competitiveness	+	• Reducing water costs through investments in water reuse facilities and increased reuse rates	• Although water resource risks at domestic plants have been identified as 'medium-high,' pollutants are managed at levels that are 50% or less of the legal limits. • Due to the nature of Hyundai Transys' business, operational and production activities have relatively low dependency on water resources, resulting in limited impact from potential water shortages. Nevertheless, the Jigok Plant treats effluent on-site and recycles it as industrial water, thereby reducing overall water consumption. **Jigok Plant effluent Treatment Flow Chart** 
	Transition Risks	• Water footprint and water resource-related disclosure requirements from customers or regulatory agencies • Local governments increase industrial water rates or charge for the use of water reuse facilities		-	• Revenue loss due to production shutdowns caused by water supply disruptions	
Ecosystem Regulating Functions	Physical Risks	• Weakening of natural ecosystem's regulating functions—such as flood control, erosion prevention, and water purification—due to climate change impacts including concentrated rainfall, strong winds, and flooding	• Enhancing financial resilience and infrastructure protection by strengthening on-site flood prevention structures and drainage systems	+	• Reducing equipment repair and recovery costs by preventing flood damage from natural disasters (e.g., heavy rainfall, typhoons) through the installation of flood-prevention infrastructure and early warning systems	• To mitigate climate change risks, a 15% renewable energy transition at domestic and overseas plants was achieved by 2024, and we set a goal of 100% transition by 2040. • Our domestic plants operate in-house effluent treatment and industrial water reuse systems. In addition, they operate regular monitoring and emergency response systems for discharge water quality, enabling proactive response to future tightening of water quality regulations.
	Transition Risks	• Increased operational costs in response to strengthened regulations related to climate change and the transition to renewable energy • Stricter discharge standards for industrial effluent and tighter regulations on river water quality	• Supporting the energy transition and climate change response through renewable energy adoption and improved energy efficiency • Protecting water quality through the implementation of advanced water management systems and pollution prevention technologies	-	• If our domestic plants are shut down due to climate disasters, the estimated daily loss is KRW 24.9 billion, based on 2024 revenue figures. * Calculation method: Domestic plants' daily revenue = 2024 revenue/annual working days = KRW 5,984.5 billion/240 days = KRW 24.9 billion/day	

Natural Capital Management

Locate → Evaluate → **Assess (Risks and Opportunities)** → Prepare

Dependency Factors		Risks	Opportunities	Financial Impact		Response Status
Ecosystem Disturbance	Physical Risk	• Artificial lighting at night and industrial illumination alter the behavior and biological patterns of nocturnal animals. • Reflections from solar panels and glass can lead to bird strikes and disorientation. • The impaired ecosystems negatively impact the quality of the local environment.	• Safeguarding natural resources by implementing sustainable infrastructure like ecological corridors • Building trust with investors and global customers by managing ecosystem risks and disclosing biodiversity impacts • Switching to low-toxicity paints, water-based cleaning products, and solvent-free adhesives	+	• Generating revenue by maintaining and renewing contracts with key OEM clients while ensuring the continuity of transactions • Improving ESG grades and increasing corporate value through biodiversity and ecosystem protection activities	• We manage noise and pollution under the legal limits. • We created carbon neutral forests by planting 7,852 trees near our plants in Taean County and Asan City. • We are identifying risks to natural capital near our plants and analyzing the potential impacts of our business activities using TNFD LEAP analysis. • We invested in R&D for developing low-carbon products and established LCA calculation processes
	Transition Risks	• Stricter regulations for biodiversity conservation create extra responsibilities for recovery and conservation efforts while also restricting business development.	• Meeting international OEM ESG requirements by disclosing information on biodiversity • Generating value for local communities and complying with regulations by engaging in afforestation and the restoration of natural resources	-	• Operating costs increase due to additional recovery/conservation obligations.	
Hazardous Substance Emissions	Physical Risks	• Although hazardous substances do not result in immediate physical harm during normal operations, there is a risk of external leaks occurring if infrastructure is compromised by severe weather events (such as floods or strong winds) linked to climate change, which could lead to secondary environmental harm.	• Reducing costs associated with emergency response and recalls while ensuring workplace safety by managing hazardous substances and responding to stricter regulations (such as REACH and RoHS)	+	• Enhancing profit stability by avoiding regulations and preventing accidents through better safety measures and management of hazardous substance information	• We are reducing hazardous substance emissions by limiting the use of flame retardants right from the product design phase. • We operate an integrated management system (THCMS) that records and oversees information about chemical substances to systematically and proactively manage the risks associated with hazardous substances. • We conduct an annual review of how each department handles chemicals and verify any products that are not classified or recorded in our system. • We manage the environmental impacts of pollution from sources such as effluent, waste, and air pollutants in a systematic manner.
	Transition Risks	• There are potential risks of rising costs and limitations on market access as a result of stricter regulations on hazardous substances and products (such as REACH regulations and requirements for carbon neutral products) • The cost of complying with regulations are heightened due to increased oversight on effluent discharge and pollutant leakage. (If a plant is adjacent to an area requiring specific action, there is a possibility that regulations may be stricter.)	• Developing low-carbon materials to enhance product competitiveness and improve responsiveness to global markets • Minimizing impacts on surrounding ecosystems through water purification by properly managing process effluent, fulfilling corporate environmental responsibility	-	• Environmental pollution and legal liabilities from hazardous substance leaks can lead to business shutdown, revenue losses, and decreased profitability.	

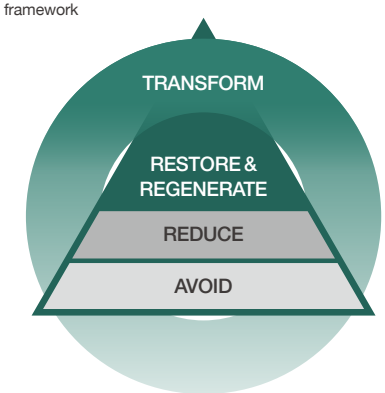
Natural Capital Management

Locate → Evaluate → Assess → **Prepare (Response and Disclosure)**

Hyundai Transys is introducing the AR3T (Avoid, Reduce, Restore & Regenerate, Transform) framework to systematically manage dependencies and impacts on natural capital while pursuing concrete and effective responses for a sustainable future. While continuing to preserve existing ecosystem services in action and respond to natural capital risks, we plan to strengthen our efforts in restoration and regeneration activities, with a focus on 'ecosystem restoration (Restore & Generate).'

SBTN[1]'s AR3T[2] Framework

- Preparing response measures according to SBTN's AR3T framework



Avoid
Preventing Potential Negative Impacts

Reduce
Minimizing Negative Impacts

Restore & Regenerate
Ecosystem Restoration

Transform
Fundamental System Changes

Hyundai Transys' Response Strategy

AR3T Framework	Response Strategy	
Avoid	Avoiding Sensitive Areas	When developing a new plant or expanding or modifying existing plants, we assess the presence of sensitive ecosystems (e.g., wetlands, protected areas) at and around the project site. We also assess the impacts on natural capital such as air, water quality, and soil in advance. Based on the results, we determine whether to proceed with the project or to limit or postpone business activities accordingly.
Reduce	Water Resource Reuse	At the Jigok Plant, we treat contaminated water in-house for reuse without external discharge and continuously work to minimize impacts on water quality and reduce negative environmental impacts (Reduce).
	Reducing Hazardous Substances	We minimize hazardous substance emissions from the product development stage—for example, by using low-VOC emission slab foam—and provide education to strengthen hazardous substance management capabilities of seat component suppliers.
	Resource Circulation	At both domestic and overseas plants, we recycle metal scraps such as iron and aluminum to reduce waste generation and raw material consumption, lessen environmental impact, and contribute to resource circulation.
Restore & Regenerate	Carbon Neutral Forest	We contribute to carbon absorption and biodiversity conservation by creating 'carbon neutral forests' around our plants in cooperation with local communities.
Transform	Green Purchasing Policy	We will establish green purchasing policies that consider environmental impacts and increase the proportion of raw materials with low environmental impacts.
	Carbon Emission Reductionthrough LCA	Based on LCA results, we will discover opportunities to reduce carbon emissions and gradually expand the scope of LCA to enable more accurate and effective carbon reduction efforts.

1) SBTN: The Science Based Targets Network is an international initiative that supports companies in setting science-based targets to protect and restore nature.
2) SBTN developed the AR3T (Avoid, Reduce, Restore, Regenerate, Transform) framework as a preparatory methodology for target setting. The TNFD recommends referencing SBTN's AR3T approach during the LEAP 'PREPARE' stage.

Natural Capital Management

Metrics & Targets

In 2025, we analyzed natural capital risks at domestic plants (the Seongyeon and Jigok Plants), and plan to gradually expand the scope to include overseas plants and supply chains in the future. We are also planning protection and restoration activities in ecologically important areas near our plants in Seosan, with a focus on restoring fragmented ecological corridors and raising public awareness. These efforts aim to establish ecosystem networks through afforestation to protect endangered species and diverse plant life.

Natural Capital Management Targets

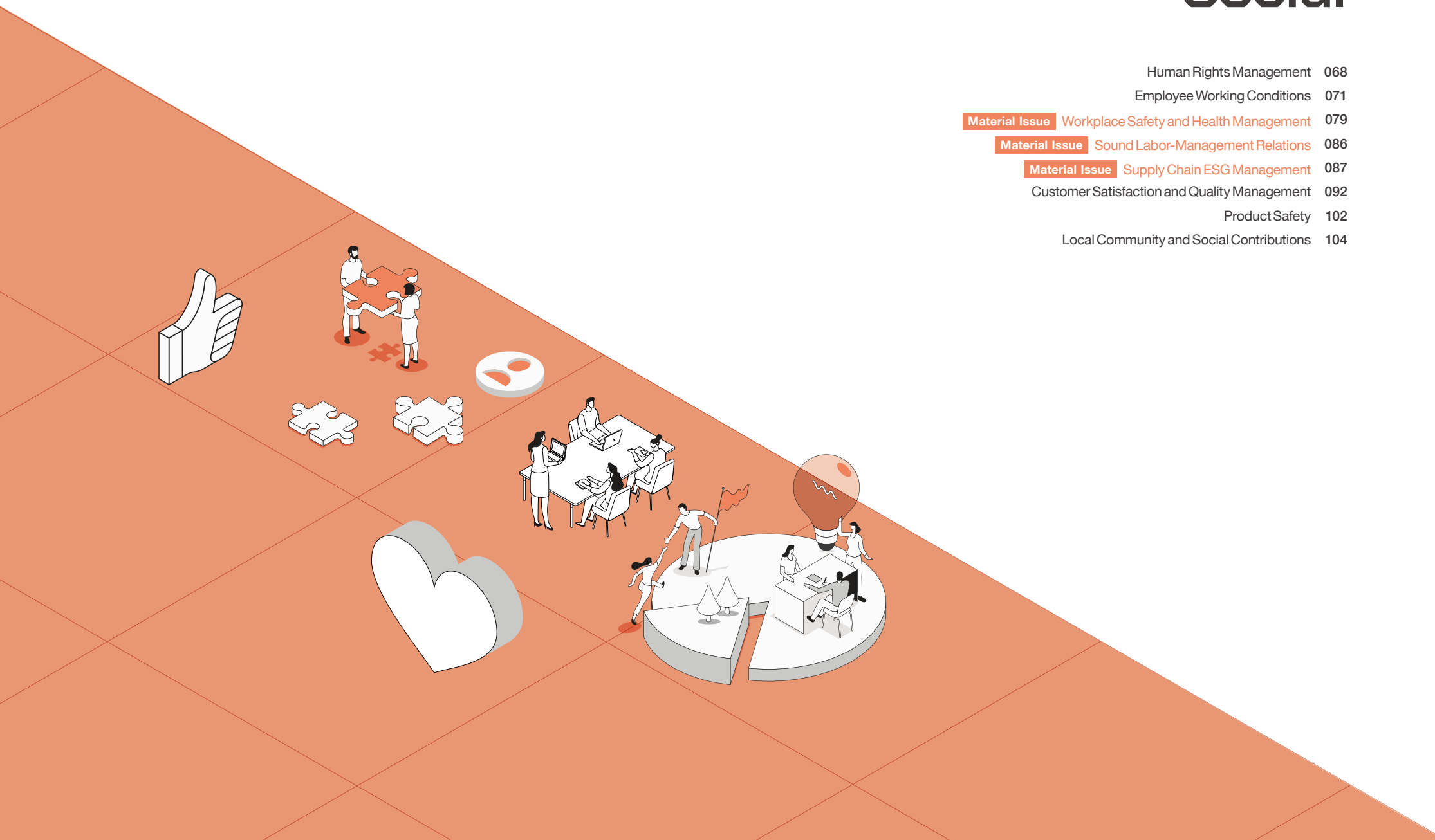
Category	Unit	2022	2023	2024	2025(Target)
Ecological Restoration Activities	Times	-	1	-	1

Other Natural Capital Management KPIs

*Based on the water data from domestic plants

Category	Unit	2022	2023	2024년	2025
Water Recycling	ton	387,277	350,188	317,752	-
Plants that Monitor Water Resource Risks	Number	-	13	27	27

Social



Human Rights Management

Governance

Hyundai Transys upholds the protection and respect of human rights as core values and has built collaboration systems across relevant departments—including ESG, HR, ER, Legal, Procurement, and Safety—to safeguard the human rights of stakeholders involved in its business operations. We identify human rights risks by plant and region through audits of our plants and suppliers, with the findings reported to top management and the Board to aid informed decision-making. In particular, we systematically manage key human rights issues by reviewing internal policies and regulations, providing action recommendations based on human rights risk assessment results, and conducting deliberations on investigation and remedy measures for identified violations.

Strategy

Human Rights Policy

Hyundai Transys recognizes respect for human rights as a fundamental principle of corporate management and strives to uphold human rights protection responsibilities across all management activities. We endorse key international human rights and labor standards, including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the Constitution of the International Labor Organization (ILO), the OECD Guidelines for Multinational Enterprises, and the OECD Due Diligence Guidance for Responsible Business Conduct, and pursue global human rights management in alignment with these frameworks.

Our human rights policy addresses critical issues such as the prohibition of forced and child labor, the protection of freedom of association and collective bargaining, and the prohibition of discrimination. This policy is regularly revised. It applies to all employees, as well as to our domestic and overseas production/sales corporations, subsidiaries and second-tier subsidiaries, and joint ventures. We also encourage all external stakeholders to respect this policy.

Basic principles of Hyundai Transys' Human Rights Policy

Article 1. Prohibition of Discrimination
Article 2. Compliance with Working Conditions
Article 3. Humane Treatment
Article 4. Guarantee of Freedom of Association and Collective Bargaining
Article 5. Prohibition of Forced Labor and Child Labor
Article 6. Guarantee of Industrial Safety
Article 7. Protection of Human Rights of Local Residents
Article 8. Protection of Human Rights of Customers

DEI (Diversity, Equity, Inclusion) Policy

Hyundai Transys has established and implements Diversity, Equity, and Inclusion (DEI) policies to foster an organizational culture that values diversity and inclusion and ensures all members are treated with respect, free from discrimination. These policies apply not only to the head office but also to all domestic and overseas plants. Through the practice of ESG management, we aim to enhance our competitiveness by promoting diversity and inclusion across the organization.

Risk Management

Hyundai Transys conducts thorough preliminary investigations before written diagnosis and on-site audits to identify and prevent human rights risks in advance. By analyzing a wide range of internal and external information—including country-specific human rights law and institutional conditions, investigation data from domestic and international institutions and media, industry papers on initiatives, plant manager interviews and feedback—we identify potential human rights risks across various stakeholder groups, including employees, women, children, migrant workers, suppliers, and residents. Hyundai Transys has developed human rights risk assessment and audit metrics tailored to its business characteristics and conducts survey-based written assessments across 20 domestic and overseas plants that are its consolidated subsidiaries to identify potential human rights risks. To improve the effectiveness of the assessments, we provide clear assessment criteria and detailed guidance, enabling each plant to answer more effectively to assessment questions—particularly on key human rights issues such as discrimination, harassment, restrictions on freedom of association, and workplace safety. Identified risks from the written assessments are further reviewed and verified through subsequent on-site audits.

Human Rights Risk Management Process

Human Rights Risk Assessment Items

Policy/system	• Human rights management system	• Human rights management policy
Non-discrimination	• Non-discrimination in the application of personnel policy	• Non-discrimination in employment
Wages and welfare benefits	• Working hours and employee education	
Humane treatment	• Institutional support for humane treatment	• Prevention of bullying
Forced labor/child labor	• Prohibition of forced labor and child labor	
Guarantee of industrial safety	• Compliance with business site safety	• Protection of vulnerable employees
Protection of human rights of local residents/customers	• Protection of local residents' human rights/property rights, customer rights	• Protection of personal information

Human Rights Risk Assessment

The human rights risk assessment in the first half of 2024 yielded an average score of 1.6 on a 5-point scale, indicating a generally low level of human rights risk. Notably, 91% of respondents rated the potential human rights risks as 'very low' or 'low,' indicating positive outcomes. To ensure the credibility and accuracy of the written assessment results, Hyundai Transys selects on-site audit targets based on factors such as the legal and institutional environment of the countries where its plants are located, operation types, workforce composition, and impacts on local communities.

Plants identified with potential risks or expected negative impacts from the written assessments are prioritized as audit targets. On-site audits are conducted with the participation of internal experts specializing in HR, safety, and organizational culture, along with external consultations from labor and legal specialists when necessary. During audits, document reviews verify working conditions, while circuit surveys assess workplace safety devices and environmental facilities. Individual interviews with employees and plant managers are also conducted to gather grievances and gain a deeper understanding of human rights risks.

Human Rights Management

Risk Management

Human Rights Management Education

Hyundai Transys provides regular training for all employees on workplace bullying and sexual harassment prevention, as well as disability awareness, to foster a respectful and inclusive workplace culture. In addition, we offer human rights management education to enhance awareness and understanding of human rights across the organization. These sessions share our human rights management directions and implementation plans, while delivering practical guidelines on prohibiting discrimination, recognizing human rights violations, and encouraging the reporting of potential risks.

Our human rights education is structured in phases, moving beyond simple information delivery, to build consensus and promote internalization of human rights values. It is designed to strengthen employees' ability to recognize risks and contribute to improvement efforts. Through these initiatives, we aim to cultivate a culture of respect for human rights and reinforce a proactive, organization-wide human rights risk prevention system.

Human Rights Training Process

01. Understanding and building consensus on human rights management

Providing basic training on human rights management for all employees

02. Internalizing the human rights management system by sector/target

Providing advanced training and establishing practical measures

- Leaders' leadership in human rights, improving their sensitivity to human rights
- Global business performers: identifying human rights issues by region and setting practical measures to prohibit racial/cultural discrimination
- Customer service providers and working-level officers: internalization of human rights policies and regulations, and implementation of practical measures

03. Evaluating the awareness/practicing levels of human rights management

Continuous monitoring of human rights management implementation levels, identifying risks, and improving them

Grievance Handling System

Hyundai Transys has established a grievance handling process related to human rights and operates direct reporting channels for employees. Reports can be submitted at any time through dedicated centers for workplace bullying and sexual harassment, with procedures accessible via the internal e-HR system. Upon receiving a report, the relevant hosting department reviews the case and determines appropriate remedial actions based on the specific circumstances. In cases involving human rights violations, we pursue the most appropriate remedies by referencing legal precedents, regulations from relevant authorities, and internal case-handling practices, in consultation with the legal department. When a case has the potential to impact the victim's rights or escalate into a reputational risk for the company, remedial actions are reviewed in meetings involving top-level decision-makers. Hyundai Transys ensures the confidentiality of reporters' personal information and the content of all reports. We also take proactive steps to prevent any form of disadvantages against those who report concerns. Through this system, we aim to foster a culture of respect for human rights and diversity while proactively preventing potential human rights risks.

Process for Handling Grievances

Report received	• Report complaint to the reporting center
Assignment of a person in charge	•Assign a person in charge according to business site
Fact check	•Investigate the reporter, performer, and witness
Measures	• Protect reporter and confirm requests •Handle grievances (disciplinary actions, etc.) and sharing the results
Follow-up management	•Take measures to prevent recurrence •Monitor the results

Protection of Rights Associated with Pregnancy and Pregnant Women

Hyundai Transys operates comprehensive support systems to prevent disadvantages and related risks associated with pregnancy, childbirth, and childcare for employees. We provide nursing rooms and dedicated parking spaces for pregnant employees, and support work-life balance through systems such as reduced working hours during pregnancy and childcare, as well as parental leave programs. We promptly implement changes to relevant laws, including full application of the 2025 amendments to the two maternity protection laws. These include relaxed eligibility and extended duration for reduced working hours during childcare, extended pre- and postnatal leave (including for premature births), longer parental leave for both parents, and extended leave for miscarriage or stillbirth. In addition, we offer supplementary financial support for infertility treatment costs not covered by government subsidies. Upon confirmation of pregnancy, we immediately share guidance on overtime and night work restrictions and maternal rights with the employee, as well as relevant team leaders, HR team leaders, and attendance managers. We also conduct monitoring to ensure thorough protection of rights and prevention of any human rights violations.

Human Rights Management

Social Responsibility Practice for Employee Diversity

Hyundai Transys actively promotes organizational diversity and inclusion to create a discrimination-free hiring culture and fulfill its social responsibility. First, we ensure fair and transparent recruitment by providing specialized training for interviewers to deepen their understanding of the Equal Employment Act and interview errors and prohibited questions. We also expand employment opportunities for socially disadvantaged groups through preferential hiring programs targeting national merit holders and people with disabilities. As part of a systematic approach to disability employment, we conducted a diagnosis of related challenges and needs through professional consulting in 2023 and have initiated the hiring of five individuals with disabilities. In 2024, we implemented the 'Disabled Artist Hiring Project' and the 'Seomseomoksu Project'—which supports nail arists with disabilities—resulting in the employment of five additional people with disabilities. Currently, a total of ten employees with disabilities are working at the company.

Seomseomoksu Project

Employee Resource Group (ERG) Activation

Hyundai Transys is conducting ERG activities to promote diversity and inclusion within the organization. These initiatives bring together members with shared backgrounds—including underprivileged groups, local communities, women, people with disabilities, and national merit holders—to facilitate communication and foster cultural understanding. In 2024, we organized an in-house event centered on the female ERG to commemorate International Women's Day, aimed at enhancing mutual communication and strengthening the sense of belonging among female employees. Additionally, we anticipate that the positive impact of these activities will extend beyond Hyundai Transys to benefit local communities through external collaborations. Moving forward, Hyundai Transys will continue to encourage exchanges among employees from diverse backgrounds and strengthen organizational diversity and inclusion through these efforts.

India Chennai Plant's Event to Commemorate 2024 International Women's Day

Metrics & Targets

Hyundai Transys has established specific mid- to long-term road maps to become a company that respects human rights. By 2025, we aim to actively advance human rights management, focusing on internalizing a culture of respect for human rights and strengthening robust systems for risk prevention. We will assess human rights across all domestic and overseas plants and develop targeted improvement measures through on-site audits at plants where potential risks are identified. We will also regularly provide relevant education at least once a year for all employees, continuously enhancing the curriculum to address real-world issues such as workplace bullying, sexual harassment, and disability awareness. Starting in 2025, regular human rights education will be expanded to all subsidiaries, accompanied by specific guidelines promoting humane treatment. Looking ahead, we plan to continuously improve human rights management capabilities through analysis of education effectiveness and sharing of best practices.

Step 0. ~2020
Human Rights Management Introduction
- Formulate human rights policies.
- Establish human rights education processes.

Step 1. 2024
Human Rights Management System Construction
- Compile a checklist to inspect human rights risks.
- Assess on-site human rights risks.

Step 2. 2025
Human Rights Management Internalization
- Provide intensive education on human rights sensitivity for leaders.
- Provide education on the prohibition of discrimination based on race or culture for global business handlers.

Step 3. ~2026
Human Rights Management Advancement
- Continuously manage the implementation of human rights management.
- Identify and mitigate human rights risks.
- Provide regular education for all subsidiaries.
- Analyze the effectiveness of education and share best practices.

Human Rights Management Related Indicators

Category		Unit	2022[1]	2023	2024	2025(Target)
Human Rights Risk[2]	Inspection Rate	%	-	70	100	100
	Audit Rate	%	-	100	100	100
	Action rate	%	-	100	100	100
Human Rights Grievance-Handling Rate[3]		%	100	100	100	100
Rate of Employees with Disabilities[3]		%	1.16	1.11	1.22	1.23

1) 2022 data not disclosed
2) Based on the plants subject to human rights risk inspection (5 domestic, 15 overseas)
3) Based on Korea

Employee Working Conditions

Recruitment and Development

Governance

To ensure strategic and systematic management across all HR areas—including talent acquisition, human rights management, organizational culture, and talent development—we operate dedicated organizations. HR-related governance is led by the HR Office, which reports to the Management Support Division. The HR Team and the Value & Development Team operate under the HR Office, each fulfilling their respective roles and responsibilities.

The HR Team manages the overall HR systems, including recruitment strategy development and execution, implementation of human rights management, and improvement of work environment. It establishes and implements policies that ensure fair and ethical talent acquisition and protection of employee rights. The Value & Development Team is responsible for assessing organizational culture, conducting internal satisfaction surveys, planning and implementing culture improvement programs, and advancing talent development systems. The team plays a key role in laying a foundation for employee growth and sustainable organizational development.

Working in close collaboration under the HR Office, both the HR Team and the Value & Development Team align their efforts with corporate strategic directions, enhancing Hyundai Transys' human resources management systems through the establishment and implementation of HR policies. The HR Office regularly communicates key policies and tasks with management through a division-level reporting system, ensuring consistency and alignment in human resources management across the organization.

Strategy

Talent Recruitment

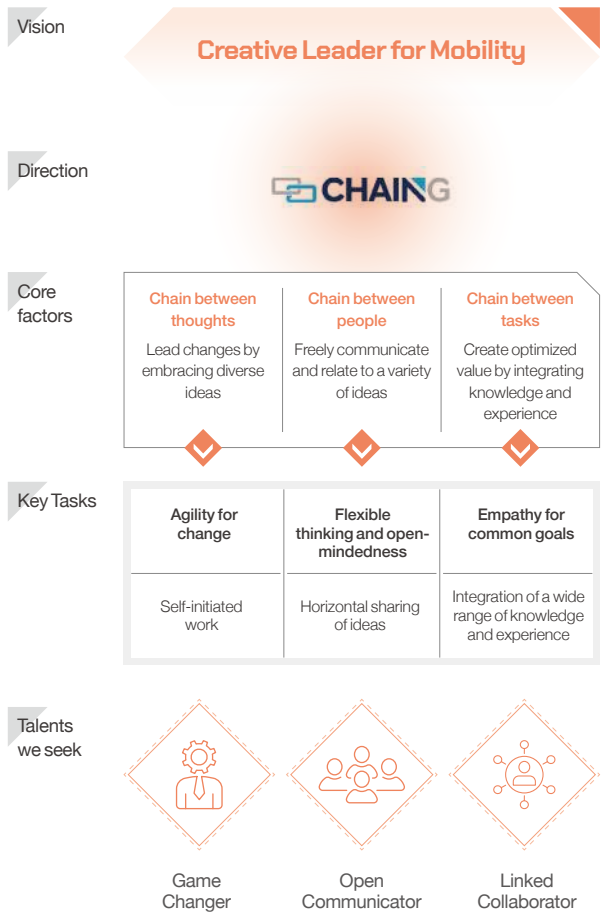
Hyundai Transys regards human resources as core assets essential for securing future technological capabilities and operates a human resources management system that supports sustainable growth. We improve our recruitment processes annually and pre-define the competencies, qualifications, and technical requirements tailored to each job and regional context. Our recruitment prioritizes fairness and ethics, with a competency-based evaluation criteria that exclude all forms of discrimination—such as age, gender, place of origin, schools they attended, or nationality. In accordance with relevant laws, we also implement preferential hiring policies for protected groups, including people with disabilities and national merit recipients. To ensure fairness, we prevent discrimination and unethical practices by providing parallel training on legal compliance and ethical recruitment to decision-makers (interviewers). Furthermore, we continuously strengthen accessibility and fairness in recruitment through website revisions and data-driven analysis.

Talent Development

Following recruitment, we offer training programs tailored to each position, job, and field to strengthen employee capabilities. These programs are designed to enhance global business skills and practical expertise, with a strong focus on leadership development and improving work methods. We also promote a participatory learning culture through mutual learning-based initiatives such as coaching and case-sharing sessions. These efforts aim to foster the holistic growth of our employees and establish a sustainable learning organization.

Hyundai Transys views the attraction and development of talent—aligned with the company's recruitment brand and business direction—as a key management priority. We continuously improve our education systems to assess employee work methods and strengthen problem-solving capabilities aligned with business objectives. We also proactively address potential brain drain risks by conducting annual organizational culture satisfaction surveys and hosting communication events. Looking ahead, we will continue to secure core talent that contributes to our global technological competitiveness and the foundation for sustainable growth, through fair recruitment and consistent talent development systems.

Talent Development Strategy



Employee Working Conditions

Talent Development Strategy

Hyundai Transys offers customized education programs by position—executives, team leaders, senior managers, and managers—to strengthen job expertise and cultivate global leadership. Training is organized around a specialized curriculum tailored to each role and career stage, focusing on six core competency areas:

01 Leadership
Programs to develop leadership capabilities for effectively guiding teams

02 Professional
Job-specific training aimed at enhancing practical skills and improving overall job performance

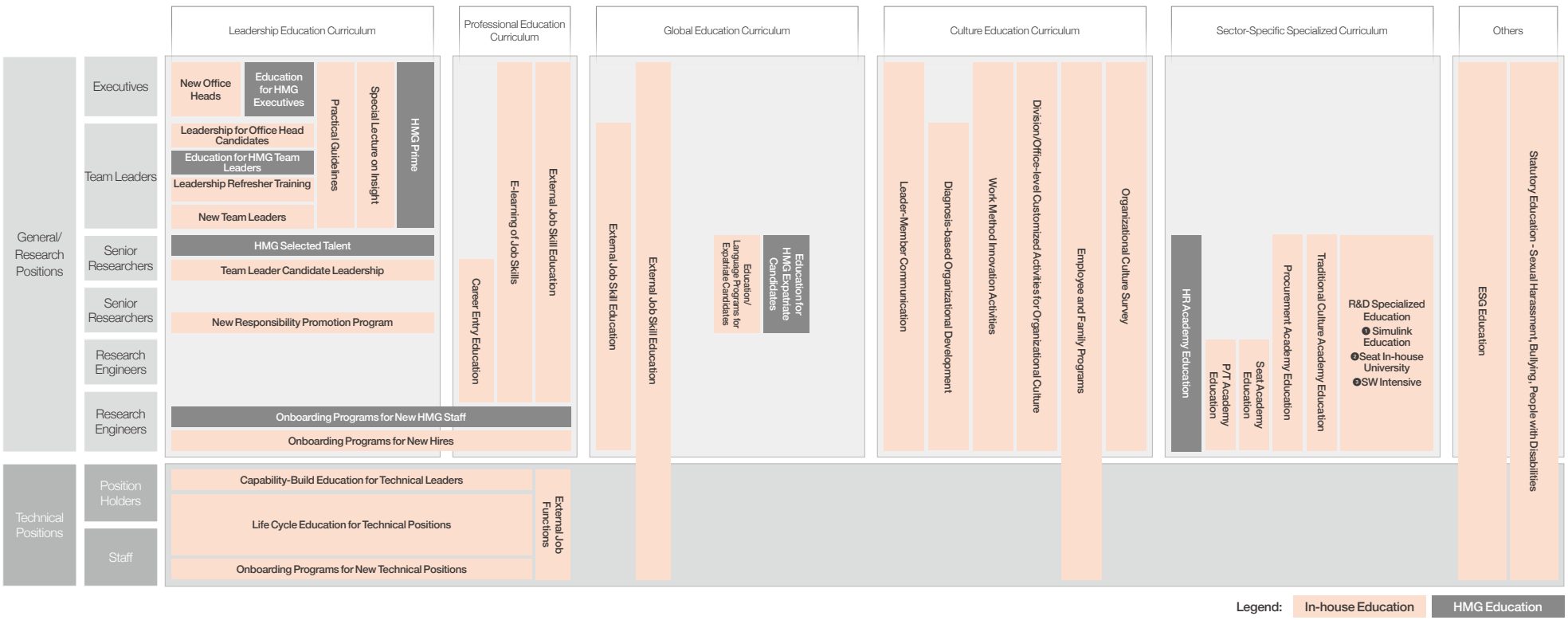
03 Global
Education on foreign languages, overseas assignments, and global business mindsets to support international expansion

04 Culture
Training to drive innovation in work methods and foster a culture of communication and collaboration

05 Specialized
Competency-centered education to develop field experts, covering both practical skills and emerging business technologies

06 Sustainability
Human rights education to support the company's sustainable growth

Each program is designed to enhance members' performance and support career development aligned with their growth paths. Programs are continuously refined based on annual operational plans and education satisfaction analyses. Through these systematic development systems—tailored by position and competency area—Hyundai Transys supports individual growth while strengthening alignment between the organization's strategic goals and talent development.



Employee Working Conditions

Onboarding Program for New Hires

We provided onboarding programs for new hires to introduce the company and help them acquire essential competencies required for their roles. A total of 99 new employees (95 regular hires, 4 all-year-round hires) participated in and completed an 8-day onboarding program. To support early adaptation, they were provided with one-year job coaching from senior members within their teams and five-month mentoring program with seniors from other teams. We plan to improve education curricula by converting product education into on-site sessions and strengthening hands-on practical training. We also aim to systematically manage trainee profiles and learning data to use them in HR and management strategies.

Retention & Motivation Education for First-Year Employees

As part of our early adaption program for new hires, we offer a final onboarding program for first- and second-year employees. The program is designed to help participants reflect on their value and responsibilities within the organization. A total of 96 employees took part in the program, which aimed to foster a professional mindset and building collaborative networks. The curriculum included an overview of Hyundai Transys' business models, financial status, and operational strategies, as well as immersive experiences of the production process and insights into global market changes. Participants were given opportunities to define their roles and visions within the organization through TF activities on six core topics. The outcomes of these activities, along with participants' reflections, were shared with team leaders, who played a role in supporting the development of their new team members. We plan to strengthen insight-building and global talent development by incorporating automated plant tours, expanding participations in exhibitions, and developing management simulation programs. This program is set to become a distinctive and recurring part of Hyundai Transys' talent development program.

Problem-Solving Process for New Hires

New Hires' Tour of a Seat Plant

Onboarding Program for Experienced New Hires

We operate an onboarding program to support experienced employees in quickly adapting to the organization and demonstrating their expertise. The program is designed to facilitate early adaptation to the new work environment and promote synergy with existing team members, with a focus on cultivating the professional mindset and performance-driven attitude expected by the company. To minimize variations caused by differing employment dates, we reviewed the onboarding schedule and now plan to operate the program twice annually (January, June). We are also working to enhance the program by clarifying training objectives and introducing structured onboarding training modules tailored to experienced hires. We manage the effectiveness of our training programs through module-specific quizzes and daily reports, and plan to strengthen it through continuous curriculum improvements. To increase content depth and relevance, we plan to restructure the program by introducing case studies and reinforcing processes such as discussion, strategy formulation, execution, and results analysis. We plan to share key training content and outcomes with organizational leaders to ensure a stronger linkage between education and actual performance.

In-house Course for New Team Leaders

We conducted in-house training programs for newly appointed team leaders to help them understand their roles and acquire the essential knowledge required for effective organizational operations. In 2024, 19 new team leaders participated in the program, which covered key areas such as leadership responsibilities, budget planning, expenses execution and approval regulations, HR systems, organizational culture, and team member development. The curriculum was designed to address the practical needs of new team leaders, with opportunities for interactive Q&A and peer learning. We plan to enhance the program by extending training hours, diversifying content, incorporating real-world case studies, and offering training immediately after appointment to support faster adaptation.

Education Title	Participants	Education Period
Onboarding for New Hires	99 persons	March 25 - April 3, 2024
Retention & Motivation	95 persons	October 14 - 25, 2024
Onboarding Program for Experienced New Hires	70 persons	[1st round] January 8 - 9, 2024 [2nd round] January 10 - 11, 2024
In-house Course for New Team Leaders	19 persons	May 16, 2024

Employee Working Conditions

In-HUB Program

In-HUB is Hyundai Motor Group's future leader development platform designed to foster next-generation entrepreneurial leaders (Intrapreneurs) who drive organizational innovation with a clear vision and strong execution capabilities. In-HUB offers a range of programs built around three core pillars: education, hands-on work experience, and relationship building.

'Education'-based Development	'Work'-based Development	'Relationship'-based Development
• Provides education to help trainees to acquire knowledge and skills that serve as foundations for expanding vision as Intrapreneurs (required/elective courses)	• Provides opportunities and motivation for trainees to experience Intrapreneurship	• Supports trainees to participate in the Top Leadership Team's initiative to develop top talent • Supports networking and mutual learning between talent and leaders from other industries

1. Advanced MBA Program for Team Leaders

We operate advanced management courses to strengthen customer value creation and strategic decision-making capabilities. A total of 75 team leaders from major group companies participated, strengthening their ability to apply management theories through case studies and business simulations aligned with HMG's management agendas.

2. Basic MBA

In addition, we offer online education courses designed to build foundational knowledge and analytical capabilities across key areas of corporate management. Approximately 160 team members and team leaders participated in these courses, which combine learning in core subjects—such as management strategy, marketing, and financial accounting—with case studies that reflect the latest management trends.

3. Mindfulness Program for Executives and Team Leaders

We provide opportunities for key personnel to address psychological stress and emotional discomfort, enabling them to fulfill their roles and achieve workplace success. 50 team leaders from major group companies participated in the program designed to enhance emotional energy management and foster positive self-awareness.

programs	Participants	Period	Major Content
Mindfulness	3 persons	April - October 2024 (29 weeks)	Building a foundation for positive self-awareness by reflecting on their inner state by alleviating emotional discomfort
Team Leader Advanced MBA	0 person		Building practical management capabilities for strategic foresight and business innovation
Basic MBA	9 persons		Acquiring foundational knowledge of overall corporate management to enhance business capabilities

Divisional OJT and Job Coaching Program for New Hires

In 2024, we ran divisional OJT for 98 new hires and offered coaching based on action plans to support their adaptation to their respective teams and roles. It was offered to 89 hires who joined in the first half of 2024, with adaptation progress monitored through feedback from coaching diaries and supplemented by additional interviews as needed. Although the program originally included four rounds of feedback, the final round was omitted as new hires demonstrated rapid adjustment. Through operational improvements, handover documents have been streamlined on a monthly basis and tracking has been made more frequent with a weekly cycle. Training outcomes will be incorporated in the e-Campus and e-HR systems for integrated management to enhance effectiveness and usability.

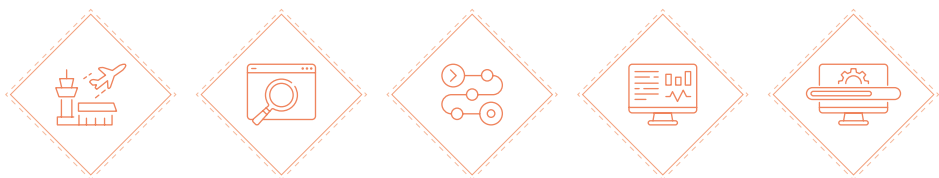
Education Platform Operation

We operate platforms for job function and foreign language training to strengthen our E-learning programs. We provide full support for education costs upon the completion of job function and e-learning language courses. Currently, we offer a total of 4,531 courses, including: 1,138 job function-related courses, 1,283 foreign language courses, 2,068 telephone/video-based foreign language courses, and 42 practice-based DX courses.

Hyundai Transys Internal Training Platform

Addressing Work Inefficiency

Hyundai Transys continuously improves organizational efficiency and productivity through ongoing work process innovation. As a result, we have significantly improved work processing speed, employee satisfaction, and overall operational efficiency. In particular, we simplified overseas business trip process—from six steps to just two—while enhancing traveler convenience through the implementation of an online reservation system. This also established a foundation for analyzing overseas travel data. Additionally, we strengthened communication workflows and resolved inefficiencies in identifying responsible personnel by systematically registering and managing individual work assignments through groupware and the e-HR system.



One-stop Overseas Business Trip Application

Real-time System/ Regulation Search

Improving Walking Efficiency for Inbound Operations

Digitalizing Equipment Manufacturing Specifications

Constant Updates of Assigned Work

Employee Working Conditions

Electrification Academy

We provide training for researchers from the P/T R&D Division to help them acquire new capabilities and strengthen practical skills in the electrification field. A total of 216 participants took the program, including 124 development-track researchers and 92 practical skills enhancement participants. Based on quantitative evaluation criteria, their understanding of electrification improved, with average scores rising from 1.3 to 3.12 points—an increase of 1.82 points. The completion rate reached 99.5%, up 0.1%p from the previous year. Moving forward, we plan to continuously expand business-specific curricula by introducing new courses and improving existing ones. To minimize learning gaps, we will provide pre-learning materials, support upskilling efforts for relevant departments, and optimize training schedules to enhance work relevance and further improve completion rates.

Electrification Academy Training Program

Course Category	Course Name
Fast track	Basic Electrification Intensive Course_(1) Electrical and Electronics
	Powertrain I
	Power Conversion Systems for Building Foundational Electrification Capability
	Powertrain II for Building Foundational Electrification Capability
Drive	Drive Motor and Core Component Design Practice
Transmission	Fatigue Strength Theory I
	NVH Analysis of Environmental Vehicle Drive Motor Electromagnetics
	Understanding Hybrid Transmissions
Electrification Control	Electrification-Specialized Vehicle Dynamics and Control
	Electrification Transmission System Configuration and Control

In-house Seat University

We offer education programs for researchers and responsibility researchers to foster key talent in seat R&D fields. Internal instructors and external experts participate, with 1,621 people taking courses as of 2024. We plan to continue fostering seat experts through future program expansion.

In-house Seat University Education Programs

Education	DFX Education	Foundational training on development processes required by Hyundai Motor Group
	In-house Job Training	Training for experts to enhance readiness for emerging technologies
	External Job Training	
	Humanities Seminar	Humanities Education
	Suppliers	Education on shared growth for Hyundai Motor Group companies and Hyundai Transys suppliers
Project Consulting		Consulting on projects under development

TADA Data Analysis Course for Internal Expert Development

We conducted two annual 8-week programs aimed at discovering problem-solving-type tasks using company-wide data to foster practical experts. A total of 21 participants completed the program. Our long-term goals include advancing the curriculum and expanding our pool of analysts.

* TADA(Transys Advanced Data Analytics)

Intensive Language Course

We operated intensive language courses in the first and second halves of the year to strengthen conversational skills for direct communication with English-speaking customers. A total of 11 participants who met entry criteria took part—6 in the first half and 5 in the second half. As a result of training, average SPA scores improved, with goal achievement rates of 33% in the first half and 40% in the second half. It marks a notable improvement over the previous year's average score increase and 0% goal achievement rate. Participants reported high satisfaction, particularly in terms of improved global communication skills and practical applicability.

ESG Capability Strengthening

We offer mindset training for general/research positions, focusing on the core concepts, importance, key words, and real-world cases across key ESG topics—ethics, human rights, safety, and the environment. To foster ongoing engagement, we also distribute monthly ESG newsletters and quizzes to all employees, encouraging continuous interest and participation in ESG initiatives.

2025 Monthly ESG Letter Education Topics

Time	Topic	Area	Quiz Participants
January	ESG-related Legal and Regulatory Trends	Common	228 persons
February	Child/Forced Labor Prohibition	Social	266 persons
March	Conflict Minerals and Cobalt	Social	269 persons
April	Biodiversity Protection	Environmental	286 persons
May	Deforestation Prevention	Environmental	305 persons

ESG Mindset Education Content

ESG General	• ESG concept, definition, and development • Why ESG is important ❶ Activation of ESG investments ❷ Statutory disclosure of ESG-related information ❸ Impact of ESG on business relationships
Ethics	• Concept, definition, and development of ethical management • The importance of ethical management • Cases of ethical management failures • Key areas of ethical management ❶ Anti-corruption ❷ Fair trade ❸ Cyber security • Principles for information protection •Hyundai Motor Group's Ethics Charter
Human Rights	• Concept, definition, and development of human rights management • The importance of human rights management • Cases of human rights management failures • Key areas of human rights management ❶ Human rights management elements ❷ EU supply chain audit laws ❸ Fundamental Act on Human Rights Policy • Hyundai Motor Group's Human Rights Charter
Safety	• Concept, definition, and development of safety management • The importance of safety management •Cases of safety management failures • Key areas of safety management ❶ Product quality ❷ Workplace safety • Serious Accidents Punishment Act •Best safety management practices
Environmental	• Concept, definition, and development of environmental management • The importance of environmental management • Key areas of environmental management ❶ Climate change ❷ Carbon neutrality ❸ Circular economy ❹ Biodiversity

Employee Working Conditions

Risk Management

Mid- to Long-term Road Map to Innovate Organizational Culture

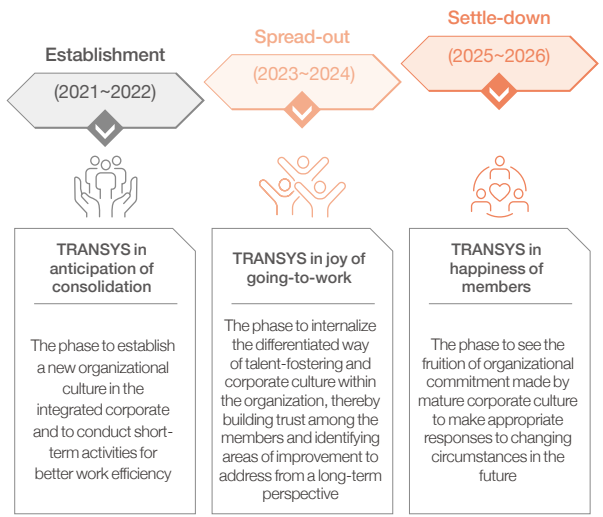
Hyundai Transys is driving organizational culture innovation as a component of ESG management for sustainable growth. Guided by a 5-year mid- to long-term road map, we focus on establishing a new organizational culture, strengthening work efficiency, and building trust among members.

- **Establishment Stage (2021):** We laid the foundation for transformation by introducing M365, announcing changes in work method, and building a foundation for digital collaboration.
- **Expansion Stage (2022-2023):** We expanded the digital collaboration culture across the company through M365 utilization education and workshops, driving meaningful changes within the organization.
- **Maturity Stage (2024-2025):** Looking beyond M365 utilization, we aim to establish a mature organizational culture that is adaptive to emerging challenges—driven by data-based performance measurement and continuous improvement. In this stage, we are placing work method efficiency at the core of our tasks, focusing on creating efficient work environments.

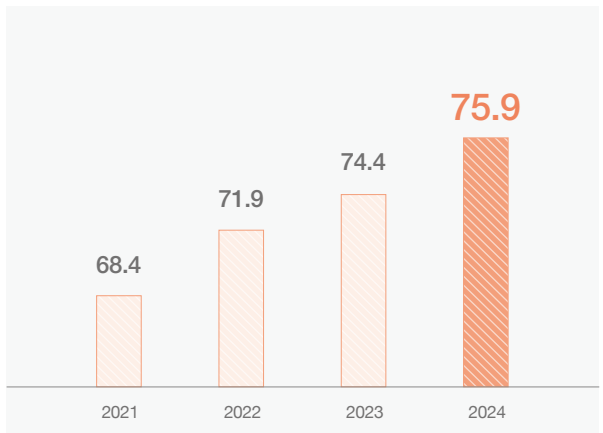
Organizational Culture Satisfaction Survey

Hyundai Transys conducts an annual organizational culture satisfaction survey targeting employees. This is part of our commitment to listening to diverse perspectives, identifying areas for improvement, and fostering a better organizational culture. Since 2023, we have strengthened the survey structure and diagnostic questions to enable more in-depth assessments. The survey focuses on core cultural elements such as collaboration, communication, and growth opportunities, allowing for deeper insights into the employee experience. Moving forward, we will continue to promote and enhance our organizational culture through active communication.

Mid- to Long-term Road Map for Organizational Culture



Organizational Culture Satisfaction Survey Result (Unit: score)



Organizational Culture-related Activities

Hyundai Transys operates various programs to create a positive organizational culture rooted in mutual respect and trust. In 2023, we hosted company-wide CHAIN·G Teams workshops to share best M365 practices and identified team-specific 'Teams' utilization improvement tasks. We also fostered internal M365 experts through facilitator (FT) development programs. In 2024, we expanded these efforts to the sales and quality divisions, delivering 1:1 M365 coaching focused on leader-level personnel. We further promoted a culture of utilizing 'Teams' by organizing division-led 'Team' utilization and sharing sessions. Looking beyond M365 utilization, we aim to establish a mature organizational culture that is adaptive to emerging challenges—driven by data-based performance measurement and continuous improvement. We remain committed to strengthening our organizational culture, striving to become a company where all members can work creatively and efficiently in an atmosphere of mutual trust and respect.

Leader Workshop

Employee Working Conditions

Benefits

Systematic Performance-Based Compensation System

Hyundai Transys conducts performance evaluations for all employees and operates a fair evaluation system based on individual performance. Basic living wages are determined through a comprehensive review of national and international economic conditions, market conditions, and overall business performance. Evaluation outcomes are directly linked to compensation, ensuring that individual efforts are fairly rewarded, thereby enhancing motivation. Particularly for leader positions, we implement multi-rater evaluations to incorporate feedback from various evaluators. Following the evaluation, we promote understanding and acceptance by providing clear rationale, along with personalized development feedback and capability enhancement plans through interviews. Additionally, Hyundai Transys strictly complies with minimum wage regulations and works to prevent gender-based wage discrimination. Through these efforts, we promote gender equality and remain committed to the continuous development of employee development.

Performance Evaluation Process

Setting a goal	Interim check	Self-evaluation	Superior evaluation	Feedback meeting
Above team leaders	Above team leader adjusting goals after interim check	Above team leader measuring level of achievement to goal	First and second evaluations	Conduct team leader - member feedback meeting

Living Wage Review and Improvement Efforts

We review and improve living wage levels each year to support our employees in leading stable lives within their local communities.Through this process, we monitor the appropriateness of employee wage levels by factoring in regional living costs and economic conditions, and we are gradually implementing measures to narrow the gap between living wages and actual wages paid.

These reviews are conducted as part of our annual standard processes and are reflected in HR and welfare policies, contributing to the tangible improvement of employees' quality of life. Hyundai Transys remains committed to creating a work environment where all employees are respected and empowered to grow in sustainable ways.

Flextime

Hyundai Transys operates flextime, enabling employees to autonomously set efficient work schedules aligned with their job characteristics. Employees in eligible job categories can set their commuting times and daily working hours within a defined time band, provided they are present during mandatory core hours. For general (domestic) positions, a flexible approach is applied: employees concentrate work during high-focus periods while ensuring complying with monthly prescribed working hours, and limit their time to essential collaboration hours during other periods. This system enhances employee autonomy and engagement, supporting high performance.

Retirement Pension

Hyundai Transys operates a retirement pension scheme for all employees to support a stable post-retirement life. To ensure financial stability, retirement funds are accumulated externally, and we provide education on pension products to help employees make informed decisions and effectively plan for their retirement.

Support for Work-Life Balance

Hyundai Transys operates various family-friendly systems to help employees maintain a healthy work-life balance and improve their quality of life. During pregnancy and childcare periods, we provide maternity leave, childcare leave, and working hour reduction systems, along with on-site daycare centers to help ease childcare responsibilities. We also operate various welfare systems that promote life stability and health protection including housing and financial support, psychological counseling, physical therapy programs, medical expense assistance, and group accident insurance. Hyundai Transys promotes sustainable ESG management by fostering a workplace environment where employees can secure sufficient family time and stay focused at work, achieving true work-life harmony.

infertility treatment expenses

- Health checkups and medical expense
- Fitness facility
- Enrollment of group accident insurance
- Meal support
- Financial support for infertility treatment

Family

- Family event support
- Educational expenses and gifts for children
- In-house daycare center

Life

- Subsidizing moving expenses and vacation caused by long-distance personnel appointments
- Housing support with dormitory (company housing)
- Commuting bus
- Providing work clothes and safety boots for manufacturing workers

Finance

- Loans for employees (housing, automobile, marriage)
- Discounts in purchasing Hyundai/Kia vehicles

Culture

- Reserving hotel/resort in Korea with company's membership
- Expenses for club activity
- Expenses for cultural events

Others

- Points credit for employee shopping malls
- Holiday/vacation expenses support
- Snacks

Employee Working Conditions

Metrics & Targets

Hyundai Transys systematically manages education effectiveness and employee satisfaction by applying quantitative indicators, such as overall satisfaction and knowledge improvement, measured against course-specific learning objectives. We collect and analyze learner feedback after each training program to identify improvement areas for enhancing education quality and learning outcomes. Based on these insights, we continuously advance our company-wide education systems. In 2025, we plan to strengthen educational content aimed at enhancing organizational engagement and improving strategic work methods, with 'leadership for change execution' as a central theme. These efforts aim to drive meaningful change that translates into practical workplace application. In parallel, Hyundai Transys recognizes that psychological stability and emotional wellness are essential for sustainable organizational performance. We are therefore expanding mental health support systems, with a focus on counseling, healing, and preventive care.

Working Conditions-related KPIs

Education-related KPIs

*Data Scope: Domestic plants

Category	Unit	2022	2023	2024
Training Hours per Person	Hour	117.8	137.1	110.1
Total Training Costs	KRW million	1,951	3,770	3,945

Major Training Program Results

*Data Scope: Domestic plants

Education Title	Completion/Target Participants	Satisfaction
Onboarding Training for Experienced New Hires	70 persons/72 persons	4.28 points/5 points
Electrification Academy Training	198 persons/201 persons	4.22 points/5 points
In-house Course for New Team Leaders	18 persons/19 persons	4.9 points/5 points
Intensive Language Course	11 persons/11 persons	4.4 points/5 points

Training Program	Participants	Period
Electrification Academy Training	216	Jun 24 – Dec 4, 2024
Intensive Language Course	6	May 16 – Jun 28, 2024
2024 Job Coaching for New Employees	New Employees: 89	Apr – Dec 2024
TADA Data Analysis In-house Expert Training Program (4th & 5th Cohorts)	4th Cohort: 10, 5th Cohort: 11	4th Cohort: Jan 15 – Mar 8, 2024 5th Cohort: Jul 22 – Sep 6, 2024

Human Rights Management-related KPIs and Other Indicators

Category	Unit	2022	2023	2024
Organizational Culture Score	point	71.9	74.4	75.9
Female Basic Salary and Compensation Ratio Compared to Male	%	100	100	100

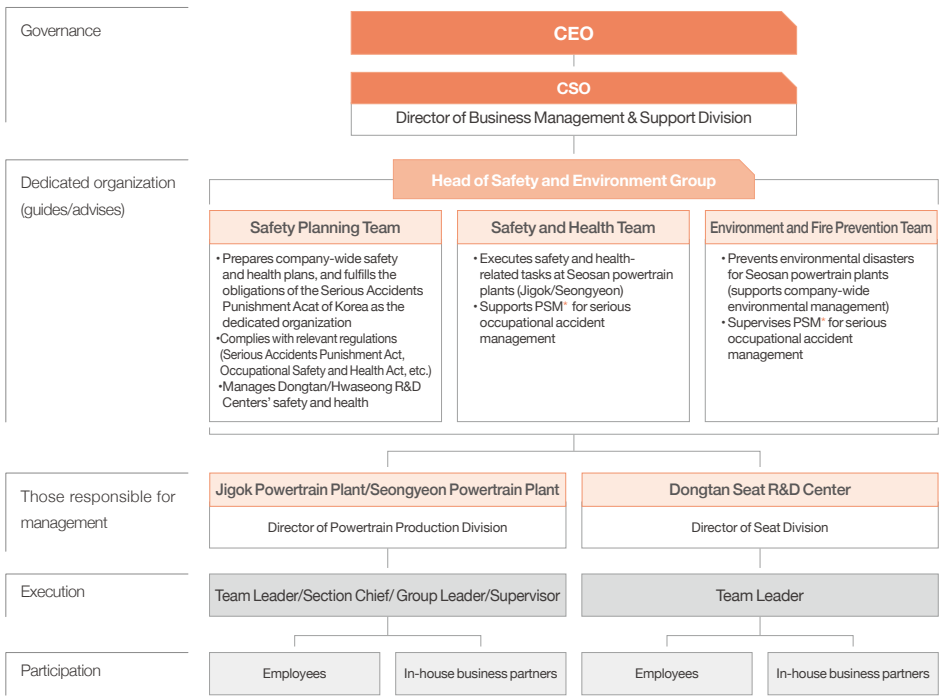
Workplace Safety and Health Management

Governance

Organizations Dedicated to Safety and Health Management

As awareness of occupational safety and health increases and regulations such as the Serious Accidents Punishment Act become more stringent, corporate responsibility for employee safety is being increasingly emphasized. Accordingly, Hyundai Transys has established safety and health policies and safety management strategies aimed at creating safe workplaces. We are implementing these policies and strategies to ensure effective safety and health management throughout the organization. Hyundai Transys sets annual safety and health goals and systematically monitors performance. We pursues various activities focused on managing safety risk factors and internalizing a company-wide safety culture. Our safety and health management scope extends beyond our domestic and overseas plants to include our suppliers. We have established specialized organizational systems, led by the Chief Safety Officer (CSO), responsible for company-wide safety oversight and on-site safety. Leveraging these dedicated systems, we rigorously implement safety management, enhance employee safety awareness, and conduct safety and health risk assessments and controls.

Governance for Safety and Health Management



* Process Safety Management (PSM) (heat treatment, boiler)

Strategy

Management Policy

Hyundai Transys has revised its safety and health policies, reflecting management's commitment to a safety-first approach.The policy aims to protect the lives and health of all employees and to realize 'accident-free, eco-friendly workplaces' through the internalization of a safety culture.

To this end, we strictly comply with all relevant safety and health laws and regulations and have strengthened prevention-focused safety management systems across all plants. Starting in 2024, we reinforced our safety goals and are continuously advancing field-centered safety activities, expanding employee engagement and strengthening safety leadership to fulfill these goals.

Hyundai Transys' Safety and Health Strategies

Comply with safety and health laws

Comply with safety and health-related laws and regulations, other restrictions, and requirements

Minimize the emission of environmental pollutants

Minimize the emission of environmental pollutants and contribute to eco-friendly activities by efficiently using energy resources

Minimize harmful risk factors

Create safe and pleasant workplaces by minimizing safety and health risk factors

Maximize performance

Maximize performance through employee engagement and consultation in all stages, including safety and health planning, implementation, and evaluation

Enhance reliability

Enhance corporate reliability by disclosing safety and health measures and performance data to stakeholders

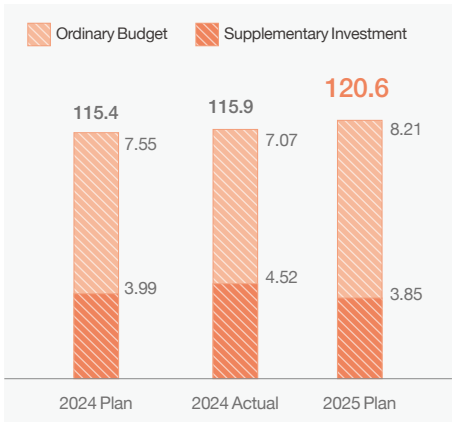
Workplace Safety and Health Management

Strategy

Safety and Health Budget

We have strengthened our budget planning and execution processes by advancing company-wide safety and health budget management systems. Monthly performance monitoring is conducted to address difficulties in safety and health budgeting and performance compilation, especially for production departments, as well as for the dedicated team. We have reorganized the departments responsible for reviewing safety and health investment plans, approving these plans, and managing related costs into the dedicated team. In 2024, investment performance showed an increase in supplementary funding compared to the original plan, while ordinary budget allocations for safety education, health checkups, and safety equipment inspections decreased. For 2025, the safety and health budget will be increased by 5% compared to the 2024 plan and by 4% compared to the 2024 actual spending, to actively support prevention-centered initiatives such as risk prevention, field safety improvement, and consulting services.

2024 - 2025 Budget: Planned and Actual (unit : KRW billion)



(unit : KRW billion)

2025 Budget Items	Amount
Safety Equipment Improvement	KRW 7.84 billion
Checkups and Health Promotion	KRW 2.05 billion
Statutory Inspections and Inspection Management	KRW 830 million
Consulting, etc.	KRW 450 million
Protective Equipment	KRW 530 million
Education/Training	KRW 360 million

Safety and Health Management System

Hyundai Transys has acquired ISO 45001, the international standard certification for safety and health management systems, achieving 100% certification across all four domestic plants, and 89% certification for overseas plants (16 out of 18 plants, with certification for the Indonesia and Savannah plants scheduled for 2025). Based on the ISO 45001 standards, all employees and value chain workers are managed under a unified safety and health management system.

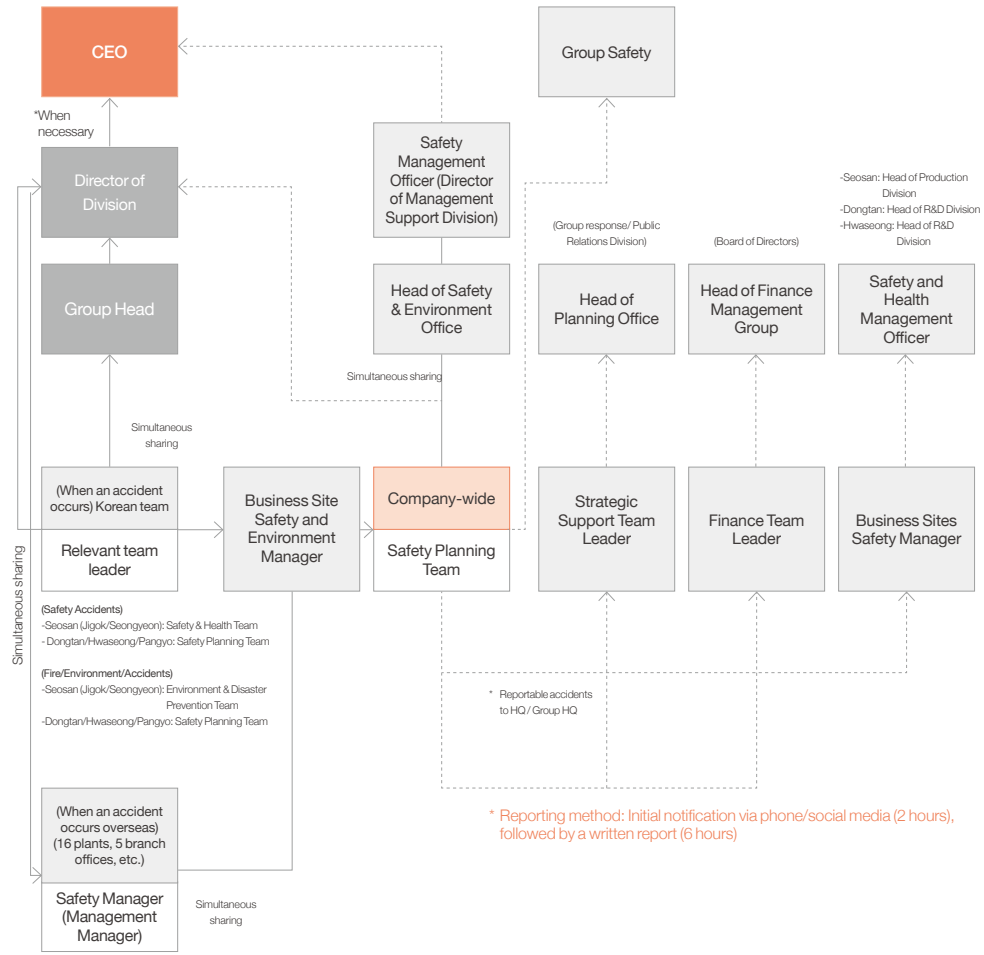
ISO 45001

Risk Management

Safety incident Reporting Process

Hyundai Transys has built a process requiring the team leader involved in an accident to promptly communicate with their safety manager and the safety planning team. The incident is then reported to the Head of Office and Head of Division, and, when appropriate, escalated to the CEO in accordance with reporting standards to ensure immediate action is taken.

Major Disaster Response System



Workplace Safety and Health Management

Management's Safety Inspections

Hyundai Transys prevents safety incidents through monthly safety inspections led by management, including the CEO, and ensures thorough implementation of managerial supervision. Risk factors are addressed and mitigated through labor-management cooperation. These efforts are further expanding into company-wide initiatives to strengthen the substance of safety and health systems, promote employee participation, raise safety awareness, and enhance information sharing across the organization.

CEO's Safety Inspection

Self PSM (Process Safety Management) Audit

Hyundai Transys' plants conduct self PSM audits to discover problems and implement improvement measures, aiming to prevent and proactively manage serious industrial accidents. At both the Jigok and Seongyeon Plants, we conduct semi-annual self-audits based on 162 PSM audit items announced annually by the Ministry of Employment and Labor, consistently maintaining an S-grade rating.

Interviews with responsible personnel

Document review

On-site inspection

Establishing countermeasures

Category	First Half	Second Half
Training	Risk minimization training to prepare for emergencies such as workplace safety incidents (CPR and defibrillator training)	Fire emergency and evacuation drills
Method	Theoretical instruction and hands-on practice (group-based training)	Emergency scenarios developed by organization → firefighting and evacuation drills

CPR and Defibrillator Training

Fire Emergency Drill

New Installation of SHE Training Center

Our Jigok Plant developed 10 safety experience programs to allow employees to indirectly experience various types of safety incidents. These programs are designed to raise risk awareness, promote compliance with safety rule, and ultimately contribute to reducing safety incidents.

SHE Training center

1. Lectures on theory
2. Experiencing accidents through VR
3. Personal protective equipment (PPE)
4. PPE impact simulation
5. Health zone
6. Safety and health signs
7. Fire extinguisher experience
8. Experiencing three types of hazard point
9. Conveyor Entrapment
10. Guide to Environmental Accidents

Category	Training Content
At all times	• Targeting general/technical positions at the Seosan Plant • About 6 trainees per session (90 minutes/session) ※54 participants complete per week (10 sessions per week)
New hires	• Separate sessions are open whenever new hires join the company • Linked to the onboarding program for general/research positions
As per plan	• Continuously expanding the target trainees - Construction companies, TRANIX, etc.

Workplace Safety and Health Management

Monthly Safety Working Group Meeting

We operate a monthly safety working group meeting to strengthen the safety competencies of team-level safety managers and elevate on-site safety management standards. This initiative fosters effective communication between safety organizations.

Category	Education Content
Safety Policy	• Sharing internal regulations, systems, and issues • Inspection of the implementation of major safety measures
Team Activities	• Sharing team-specific safety performance and activities - Team-specific safety activities, improvements, and incidents
Capability Building	• Safety working group workshops (twice a year) - External lecturers' safety skill-up training - Sessions to collect feedback on improving on-site safety morale and mitigating accidents • Benchmarking and best practices sharing of industry peers and best-in-class companies (annual)

TBM Operations

We are strengthening the effectiveness of TBM by producing practical guide videos, installing banners, having supervisors perform on-site coaching, and distributing informational leaflets for each shift.

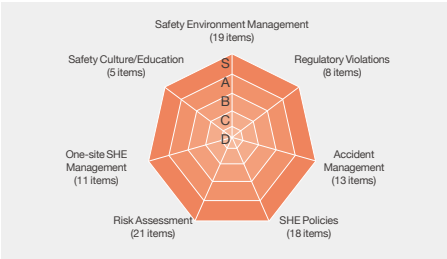
Strengthening Support for Supplier Safety

Moving away from simple inspection methods, we revised metrics for 87 inspection items—including safety environment management, regulatory violations, accident management, SHE policies, risk assessment, one-site SHE management, and safety culture/education—to strengthen the substance and effectiveness of safety management for suppliers through professional consultants.

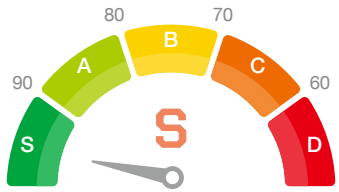
T-SCLA (Transys-Safety Culture Level Assessment) Program Operation

We have developed a program to assess the maturity level of our safety environmental culture. The program marks a strategic shift from a performance indicator-focused approach to a leading indicator-based management system, with an emphasis on incident prevention. The program measures and assigns grades across 87 items spanning seven fields: safety environment management, safety culture and education, on-site SHE management, risk assessment, SHE policies, accident management, and regulatory violations.

Field-specific Grades



Overall Grade (Example)



Team's Safety Culture Level

Assessment Score: **99.9**points

Survey on Safety Awareness Level

We conducted a survey on PDCA factors across four areas—safety values, safety operations, safety education, and safety communication—to assess the overall level of employee safety awareness. The results revealed notable perception gaps between the safety department and general employees, particularly in the areas of safety values and the effectiveness of safety education. Based on these findings, we plan to carry out in-depth analysis of the identified factors and implement targeted improvements for items scoring below average.

Education on On-site Safety Communication

We conducted a survey on individual safety communication tendencies targeting 178 field technical leaders. Based on the results, we grouped trainees by communication tendency and provided hands-on, customized training aimed at enhancing safety awareness.

Equipment Safety Inspection and Audit

We regularly inspect hazardous or risky machinery, apparatus, and equipment in compliance with the "Voluntary Inspection Programs" defined in Article 98 of the Occupational Safety and Health Act to identify and mitigate potential hazards.

- **Jigok Plant:** All 21 units of equipment passed inspection. Full improvements were implemented for all 16 cases where recommendations for improvement were made.
- **Seongyeon Plant:** Of the 29 units inspected, 28 units of equipment passed inspection, and 1 that failed underwent immediate and complete improvement. Other four cases where recommendations for improvement were made underwent complete improvement.
- **Dongtan and Hwaseong R&D Centers:** Of the 117 units of equipment, 7 failed inspection and 5 received recommendations for improvement. These 12 units underwent complete improvement.

Workplace Safety and Health Management

Risk Assessment

Hyundai Transys conducts risk assessments twice a year—once in the first half and once in the second half. Through this, we aim to analyze hazards within our plants to lower risk levels and improve safety and health levels. In 2024, we discovered a total of 7,771 hazards, including 285 classified as unacceptable, with risk levels of 9 or higher. We have already completed improvements for 246 cases (86%) and are implementing phased measures for the remaining cases. For all identified hazards, we have established detailed improvement plans categorized into short-term and mid-term measures, and regularly monitor the implementation status of each plan.

In the second half of 2024, we conducted a risk assessment alongside implementation monitoring to review the effectiveness of improvements and pursue additional measures. The results are shared with all employees via online and offline bulletin boards to raise awareness of workplace safety. Hyundai Transys will continue striving to create safe and healthy work environments through regular assessments and employee participation-driven improvement initiatives.

(Unit: case)

Category	Hazards Assessed	Risk Level 1 - 8 points	Risk Level 9+ points	Improvement Progress			
				Completed	In Progress	Improvement Rate	Improvement Deadline
Jigok Plant	2,131	1,923	208	194	14	93%	Q3 2025
Seongyeon Plant	608	563	45	45	-	100%	-
Hwaseong R&D Center	3,781	3,753	28	26	2	92%	Q3 2025
Dongtan R&D Center	1,251	1,247	4	4	-	100%	-
Total	7,771	7,486	285	246	20	93%	-

Potential Risk Discovery

We systematize the discovery of potential risks through a mobile system, T-SHE (Hyundai Transys Safety Health Environment System), and proactively manage risks by displaying QR code signs in key locations.

QR Code for Potential Risk Discovery

Safety and Health-related Grievance Handling System

Hyundai Transys convenes the Occupational Safety and Health Committee on a quarterly basis to actively address grievances related to safety and health management. Additionally, we proactively identify potential risks in the field by gathering employee feedback and carry out systematical improvement activities through in-house supplier councils and joint inspections.

Occupational Safety and Health Committee

We regularly convene the Occupational Safety and Health Committee to promote employee engagement in safety and health communication and safeguard worker rights. We also collect employee feedback on potential safety and health risks through the ongoing operation of the T-SHE system. Hyundai Transys will continue to strengthen the safety of work environments by proactively identifying field-level risk factors through open communication with employees and suppliers and pursuing swift, and thorough improvements.

Operation of the Occupational Safety and Health Committee

Frequency	Quarterly
Employer Representatives	Safety and Health Officer and safety executives/team leaders
Worker Representatives	Labor union branch leaders/vice branch leaders and labor safety and health managers
Major Agenda Items	• Conducting a risk assessment in 2023 • Introducing a regular safety education system • Introducing the Voluntary Inspection Programs to inspect hazardous or risky machinery, apparatus, and equipment • 2024 action plans for safety and health management

In-house Supplier Council and Joint Inspections

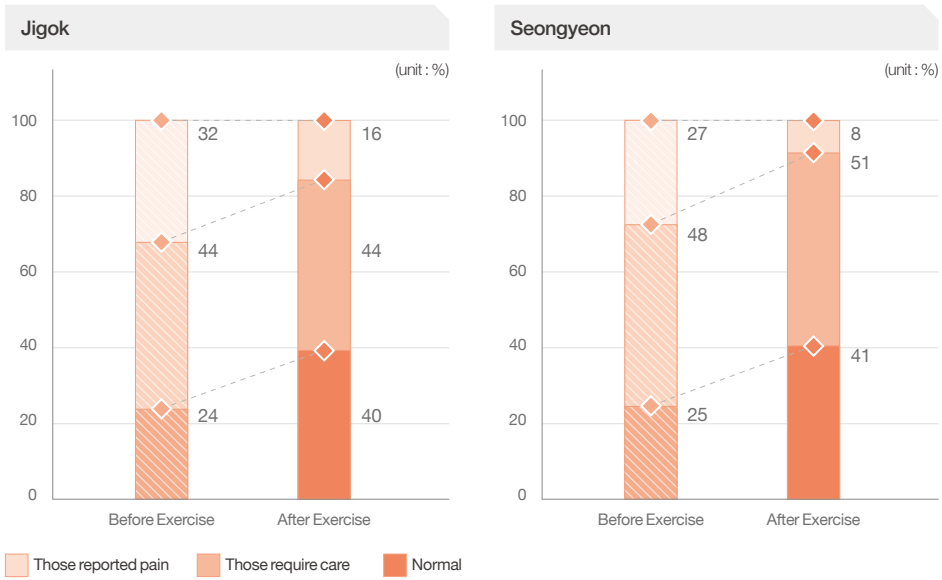
Through the in-house Supplier Council and joint inspections, we completed improvements for 291 (99%) out of 293 identified cases with 2 cases currently in progress. Hyundai Transys is committed to practicing safety and health management by actively handling grievances related to safety and health of both its employees and in-house supplier personnel.

Workplace Safety and Health Management

Employee Health Management Programs

1) Physical Exercise Program for Musculoskeletal Disease Prevention

Hyundai Transys operates physical exercise programs to prevent musculoskeletal disorders and support employee health recovery. These programs comprise three categories: for employees experiencing pain during work, for those with mild conditions requiring regular exercise, and for whose with severe conditions needing rehabilitation. Implementation of these programs has led to a reduction in both musculoskeletal pain intensity and the number of employees reporting pain.



2)Smoking Cessation Program

We create a smoke-free environment across our plants and operate smoking cessation clinics. In 2024, the Jigok Plant achieved a 46% cessation success rate (12 out of 26 participants), and the Seongyeon Plant achieved a 38% (10 out of 26 participants). In the first half of 2025, a total of 39 employees participated in the program.

3)Cardiovascular Disease Prevention Campaign

We provided education on daily lifestyle guidelines related to cardiovascular disease and increased awareness by helping employees understand their individual vascular conditions through blood pressure and blood sugar measurements. These efforts aim to foster a culture of continuous personal health management.

Cardiovascular Disease Prevention Campaign

Workplace Safety and Health Management

Metrics & Targets

Hyundai Transys sets annual safety and health goals, implements targeted activities, and monitors outcomes. In particular, we aimed to reduce both accident and absence rates by 10% compared to the previous year's targets. Our safety and health objectives also include building a safer workplace through serious incident management, compliance with safety regulations, risk minimization, and outcome sharing. In 2024, we strengthened our safety indicator management systems by introducing additional indicators—TRIR (Total Recordable Injury Rate) and OIFR (Occupational Illness Frequency Rate—alongside the existing LTIFR (Lost Time Injury Frequency Rate). With this, we now track three key safety indicators, enabling more systematic accident prevention efforts. Furthermore, we are strengthening the operation of organizational safety KPIs to drive following improvements.

Major Achievements

2023
5% reduction in accident and absence rates compared to the previous year

2024~2025
10% reduction in accident and absence rates compared to the previous year

Expanded Operation of ESG Safety Indicators

- Introduce additional indicators—TRIR and OIFR—in 2024, alongside the existing LTIFR.
- Measure not only accident frequency but also the severity of each incident and organizational safety levels from multiple angles.

Increase in the weighting of the CSO's safety assessments

- In 2024, we raised the weighting of the CSO's safety assessments from 5% to 10%.

Introduction of T-SCLA Indicators

- Reflecting results of T-SCLA—an assessment of internal safety culture levels—in KPIs
- Plans to advance the assessment system—including the revision of the assessment checklist—in 2025

Key safety indicators

*Data Scope: Domestic plants

Items		2024 Performance	2025 Target
Serious Accidents	Employee fatalities	0	0
	Supplier fatalities	0	0
Safety Incidents	Accident rate	97.01%	87.31%
	Absence rate	12.97%	11.67%
Laws and Regulations	Safety and health standard establishment/ revision	Completed consulting on safety and health documentation	Normal operation of the safety system
	Prompt response to regulatory changes	Enhanced consulting on applicable laws	Quarterly monitoring of regulatory changes with four rounds of field application
Hazards Minimization	Risk discovery by departments	111 cases discovered 109 cases improved	Discovery of 100+ cases 103+ cases to be improved
	Potential risk discovery	246+ cases	Discovery of 220+ cases
	Mitigation of potential risks	240+ cases	209+ cases to be mitigated
	Reinforcing safety through pre-work risk prediction activities	On-site coaching on TBM operation methods	Establishment of safe work procedures for non-routine work
	Emergency drills by organization	First half – emergency response drills Second half – fire drills	Emergency response drill, once per half-year period
Outcome Sharing	External: safety information provision	Sustainability report publication	Sustainability report publication
	Internal: safety goal/performance sharing	Safety and health goal/ performance sharing	Safety and health goal/ performance sharing

Sound Labor-Management Relations

Governance

Labor-Management Relations

Hyundai Transys guarantees the rights of association, collective bargaining, and collective action, and is committed to fostering cooperative labor-management relations based on mutual understanding and trust. To this end, we operate diverse communication channels between labor and management, share management performance, address employee grievances, and discuss working conditions to promote workplace harmony. Additionally, dedicated organizations are in place to systematically manage labor-management relations.

Response and Management System Supporting Labor Unions and Guaranteeing Freedom of Association and Collective Bargaining

Hyundai Transys supports labor union activities and guarantees their independence stipulated by law. We maintain continuous communication channels with labor unions and actively promote two-way dialogues. We also conduct regular collective bargaining with labor unions, including annual wage negotiations and biennial collective bargaining. Dedicated organizations are established to support and respond to these bargaining processes. The terms of concluded collective agreements apply not only to union members but to all non-member employees. We provide 70 days' advance notice of significant management changes1) and conduct prior consultations with labor unions on key issues, strengthening trust-based labor-management relations.

1) Such as corporate division, merger, transfer, and sale

Metrics & Targets

To strengthen labor-management communication, we plan to maintain regular council operations and continuous communication channels, thereby fostering cooperative labor-management relations built on mutual trust.

*Data Scope: Domestic plants

Category	Unit	2022	2023	2024	2025
Collective Bargaining Coverage	%	100	100	100	100

Strategy

Communication Activation Education

Hyundai Transys conducted communication training under the themes of "meeting, companionship, communication in harmony" to foster positive relationships among employees and strengthen interpersonal bonds through effective communication and harmony. In 2024, a total of 28 sessions were held for 1,520 employees working at the Jigok Plant. The program included outdoor activities such as rowing and running to naturally encourage communication and collaboration among participants.

Communication Event for Technical Leaders

We hold annual communication events for technical leaders to share the company's business status, establish unified management standards, and gather feedback on grievances and suggestions from field managers. We plan to continue organizing various communication events to activate communication among technical leaders and build stronger mutual relationships.

Overseas Training Support

Hyundai Transys supports an overseas training program for selected employees from the Jigok and Seongyeon Plants. The program includes visits to its overseas plants and cross-cultural experiences. The program selects 40 participants for each of its seven sessions. In 2024, a total of 240 employees took part in this program.

Diversification of Communication Channels (Newsletters and Briefings)

In 2025, we began publishing a series of on-site newsletters at the Seosan Plant. The newsletters consist of three types: Transys Topics, focused on internal news (twice monthly); Transys Life, covering external news (once monthly); and Transys Leader, tailored for technical leaders (once monthly). These publications serve to promote regular labor-management communication. In addition, we hold quarterly management briefings to maintain healthy labor-management relations.

Risk Management

We are committed to fostering a win-win labor-management culture and strengthening a communication-driven organizational culture for sustainable growth. To build a foundation of mutual trust, we operate regular councils and gather employee feedback through diverse communication channels to promote understanding and empathy within the organization. We are also enhancing grievance-handling channels to ensure prompt identification and resolution of workplace issues, while expanding participatory programs to cultivate a healthy culture of communication and collaboration.

Communication Boosting Activities

Open Up! Transys

Rowing Experience

Mindfulness Meditation

Hyundai Transys' National Team
(Rain, Cold Weather)

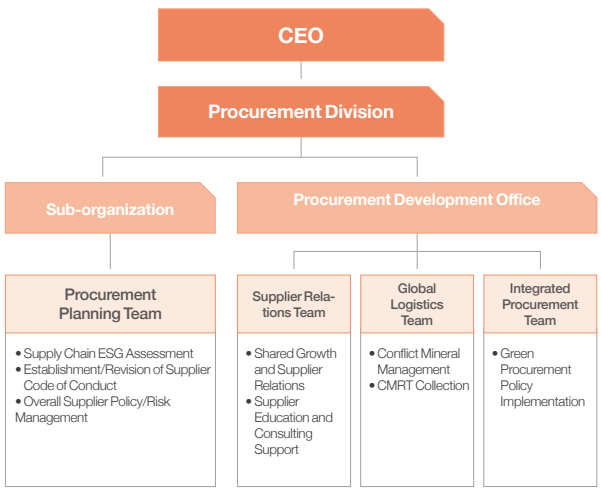
Tasting Square

T-Express

Supply Chain ESG Management

Governance

Hyundai Transys operates a supply chain management system focused on establishing mid- to long-term operational strategies, responding to emerging issues, enhancing ESG performance across the supply chain, and fostering win-win partnerships and mutual growth with suppliers. Through these efforts, we ensure the stable supply of powertrain and seat components to domestic and overseas OEM plants while building a sustainable supply chain system. In response to increasingly stringent global supply chain due-diligence regulations, we are establishing robust supply chain ESG management systems, led by the Procurement Planning Team within the Procurement Division. Relevant ESG performance and status updates are regularly reported to management. Additionally, the Supplier Relations Team actively pursues mutual growth by conducting supplier education programs and support projects. The Global Logistics Team operates conflict mineral management processes to monitor related supplier issues and ensure responsible sourcing. This includes obtaining recurrence prevention pledges and embedding these processes into procurement policies to prevent unethical mining. Meanwhile, the Integrated Procurement Team applies a green procurement policy that prioritizes products certified under green procurement standards.



Strategy

Hyundai Transys is building sustainable supply chains through responsible sourcing, enhancement of supply chain ESG capabilities, and the promotion of a shared growth culture establishment. Core suppliers are selected based on key criteria such as transaction volume, technological competitiveness, and irreplaceability. These suppliers are prioritized for strategic collaboration and ESG improvement initiatives. As of 2025, Hyundai Transys trades with a total of 728 domestic and overseas component suppliers, designating 32 of them as core suppliers to reinforce ESG evaluation and improvement activities, as well as to establish joint response systems.

Supplier Code of Conduct

Hyundai Transys has established a Supplier Code of Conduct that outlines key ESG responsibilities, including ethics, environmental protection, labor and human rights, and safety and health, to clarify suppliers' accountability and roles. In 2024, the Code was revised to align with global supply chain due-diligence regulations, relevant laws, and trends. It is publicly disclosed on our website to ensure accessibility for all stakeholders. Based on this Code, we require major suppliers to build ESG management systems and conduct regular assessments to monitor implementation and drive improvements.

ESG Strategies for the Supply Chain

Securing a sustainable supply chain and enhancing future procurement competitiveness through responsible material sourcing and the establishment of an ESG management system for business partners

Responsible material sourcing	Securing the ESG capabilities of the supply chain	Establishing a culture of shared growth
Eco-friendly procurement policy • Establishing a green procurement policy • Expanding the application of green procurement	**Providing ESG education for partner companies** • Supplier Code of Conduct • Operating ESG training programs for business partners	**Expanding shared growth policies** • Implementing the Shared Growth Program (PARTNer) • Strengthening communication channels with business partners
Conflict minerals policy • Managing conflict minerals of partner companies • Declaring compliance with responsible minerals procurement	**ESG assessment system for partner companies** • Expanding ESG assessments of business partners globally • Executing ethics/safety assessments when registering a company as a new partner	**Supporting enhanced business partner competitiveness** • Providing opportunities for overseas market expansion and sales growth • Implementing occupational safety and technical support projects

Ethics
- Transparent management and anti-corruption
- Prevention of conflict of interest
- Prevention of unfair trade
- Prevention of counterfeit parts
- Compliance with export restrictions or economic sanctions
- Information protection
- Protection of intellectual property
- Responsible material procurement

Environmental
- Establishment of an environmental management system
- Energy use/GHG emission management
- Water resource management
- Air pollutant management
- Circular resource and waste management
- Chemical substance management
- Animal welfare
- Biodiversity protection and anti-deforestation

Labor and Human Rights
- No child labor
- No forced labor
- No discrimination, no bullying
- Wage and benefit provision
- Working hour management
- Humane treatment
- Guaranteeing freedom of association
- Ethical recruitment
- Protection of intellectual property
- Responsible material procurement

Safety and Health
- Development of a safety and health management system
- Safe management of machinery, equipment, and facilities
- Emergency response
- Accident management
- Safety audits
- Health management
- Subcontractor safety and health

Management Systems
- Corporate information disclosure
- Manager appointment
- Risk assessment/inspection
- Education and communication
- Information management
- Grievance handling system operation
- Putting remediation mechanisms in place
- Clients and sub-suppliers management
- Compliance with norms

Supply Chain audit
- Transparent management and anti-corruption
- Prevention of conflict of interest
- Prevention of unfair trade
- Prevention of counterfeit parts
- Compliance with export restrictions or economic sanctions
- Information protection
- Protection of intellectual property
- Responsible material procurement

Supply Chain ESG Management

Shared Growth

Hyundai Transys strives to establish fair subcontracting practices based on fair trade agreements and relevant laws to promote win-win partnerships and mutual growth with suppliers.

We actively pursue fair supplier selection and registration processes, conclude contracts that support win-win cooperation, and comply with requirements for documentation and record retention. In addition, we have established and operate an internal deliberation committee to review subcontracting practices. These efforts reflect our ongoing commitment to building a transparent management culture based on fair trade.

Establishment of Fair Trade Order

Fair Subcontracting

Supplier Relations

Support for Corporate Development

To enhance supplier competitiveness and support sustainable management, we operate integrated support programs focused on overseas market development.These include phased, customized initiatives such as online overseas buyer consultations, overseas exhibitions, trade missions, and financial support for product localization efforts. Additionally, we operate performance-sharing systems to align with suppliers on common goals and foster sustainable growth together.

Support for Business Continuity

We operate shared growth funds totaling KRW 79 billion to support our suppliers' liquidity, with all payments under KRW 100 billion to small and medium-sized suppliers are paid in cash. We also maintain timely payment systems, including payments before national holidays and early disbursement for development costs. Furthermore, we have introduced the Shared Growth Payment System to help secure liquidity for Tier 2 and 3 suppliers by facilitating stable fund flow through Tier 1 suppliers.

Communication Channel (Network) Operation

Corporate development support (Progress)

- Provide support for participation in overseas exhibitions
- Hold consultation sessions for overseas online procurement
- Provide support for products' local adaptation costs
- Operate a system for sharing the achievements made

Corporate survival support (Assistance)

- Operate the Shared Growth Fund
- Provide direct financial support
- Operate a payment system for coexistence
- Early payment for holiday supplies
- Early payment of development costs

Communication channel establishment (Network)

- Provide on-site services
- Operate a shared growth portal/mall
- Provide welfare support
- Operate a shared growth scoring system
- Hold meetings to disseminate the shared growth achievements

Technology support (Technology)

- Hold exhibitions and seminars on new technologies
- Visit overseas subsidiaries and plants
- Provide patent and technology data bailment
- Provide support for production and process improvements to our partner companies
- Operate a proposal system

Capacity enhancement support (Reinforcement)

- Provide training for enhancing job competencies (quality, research, sales, and safety)
- Provide training on Free Trade Agreements (FTAs) and customs refund
- Provide educational programs for children of business partner employees
- Hold seminars for overseas business expansion strategies
- Provide consulting support from specialized institutions (ESG, quality, safety, and business management

Supply Chain ESG Management

Support for Capability Building

We provide hands-on training to foster industrial masters, enhanced leadership, and improve understanding of the Serious Accidents Punishment Act and ESG management, thereby enhancing the capabilities of supplier employees. We also offer educational programs on automotive technology, coding, and robotics for suppliers' children to support family-unit learning in parallel. To strengthen management capabilities, we offer comprehensive support for suppliers through ESG management consulting, safety and health consulting, industry-specific technical guidance, and seminars on global expansion strategies.


Challenge! Junior Automotive Engineers

Technical Support

We support our suppliers in enhancing productivity and safety by funding for smart factory construction, providing energy-saving solutions, and facilitating fire safety inspections and training. Additional support is also provided to outstanding suppliers to further advance their industrial safety. Furthermore, we operate a technical data bailment system to safeguard suppliers' technologies and pursue trust-based technological cooperation through a patent licensing system that grants free access to our patents.

Selected as Best Company in Shared Growth

Hyundai Transys was selected as "The Most Honorable Company in Shared Growth" after receiving the highest grade in the Win-Win Growth Index of the Korea Commission for Corporate Partnership for ten consecutive years. This achievement reflects our ongoing commitment to the collaboration for mutual growth with suppliers, and we will continue to actively promote mutual growth activities to realize the values of mutual growth.

Most Honorable Company Award Ceremony

Communication Channels

We operate on-site 'Visiting Services' to listen to suppliers' voices, provide tailored feedback, and deliver practical solutions, fostering effective communication and building stronger trust-based relationships. We also host an annual 'Partners Day' to share mutual growth strategies and discuss cooperation measures with our suppliers. In 2024, a total of 108 supplier representatives participated, during which we presented our future strategies and key initiatives, and recognized outstanding suppliers—further reinforcing strategic cooperation. Going forward, Hyundai Transys will continue to strengthen the foundation for shared growth through diverse communication channels and lead the creation of a sustainable supply chain ecosystem.

Partners Day

Supply Chain ESG Management

Risk Management

Supplier Evaluation and Selection

Hyundai Transys mandatorily conducts ethics evaluations during the new supplier registration process to ensure responsible transactions—an essential step embedded in our business regulations since 2022. The ethics evaluation is carried out through supplier self-assessments and submission of supporting documents. Suppliers scoring in the bottom 20% relative to the overall ethics evaluation results are classified as "Fail" and must undergo re-evaluation before registration. Since 2023, ESG assessment results have been integrated into our procurement policies. Suppliers designated as high-risk for two consecutive years are subject to a 'restriction in bidding for one vehicle model.' In 2024, 1 out of 165 assessed suppliers was classified for this restriction, which was implemented following internal deliberation in early 2025. Hyundai Transys will continue to monitor suppliers' responsible management regularly with a focus on ethics and ESG risks and maintain a fair and transparent supplier assessment and selection process.

Key Assessment Items

Environmental	Social	Governance
Environmental management systems, waste, air quality, responsible chemical management, rights to land, forest and water resources, forced eviction, etc.	Wages and benefits, employment-related data protection, data security, anti-monopoly, conflict of interest, etc.	Anti-corruption, money laundering prevention, information disclosure, etc.

Expanding Target Suppliers

We conduct supply chain ESG assessments targeting component suppliers operating a domestic production facility and a certain level of trade volume with us. Prior to the assessments, we hold briefing sessions to provide suppliers with basic education on ESG and carbon neutrality, as well as an overview of the assessment process, ensuring to make the assessment more effective. Beginning with pilot assessments of 15 suppliers in 2021, we assessed 165 suppliers in 2024 and continue to expand the scope of our assessments.

Category	Unit	2022	2023	2024
Target of Document Review	number	91	182	165
Target of On-site Audit (high-risk suppliers)	number	15	36	15

Particularly in 2024, we expanded the scope of our assessments to include Europe, assessing our Czech and Slovakia plants along with pilot assessments of local European suppliers. In 2025, we plan to pursue pilot assessments in North America and further advance ESG risk management across our entire value chain by gradually broadening the assessment target areas.

Assessment Process

Hyundai Transys operates an ESG assessment process comprising self-assessment, document review, high-risk supplier identification, and on-site audits and improvement measures to systematically manage supplier ESG risks. This process enhances suppliers' ESG capabilities and strengthens the foundation of a sustainable supply chain.

Document Review	• Targeted suppliers complete self-assessments and submit supporting documents across four areas—ethics, environment, labor/human rights, and safety and health—via a digital platform.
High-risk Supplier Identification	• Assess the submitted responses and supporting documents, including a review of their consistency and overall documentation quality. • Identify high-risk suppliers in accordance with internal regulations
On-Site Audit	• Provide basic education on ESG. • Share best practices by assessment indicator and assign short-term improvement tasks.
Monitoring and Improvement Measures	• Support suppliers' ESG capability improvement through continuous monitoring of improvement task implementation. • Provide an overview of ESG regulations, global trends, and our ESG policies and support programs.
Improvement Confirmation	• Confirm the implementation of short-term improvement tasks.

Improvement Measures

We implement improvement initiatives focused on high-risk suppliers, identified through supply chain ESG assessment results, which include the provision of overview of ESG regulations, global trends, and our ESG policies. Our goal is to enhance supplier ESG capabilities through ongoing monitoring of improvement results. High-risk suppliers are identified based on document review findings, and in 2024, we achieved a 78% improvement rate by implementing targeted improvement measures for these suppliers.

Year	Overall Average	Average of High-risk Suppliers		
		Before Improvement	After Improvement	Improvement Rate
2022	57.7	25	39.9	60%
2023	67.6	30.4	47	55%
2024	59.5	20.3	36.1	78%

Supply Chain ESG Management

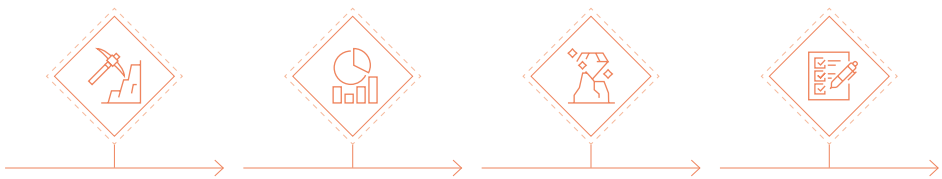
Responsible Management of Conflict Minerals

Systems for Responsible Management of Conflict Minerals

Recognizing the importance of managing conflict minerals, we are committed to the prohibition of their use, in strict compliance with international regulations and applicable regional laws. Our conflict minerals management system is jointly operated by all teams within the Procurement Division, including the Procurement Planning Team and the Global Logistics Team. This integrated, company-wide response system enables us to identify supply chain risks, monitor supplier compliance, and strengthen internal management practices. Hyundai Transys also collaborates with global partners to prevent the use of conflict minerals, aiming to ensure that proceeds from their extraction do not fund armed rebel groups. Through these efforts, we strive to enhance transparency across the entire supply chain. Furthermore, we are enhancing voluntary measures to ensure that our entire supply chain remains conflict-free. This effort is a key component of our strategic approach to advancing responsible mineral sourcing and realizing sustainable ESG management.

We regularly manage our supply chain to prevent the intentional or arbitrary distribution of conflict minerals, thereby ensuring responsible sourcing in compliance with the OECD Due Diligence Guidance and global regulatory standards. Through these efforts, we aim to prevent any direct or indirect support for armed groups in conflict regions such as the Democratic Republic of the Congo (DRC). In addition to tin, tantalum, tungsten, and gold, we aim to build and operate a supply chain management system based on the latest reporting templates each year to comply with mineral regulations for cobalt, mica, and other minerals as required by the RMI (Responsible Minerals Initiative).

Conflict Minerals Management Process



Investigate the state of conflict minerals

Investigate the state of conflict minerals composition and usage

Prepare/review CMRTs

Compile/analyze CMRT data
Select targets for conflict minerals management

Investigate state

Document/on-site audit of partner companies
Verify the state of origin

Manage improvements

Change suppliers using conflict minerals
Exclude noncertified smelters
Develop alternate raw matenals, etc.

Conflict Minerals Control

Hyundai Transys operates a systematic process for conflict mineral risk management to prevent the use of unethically sourced conflict minerals and to promote sustainable management through responsible supply chain operations. Suppliers are required to submit annual reports on the origin and smelter information of conflict minerals (CMRT/EMRT). In 2024, we requested submissions from 166 suppliers, including those supplying powertrain and seat parts. All 166 suppliers (100%) complied, which account for 49% of all our suppliers. Using the submitted data, we review each supplier's mineral usage and assess the presence of uncertified smelters or potential regulatory violations. This process leverages the Responsible Minerals Initiative (RMI)'s official reporting templates to identify conflict zones and relevant minerals. We have established a phased risk mitigation framework encompassing supplier-specific surveys, risk assessments, audits, and improvement activities. When risks are identified within the supply chain, we require suppliers to take corrective measures within specified timeframes. For repeated violations, we apply strong compliance measures such as requiring formal pledges to prevent recurrence and imposing bidding restrictions to reinforce responsible management.

Metrics & Targets

We will continue to support suppliers' ESG management through ongoing activities such as ESG assessments and improvement initiatives, as well as programs focused on win-win and shared growth. In 2025, we plan to launch a pilot supply chain ESG assessment in the North American region. Through the phased expansion of assessment coverage, we aim to elevate the overall level of ESG risk management across our entire value chain. Hyundai Transys sets metrics and targets related to supplier ESG assessments to build a sustainable supply chain. The targets are set based on previous assessment results and the status of target suppliers, and we communicate them by disclosing the performance and targets for each item to ensure that suppliers remain continuously informed.

Supplier Management Indicators

*Data Scope: Domestic plants

Category	Unit	2022	2023	2024	2025(Target)
Supplier ESG inspection rate	%	100	100	100	100
Supplier ESG audit rate	%	100	100	100	100
Supplier ESG improvement rate	%	100	100	100	100

Conflict Minerals Management Indicators

*Data Scope: Domestic plants

Category	Unit	2022	2023	2024
CMRT inspection rate	%	100	100	100
Target suppliers	number	100	151	166

Customer Satisfaction and Quality Management

Customer Satisfaction

Governance

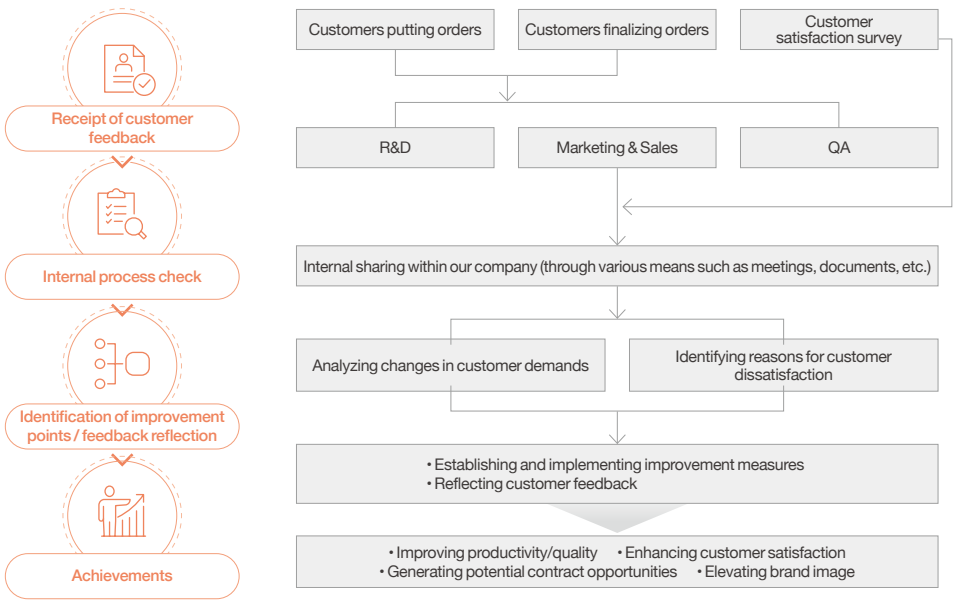
Hyundai Transys systematically handles customer complaints (claims) to enhance customer satisfaction and product quality, carrying out analyses and improvement activities through clearly defined roles and responsibilities. The Sales Division oversees customer communication and Voice of Customer (VOC) management, collecting customer feedback and receiving claims. The Quality Division is tasked with in-depth analyses, identifying root causes, and implementing fundamental corrective measures for claims related to quality systems or finished vehicle performance. It also establishes comprehensive measures to prevent recurrence and improve overall quality. Both divisions share the status of claim processing and improvement task implementation through regular council meetings. Customer feedback is reflected in product development and quality management processes to drive continuous improvement.

Strategy

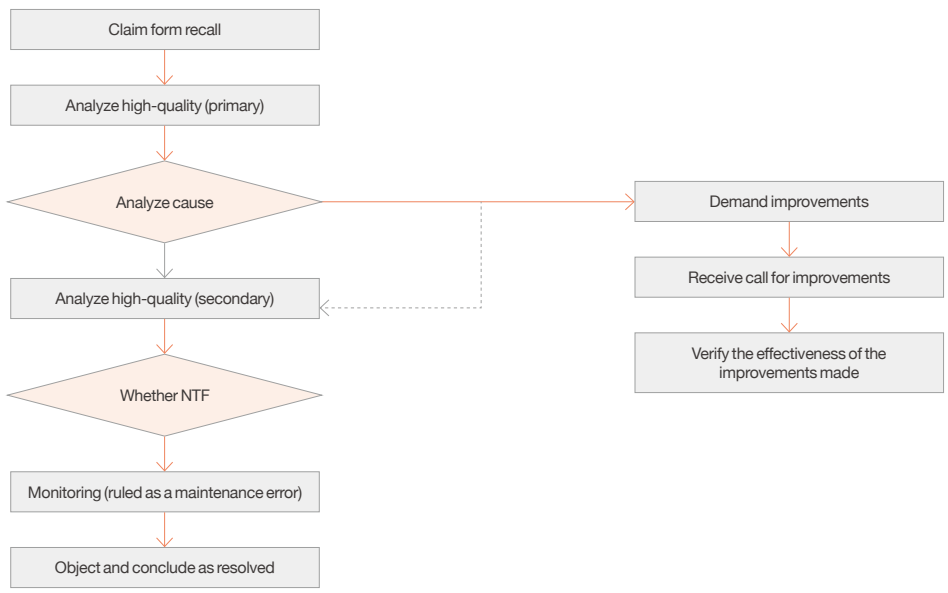
Hyundai Transys operates product- and customer-specific organizations dedicated to managing VOCs and enhancing customer satisfaction. To ensure prompt and proactive response, we maintain branches and offices near overseas plants, allowing for close proximity to customers. We utilize a wide range of communication channels—including mail, phone, email, video, and face-to-face meetings, as well as participation in management exchange programs and exhibitions—to listen to customer feedback and respond to their needs. To objectively assess our performance, we conduct annual customer satisfaction surveys, establish targeted improvement plans, and monitor their implementation to drive meaningful enhancements.

Hyundai Transys also leverages its global quality infrastructure to conduct thorough root cause analyses, enabling swift and accurate resolution of customer complaints. Based on the analysis results, we develop corrective and recurrence prevention measures. Corrective measures are thoroughly validated to ensure long-term trust-based relationships with customers. Through this governance system, we aim to increase customer satisfaction while preventing quality risks and continuously strengthening trust-based relationships with customers.

VOC Management Process



Process of Analyzing Claim and Making Improvements



Customer Satisfaction and Quality Management

Risk Management

Process of Measuring Customer Satisfaction

Hyundai Transys has established an internal process for measuring customer satisfaction, and conducts evaluations accordingly. First, in the 'Plan' stage, evaluation items are selected, and scoring criteria are defined for each item. Second, in the 'Do' stage, relevant teams are requested to conduct evaluations based on the selected items and criteria. Third, in the 'Inspect' stage, evaluation results are reviewed and shared with the appropriate organizations. Fourth, in the 'Improve' stage, improvement measures are established, implemented, and verified to ensure effectiveness.

Customer satisfaction evaluation items

Evaluation item	Unit	Points allocated
Delivery rate	%	20
Number of customer line stops	Times	20
Number of defects found upon arrival at the OEM plant	PPM	20
In-market quality issues	PPM	20
Special situations	Case	20

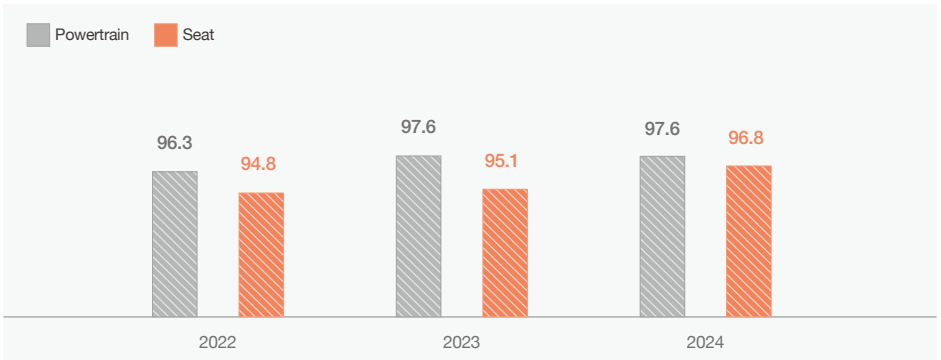
Customer Satisfaction Evaluation Results

Hyundai Transys conducts annual customer satisfaction surveys as part of its commitment to customer-centered management. Based on customer feedback, we continuously pursue quality improvements and service enhancements, particularly in areas related to supply and product quality, thereby strengthening customer trust. Customer satisfaction has shown a steady upward trend over the three-year period from 2022 to 2024, with overall scores of 95.6 in 2022, 96.4 in 2023, and 97.2 in 2024.

By product, the powertrain sector maintained high and stable satisfaction levels, scoring 96.3 in 2022 and 97.6 in both 2023 and 2024. The seat sector demonstrated consistent improvement, rising from 94.8 in 2022, 95.1 in 2023, and 96.8 in 2024. Hyundai Transys will continue to actively reflect customer voices to drive ongoing improvements in customer satisfaction in product quality and services. Additionally, we aim to enhance customer trust and competitiveness in the global market by diversifying communication channels and advancing our quality management systems.

Customer Satisfaction Evaluation Results

Evaluation items	Unit	2022	2023	2024
Number of evaluated customers	Number	26	23	18
Evaluation score	points	95.6	96.4	97.2
Powertrain	points	96.3	97.6	97.6
Seats	points	94.8	95.1	96.8



Customer Satisfaction and Quality Management

Communication with Customers

Hyundai Transys actively engages in various communication initiatives to foster close collaboration and built trust with customers. In 2024, we participated in the Volkswagen Tech Expo, an event hosted by Volkswagen to introduce new technologies and strengthen partnerships with its key suppliers. At this event, we showcased our products and technologies, further solidifying our cooperative relationships with the customer. Additionally, we hosted SETEX 2024, a seat technology exhibition, providing our group companies and major customers with the opportunity to explore and directly experience the latest seat technologies in one place.

Volkswagen Tech Expo

SETEX2024

Active Handling of Customer Complaints

Hyundai Transys actively embraces customer complaints and makes every effort to resolve them as part of its commitment to achieving customer satisfaction. In addition, we are continuously working to prevent the recurrence of similar issues through preventive measures. To this end, we proactively identify key issues and implement improvements to reduce quality-related costs and enhance customer trust. Going forward, we will do our best to deliver exceptional quality and enhance customer satisfaction through active communication with our customers.

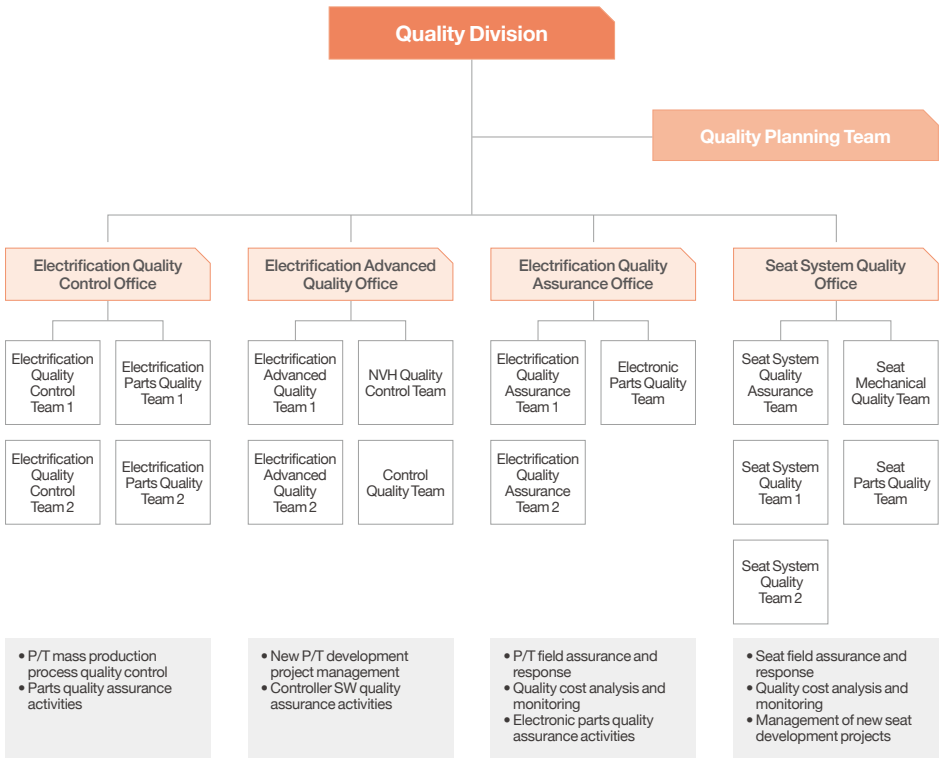
Customer Satisfaction and Quality Management

Quality Management

Governance

Hyundai Transys' quality management is systematically led by its Quality Division.The Quality Planning Team oversees the implementation of a quality management system, with various organizations fulfilling their specific functions. The Electrification Quality Control Office is responsible for overseeing mass production, while the Electrification Advanced Quality Office focuses on new project development. The Electrification Quality Assurance Office and the Seat System Quality Office handle on-site quality and address customer feedback. These organizations work together to create a company-wide quality assurance framework that spans from the initial stages of product development to post-sales quality support, ensuring seamless collaboration at every phase of a project.

Quality Division - Organizational Chart



Strategy

Hyundai Transys' Quality Division has set 'Concentrating capabilities on securing advanced project quality and reducing quality-related costs' as one of the 2025 management policies and is pursuing efficient and practical quality improvement activities. The core strategies include, first, reducing costs of poor quality and improving overall quality competencies through appropriate improvement initiatives involving all departments and suppliers. Second, we are internalizing processes and parts quality to ensure the successful mass production of significant new projects, including the next-generation hybrid drive system (Next Gen HEV AT). Third, we are strengthening our capabilities in electrification and control quality, while also establishing a foundation for future growth through improvements in our quality systems. These initiatives support our goal of achieving "Let's Go Together Quality." Furthermore, we are leveraging AI and big data-driven quality systems for specialized quality control of electrification parts, as well as for the internalization of quality prediction and response processes. We are also building quality assurance systems that align with global customer requirements to improve safety and quality from the customer's viewpoint.

Quality Division - Strategies and Goals

Concentrating capabilities on securing advanced project quality and reducing quality-related costs

Implementation of quality cost reduction

- Company-wide engagement in innovative quality cost-saving initiatives
- Pursuing initiatives to address potential quality issues
- Reinforcing initiatives to advance supplier quality control

Global quality internalization

- Successful launch of mass production for new projects
- Substantiation of advanced work management system
- Establishment of independent quality systems for overseas plants

Securing future growth momentum

- Internalization of electrification/ control quality competencies
- Advancement of quality systems and their efficiency
- "Let's Go Together Quality"

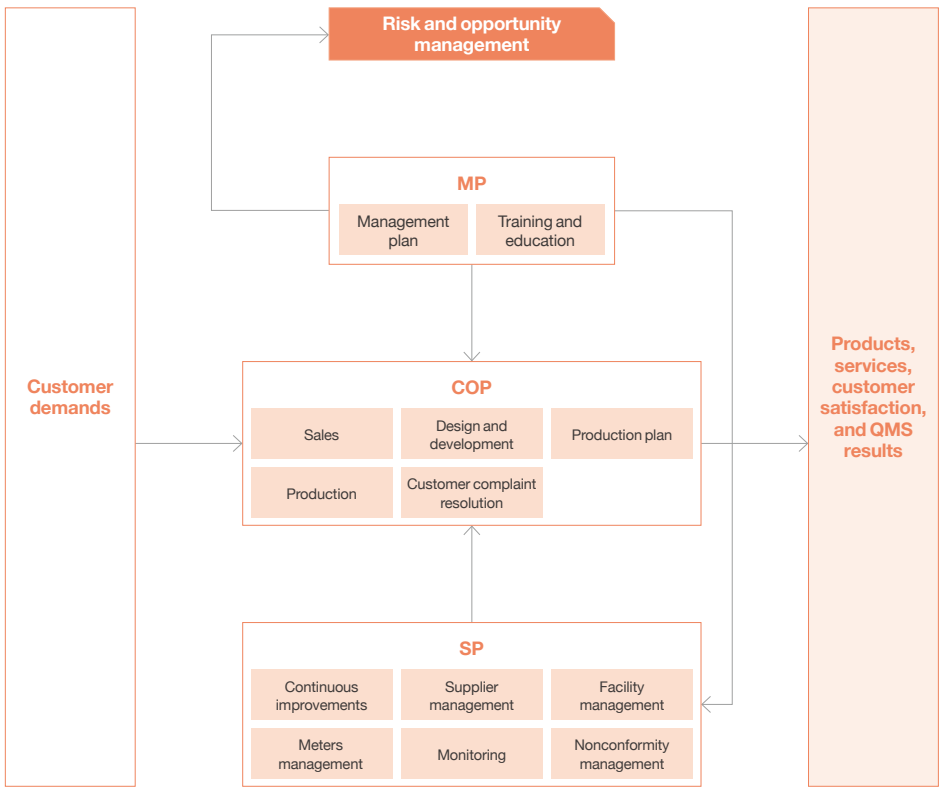
Customer Satisfaction and Quality Management

Risk Management

Quality Management System

Hyundai Transys operates a process-based quality management system centered on customer requirements. Customer requirements are incorporated into our strategies and plans via the Management Process (MP). Following this, essential activities, such as sales, design and development, production planning, production, and customer complaint resolution, are systematically carried out through the Customer Oriented Process (COP). The Support Process (SP) facilitates the efficient advancement of the COP, resulting in enhanced product and service quality, customer satisfaction, and QMS performance, all of which are connected back to the MP to drive ongoing improvement.

Quality Management System



Quality Management System Certification

As of 2024, Hyundai Transys maintains IATF 16949 certification on quality management systems for 5 domestic and 15 overseas plants, with certification scheduled for the Alabama branch in the second half of 2025, and Arizona and Savannah branches in 2026. We also operate a global quality system aligned with VDA 6.3 to meet the quality requirement of European automakers. Our goal is to achieve world-class quality competitiveness by incorporating international quality standards and the specific quality requirements of our customers.

Category	Workplace	Certification Agency	Expiration Date
Powertrain	Jigok	BSI	2028.04
	Seongyeon	BSI	2028.04
	Beijing Powertrain Plant	BSI	2025.08
	Rizhao Plant	SGS	2027.02
	Georgia P/T Plant	BSI	2027.07
	Monterrey P/T Plant	SGS	2025.07
	India AP Plant	TUV	2028.02
Seats	Mseat Asan Plant	BSI	2026.02
	Mseat Ulsan Plant	BSI	2026.02
	Mseat Munsan Plant	BSI	2026.02
	Beijing Seat Plant	TUV	2027.06
	India Chennai Plant	DNV	2027.11
	India AP Plant	TUV	2028.02
	Czech Plant	SGS	2027.05
	Slovakia Plant	SGS	2026.12
	Indonesia Plant	TUV	2028.01
	Georgia Seat Plant	UTAC	2027.12
	Illinois Branch	UTAC	2027.03
	Monterrey Seat Plant	DQS	2025.03
	Brazil	ABS	2027.11
	Alabama Branch	Certification audit scheduled for the second half of 2025	
	Arizona Branch	To be certified in 2026	
	Savannah Branch		

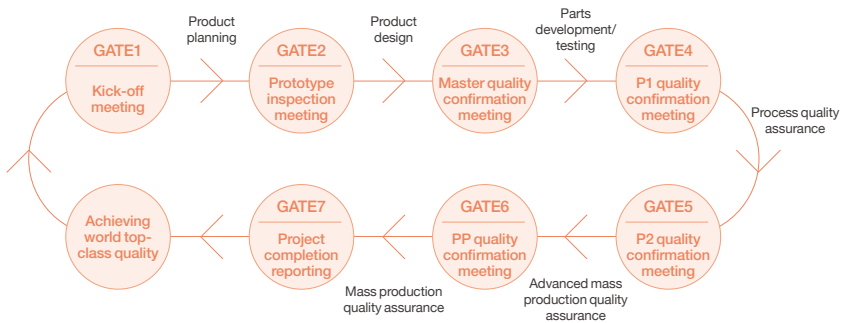
Customer Satisfaction and Quality Management

Quality Control Process

Hyundai Transys establishes and manages processes to strengthen quality during the development stage and secure mass-produced product quality. To accurately analyze and respond to diverse requirements of global automakers, we incorporate global quality requirements into our work procedures through quality standards and process-specific performance and risk management items at each of our plants.

Strengthening quality process during the development stage

To strengthen quality processes during the development stage, we implement reliability-focused quality activities and ensure compliance with related safety and statutory requirements. To ensure quality from the development stage, we divide the development process into seven GATE phases, spanning from product planning to mass production. At each phase, we thoroughly verify quality risks related to design, parts, and production processes.



Reliability-based quality assurance

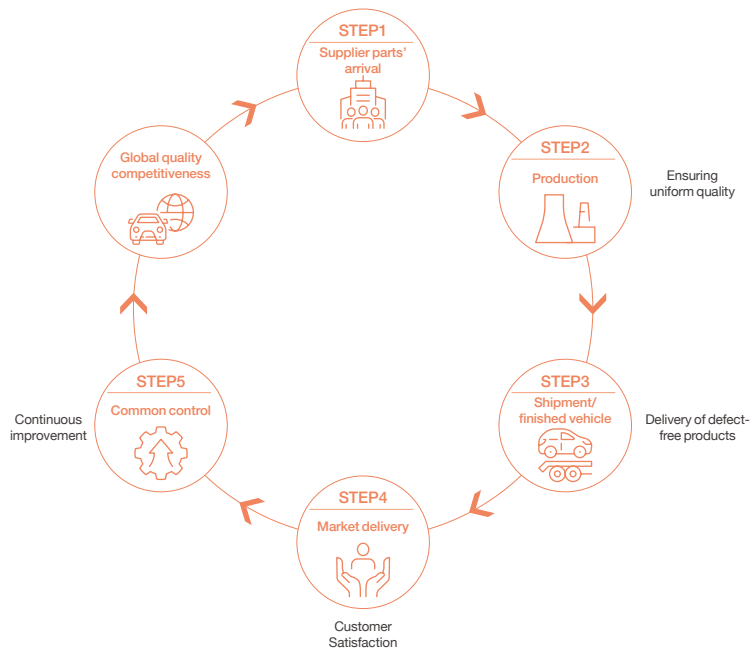
Hyundai Transys operates a quality risk management system throughout the entire product life cycle—from development and mass production to market delivery—to prevent quality risks and ensure product reliability. We systematically analyze accumulated quality issues and major failure cases from previous vehicle models to identify recurring problems. We then verify whether these issues have been properly addressed in similar vehicle types or newly developed products during each stage of design and production. At the pre-mass production stage, we conduct integrated verification to ensure that past issues have been fully resolved, thereby strengthening our proactive quality response capabilities.

Strengthening quality process during the mass production stage

Hyundai Transys aims for defect-free production and has established essential quality activity standards across five key mass production stages—from parts arrival to market delivery—to ensure robust mass production quality. At our plants, we are implementing part-to-vehicle unit lot tracking systems to strengthen prevention-focused quality control. In addition, we are developing AI and big data-driven quality systems leveraging our proprietary TADA system.

Additionally, we operate a self-audit system to improve the quality levels of Tier 2 and 3 suppliers, and focus on managing the overall quality systems of our suppliers through regular inspections. In particular, to ensure the successful mass production of our independently developed next-generation hybrid drive system (Next Gen HEV AT) in 2025, we are promoting early stabilization of both process and parts quality and arranging customer quality inspections. To assure safety and quality, we are developing quality assurance processes tailored to our global customers and internalizing our advanced quality control systems.

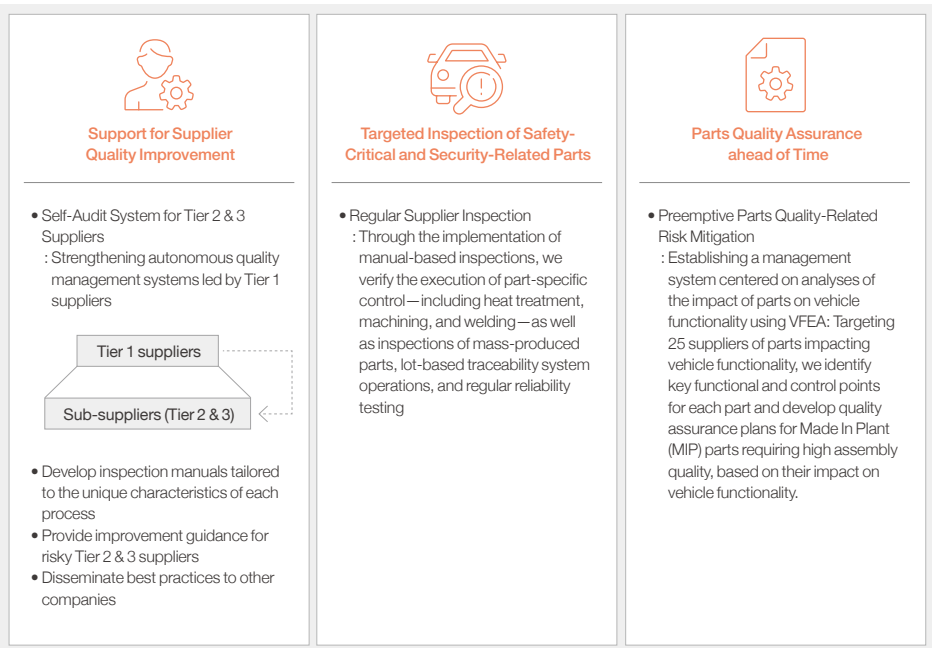
Mass Production Quality Assurance Process



Customer Satisfaction and Quality Management

Supplier Quality Control

To encourage independent quality management among parts suppliers, Hyundai Transys has developed an integrated inspection manual covering key areas such as process control, fundamental quality, inspection management, and cleanliness. This manual supports Tier 1 suppliers in taking the lead in quality inspections and improvement activities for Tier 2 and 3 suppliers. When a Tier 1 supplier discovers a vulnerability during an inspection, a joint inspection with Hyundai Transys is carried out. During this process, we provide guidance and implement improvement measures. Through this collaborative approach, we disseminate best practices across the supply chain to improve supplier quality capabilities. We also conduct targeted inspections of suppliers handling safety-critical and security-related parts. Furthermore, we implement systematic quality control and preventive measures for 25 suppliers whose components directly impact product functionality. In the event of a quality issue, we revise our improvement measures and recurrence prevention guides to ensure the same issues do not recur.



Company-Wide Quality Cost Reduction Initiatives

Hyundai Transys continuously drives quality improvement through company-wide TFT (Task Force Team) initiatives aimed at enhancing customer satisfaction and reducing quality-related failure costs. We are promoting comprehensive quality innovation, including in-house process quality improvements, strengthened preventive quality activities, intensive management of underperforming (worst) suppliers, and reduction of recurring A/S costs. To this end, we have identified seven improvement themes across six subdivisions—including R&D, production, procurement, and seat operations—and are pursuing targeted improvements through cross-functional collaboration. We also monitor performance by reviewing the progress and effectiveness of improvements on a monthly basis. As a result, we have reduced the quality cost-to-revenue ratio by approximately 30% over the past five years and dramatically lowered the occurrence of unexpected, campaign-type costs. Moving forward, we will continue to drive innovation aimed at reducing quality-related costs over the mid to long term.

Response Systems for Internal and External Quality Issues

Hyundai Transys leverages a Power BI-based quality data visualization system to enable proactive responses to recalls and safety or quality issues. By conducting multifaceted analyses of both domestic and overseas data, we are enhancing our capabilities for early detection and response to potential quality concerns. We also regularly monitor quality issues posted on vehicle-specific communities (Sportage, Genesis, Ioniq, etc.) and track emerging issues in real time using keyword-based field safety monitoring systems. For our overseas plants, we have established a transmission failure investigation process, enabling faster claim resolution and targeted improvements. As a result, we have reduced the recall time from three months to one month. In tandem, we conduct prompt cause analyses following each recall to implement proactive quality improvements.

Customer Satisfaction and Quality Management

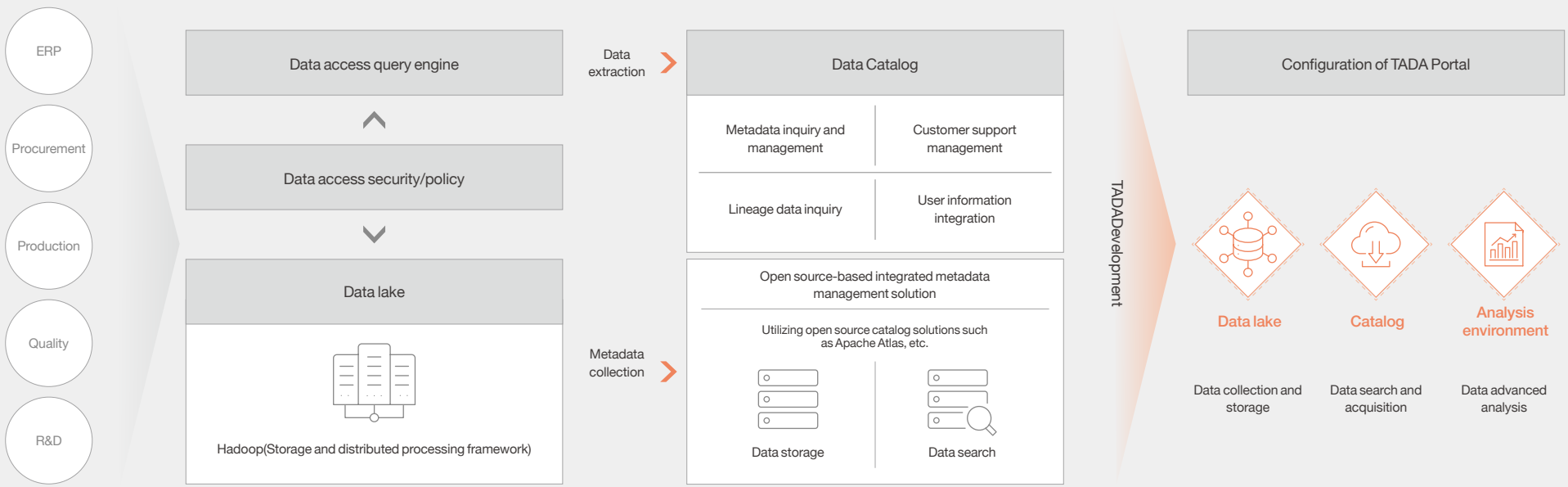
Quality System Advancement

Hyundai Transys is advancing its quality systems by actively leveraging AI and big data technologies to boost productivity and realize perfect quality. Through TADA (Transys Advanced Data Analytics), our proprietary AI vision platform, we are automating precision inspections—including automated transmission shipment inspections and the detection of heterogeneous defects in seat ISO-fix buttons. In addition, we are strengthening production process efficiency and traceability through MES (Manufacturing Execution System)-based abnormality alert systems and lot tracking systems for critical components. Additionally, we are preventing major quality issues and realizing swift on-site quality improvements by detecting problems through AI-based automated customer claim analysis systems and providing customized warranty. Hyundai Transys remains at the forefront of quality innovation, driving digital transformation through AI and big data to deliver the highest quality and value to its customers.

Items	Major Content
Automation of transmission shipment inspections	Deep learning-based detection and determination of transmission appearance and assembly state
Abnormal MES operation alarm system	Automatic warning propagation for mass production abnormalities
Transmission hydraulic monitoring system	Monitoring of hydraulic quality by analyzing correlations with EOL data and solenoid valve lot information
Detection of heterogeneous defects in seat ISO-fix buttons	Detection of parts with incorrect color, position, or type among regulated parts
AI-driven automated claim analysis	Improving the efficiency in field claim analyses and detection using new AI technologies

TADA Big Data Platform

Hyundai Transys is developing the TADA big data platform to comprehensively collect and manage all data generated across all business activities. This platform continuously collects both internal and external data, offering employees to explore data, perform self-directed analyses, and derive insights. It supports the integrated control of both structured and unstructured data from production and research processes, and provides tools for data visualization and machine learning-based analysis environments.



Customer Satisfaction and Quality Management

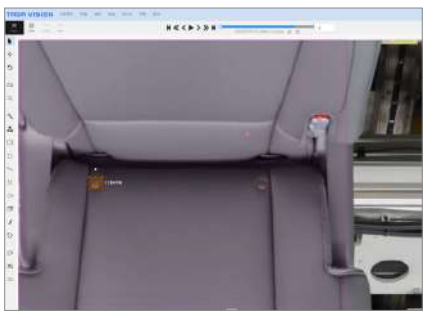
TADA AI Vision

Hyundai Transys has built and operates the TADA Vision Platform, enabling field personnel to directly create and apply AI vision models without requiring AI expertise or coding skills. This platform internalizes AI vision, a core technology of smart factories, and enables the in-house development and operation of AI models related to quality, production, and safety without relying on external developers, thereby contributing to cost reduction and improved operational efficiency.

SETEX2024

AI Vision inspection case: Detection of heterogeneous defects in seat ISO-fix buttons

Due to differences in regulations across countries, there is a risk of mixing heterogeneous parts in the ISO-FIX button process. To address this, Hyundai Transys has introduced an AI deep learning-based vision inspection system. Previously, the absence of dedicated inspection process led to issues with regulatory non-compliance. To address this, we developed and applied an automated detection model linked to country-specific seat classification logic using TADA Vision. The model is now operating stably and has proven effective in eliminating incoming defects and strengthening regulatory compliance monitoring. Based on future performance monitoring, we plan to review the application of automated blocking (interlock) functions, and are also promoting the expanded use of AI Vision for detecting variations in seat design and color.



ISO-FIX button heterogeneous inspection deep learning development

Design pattern inspection deep learning development

TADA Edge Solution

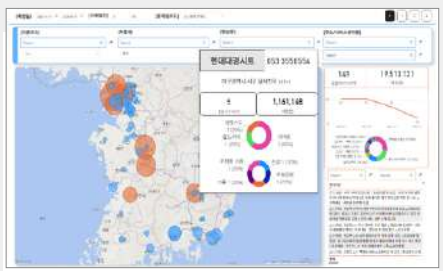
Based on TADA Vision, Hyundai Transys has developed the TADA Edge Solution, a low-cost compact kit-type AI solution that enables even non-experts to easily develop and deploy deep learning models in the field. This solution is designed for small-scale sites or suppliers that cannot afford large equipment. It enables deep learning-based quality inspections without specialized knowledge, thereby accelerating the adoption of field-centered AI quality management systems.

AI-driven automated claim analysis

Hyundai Transys is promoting three core tasks to automate claim analyses and detection in order to prevent major quality problems and drive prompt field quality improvements.

01. Domestic Claim Monitoring Map	02. Automation of GQMS Claim Analysis	03. AI-based Quality Chatbot
We are transitioning to a GQMS system that visualizes regional claim distribution and service status, enabling customized response by service center.	We are advancing automated analyses by integrating existing Excel-based claim data with Power BI, enabling faster and broader identification of quality issues through reduced analysis time and expanded data coverage.	The AI-based quality chatbot automatically provides historical improvement records and preventive action guides, while also searching and analyzing quality issue types in real time, enhancing both the accuracy and speed of field responses.

Domestic Claim Monitoring Map



Deploying customized warranty activities by service center by identifying regional claim status

Automation of GQMS Claim Analysis

Automation of claim analysis by integrating Power BI
> Improving business efficiency and accuracy

Customer Satisfaction and Quality Management

Employee Education for Quality Management Advancement

Hyundai Transys regularly provides training on quality management systems to enhance employees' understanding of global quality systems and ensure proactive compliance with global OE requirements. In 2024, we conducted basic education on IATF 16949 requirements for domestic plants and subsidiaries (Hyundai Mseat/Tranix). We are also continuing advanced IATF courses and CORE TOOL education, and internal IATF 16949 auditor training in partnership with external consulting organizations. To further enhance our quality management system, we develop internal experts and establish department-level audit and quality improvement systems.

Education	Schedule	Participants
Introduction to IATF 16949	June 26-27, July 2-5	449
IATF advanced_Product and service design and development/APQP, D-FMEA	July 8-9	95
IATF advanced_Production/service provision/P-FMEA & C/P, etc.	July 11-12, July 18-19	44
Internal IATF 16949 auditor training (requirements, Core Tool, field audit practices)	August 28-30	23

Internal IATF 16949 auditor training

CORE TOOL advanced education

National Quality Innovation Award

At the 50th National Quality Management Convention in 2024, Hyundai Transys was honored with the Presidential Citation in the quality competitiveness category. The National Quality Management Convention is an event that recognizes meritorious individuals and companies that have contributed to improving industrial competitiveness through quality innovation activities. It is co-hosted by the Ministry of Trade, Industry and Energy and the Korean Agency for Technology and Standards, and organized by the Korean Standards Association. The Presidential Citation is awarded to companies that have achieved outstanding management performance—including quality improvement, productivity enhancement, and customer satisfaction—through the continuous advancement of their quality systems and technical capabilities. Hyundai Transys has been recognized as a company with outstanding quality competitiveness four times—in 2019, 2020, 2023, and 2024. Building on the achievement of the Presidential Citation, we remain committed to advancing our quality competitiveness in the future mobility industry with ongoing preventive initiatives powered by big data and AI.

Metrics & Targets

Hyundai Transys has set the following core objectives for quality management advancement to be achieved by 2025.

1. **Achieving quality cost reduction targets**
   - Strengthen a prevention-focused quality system through company-wide quality improvement activities in 2025.
2. **Early stabilization of Next Gen HEV AT quality**
   - To ensure the successful mass production of Next Gen HEV AT, the independently developed next-generation hybrid drive system, establish systems that facilitate early stabilization of process- and part-level quality and support preemptive responses to customer requirements.
3. **Establishment of advanced quality verification infrastructure**
   - To prevent quality risks at the design and development stage, advance FMEA and PSMC processes, enhance AI-based verification infrastructure, and strengthen advance quality verification systems based on AI vision technologies such as TADA Vision and TADA Edge solutions.
4. **Strengthening capabilities to prevent and respond to safety and quality issues**
   - We operate practical, prevention-centered improvement activities by leveraging Power BI-based data monitoring, AI quality chatbots, and field keyword tracking systems to enable early detection and response to recalls and regulatory issues.

Quality Management Metrics

*Data Scope: Domestic plants

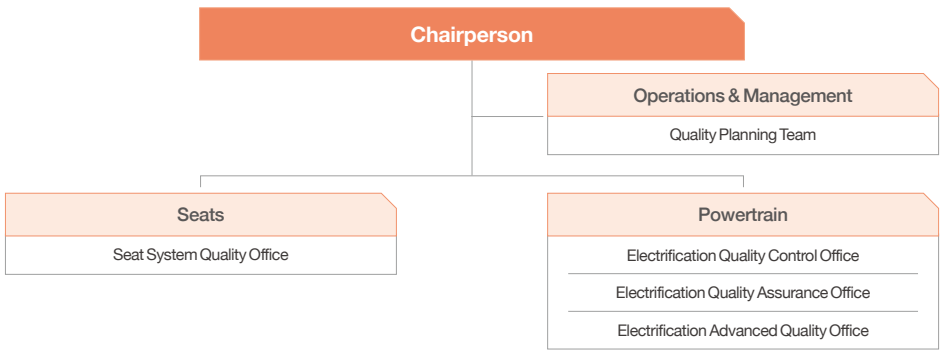
Category		Unit	2022	2023	2024
Inspection	Compliance with quality rules	Case	26	50	50
	Implementation of corrective action	Case	26	50	50
Human resource development	Quality management education hours	Hour	27	96	104
	Quality management personnel	Person	116	176	611

Product Safety

Governance

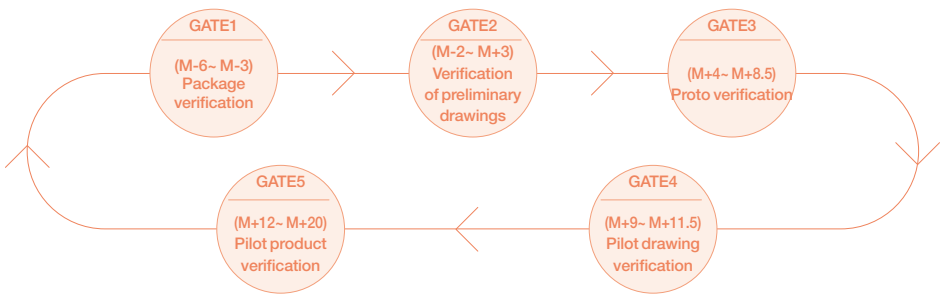
Guided by company-wide quality manuals (products and parts quality manuals), we clearly define the roles and responsibilities of all relevant departments—including R&D, quality, production technology, and procurement—throughout the product development process. Each department carries out activities in alignment with quality objectives at each phase, ensuring consistency in quality and clarity in operation. These efforts enable us to establish a structured quality management system capable of stably delivering defect-free parts on time to customers. Furthermore, we aim to strengthen global competitiveness and expand market share by delivering products that meet stringent safety and functional safety standards, with compliance with legal and safety requirements as our top priority.

Safety and Quality Enhancement Committee



- Reviews safety and legal requirements and inspects in-house and supplier quality
- Incorporates safety and legal requirements into the system
- Shares recall/campaign information
- Renders domestic/overseas support for safety and quality issues

Product Safety Control Process



Strategy

Hyundai Transys internalizes safety from the design stage as a core principle and operates R&D and quality management strategies that systematically reflect this approach.

1. Building design-centered safety assurance system

We incorporate functional safety requirements into design standards from the early stages of product development, and prevent product defects through thoroughly advance risk assessments and Design Verification Plans (DVPs)**. (Design verification, TDP, V-TDP, ISO 26262, ASPICE)

2. Advancing simulation-based safety verification

We are internalizing a repetitive verification framework using collision, fatigue, and durability simulation systems, and operating proactive response systems that discover potential risks early and incorporate them into design improvements.

3. Strengthening internal regulations in line with laws and technological trends

We continuously update internal standards and testing protocols by monitoring changes in safety-related laws and customer certification requirements in real-time, as well as by analyzing past accident cases and recall issues.

Risk Management

Hyundai Transys systematically manages risks to prevent safety incidents at worksites. We operate advance risk assessment systems, such as Failure Modes and Effects Analysis (FMEA), to identify potential failure modes along with their causes and effects, and implement efficient response strategies that ensure safety through design validation. To strengthen functional safety capabilities across the supply chain, we provide technical support and training programs for suppliers and work closely with them to enhance overall safety standards. Additionally, Hyundai Transys has established a preemptive safety and compliance verification process to ensure the safety and quality of new vehicles under development. Through FMEA, we proactively identify potential risks that may affect safety, compliance, performance, and functionality, and designate special characteristics to ensure thorough quality verification across all development stages—from drawings and processes to parts and finished products. In addition, we strive to prevent safety and quality issues during the mass production phase through preventive quality activities and supplier-specific inspections targeting safety- and security-critical components. We also operate a monitoring system that tracks discussions related to our products on online communities and user forums, enabling us to quickly detect potential safety and quality issues. For safety- and security-critical components, we utilize a lot traceability system for both parts and vehicles to ensure swift action, thereby preventing safety and quality problems from escalating.

Product Safety

Advance Safety and Compliance Verification Process

We operate the Product Safety Manufacturing Certification (PSMC) process to ensure that safety and regulatory requirements are not overlooked from the early stages of development. This process enables preemptive review and approval of regulatory and safety requirements at each stage—from design drawing to process design and through to parts and finished products—helping to prevent potential quality risks early and strengthen company-wide quality responsibility systems.

Proto	Pilot	Pre-mass production	Mass production
Gate 1~2	Gate 3~4	Gate 5~6	Gate 7

- Select special characteristics of safety and compliance requirements.
- Review the outcomes of incorporating issues identified in past vehicle models.
- Inspect parts to prevent safety or compliance issues.

- Incorporate safety and compliance items into Process E/Proof.
- Verify the special characteristics inspection process and measurement system.
- Verify the application of safety and compliance requirements to parts and finished products.

- Verify drawings, work procedures, and processes.
- Reinspect the safety and quality of key suppliers.

FMEA-based risk response

To proactively identify and manage potential risks at the product and process stages, Hyundai Transys conducts joint design and quality inspections focused on elements that may impact safety, compliance, performance, and functionality, utilizing FMEA techniques. For newly developed products, we select and manage their special characteristics by incorporating new technological elements and lessons from past cases. For all identified failure modes, we set priorities based on the Risk Priority Number (RPN) to clearly define improvement targets. Additionally, we verify actual products to integrate past problem cases into predefined quality assurance conditions.

Acquisition of ISO 26262 Certification

Hyundai Transys has designated the enhancement of company-wide functional safety capabilities as a key objective in response to the tightening of global automaker (customers)' safety standards and the expansion of automotive functional safety regulations. In particular, to secure the safety and reliability of our powertrains, we are advancing our product development and management processes in accordance with ISO 26262, the international standard for automotive functional safety. In 2024, we obtained ISO 26262 (Road vehicles – Functional safety) certification for our powertrain development processes, demonstrating compliance with international standards for Functional Safety Management (FSM). ISO 26262, established by the International Organization for Standardization (ISO), is the global standard designed to prevent automotive accidents caused by component failures. Through this certification, we received international recognition for our safety assurance system across the entire product development cycle. We have also established functional safety application systems across a wide range of powertrain types—including internal combustion engines and hybrid and electric vehicles—and have been certified for independent development capabilities at the ASIL-D (Automotive Safety Integrity Level-D) level, the most stringent safety requirements, for our key electronic parts such as transmission controllers, oil pump controllers, and motor controllers. Building on these achievements, Hyundai Transys aims to further strengthen its global market presence with products that meet stringent safety and functional safety standards.

Metrics & Targets

Product Recalls

*Data Scope: Domestic plants

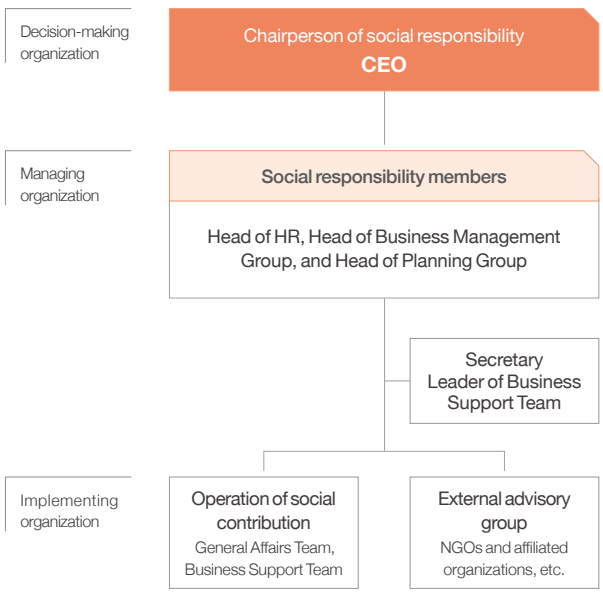
Category	Unit	2022	2023	2024
Total number of products subject to mandatory recall	Unit	0	0	0
Total number of products subject to voluntary recall	Unit	90,680	298,125	56,518
Recall costs for the year	KRW	26.5	48.0	20.1

Local Community and Social Contribution

Governance

Hyundai Transys operates a management system under the leadership of the CEO to ensure that social contribution efforts are carried out systematically and sustainably. A governance body—comprising the Head of the HR Office, Head of the Business Management Office, and Head of the Planning Office—oversees social contribution strategies. The Business Support Team Leader serves as the secretary, ensuring strong coordination with the execution teams. The execution organizations are structured into specialized areas, including social contribution operations, partnerships, and external advisory, and actively drive social value creation initiatives that are closely linked to Hyundai Transys' business strategies.

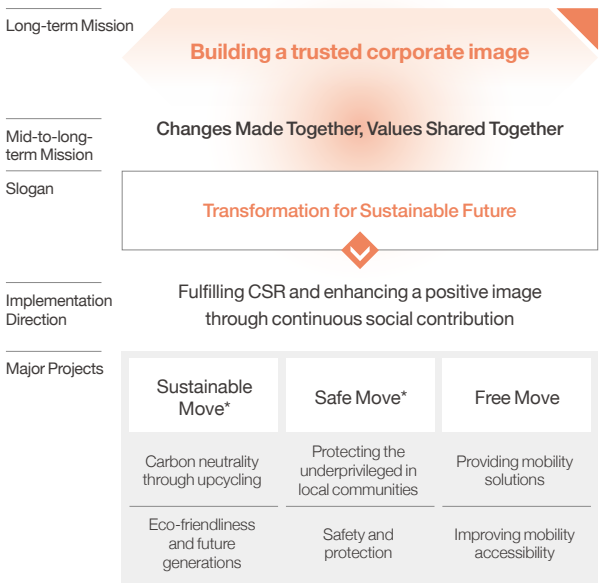
Social Contribution Organizations



Strategy

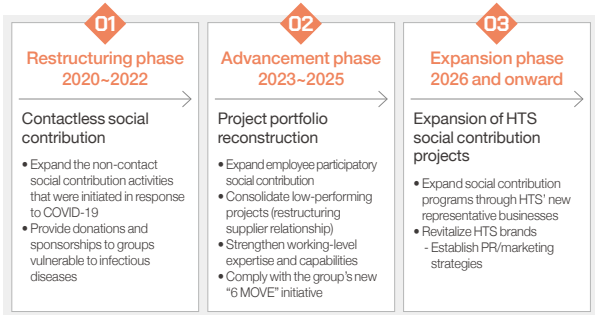
Under the mission of "Changes Made Together, Values Shared Together," we select and promote key social contribution initiatives in alignment with Hyundai Motor Group's social contribution policies.In particular, we prioritize Safe Move and Sustainable Move as core values, implementing a wide range of social contribution activities. Hyundai Transys has designated 2023 to 2025 as the 'Social Contribution Advancement Period' and is promoting its strategies in the following directions:

- **Project Portfolio Reconstruction:** We plan to restructure the overall social contribution portfolio by expanding employee participatory programs and consolidating low-performing projects to enhance strategic efficiency.
- **Strengthening Social Contribution Expertise:** We will introduce social contribution consulting and support the systematic development of competencies to enhance the expertise and capabilities of working-level personnel.
- **Integration of Group-Wide Strategic System:** We plan to enhance execution capabilities by reorganizing our initiatives into customized social contribution programs aligned with Hyundai Motor Group's new strategic framework for social contribution.



*Our differentiated areas

Hyundai Transys social contribution system is entering a phase of restructuring and advancement, having completed the reconstruction of its social contribution project portfolio. It is now focused on expanding employee engagement through the development of employee participatory programs.



Local Community Policy

Hyundai Transys has established a local community policy that aims to carefully assess the impact of business activities on local communities, minimize negative impacts, and pursue sustainable growth through cooperation with those communities. This policy applies to the head office, domestic and overseas plants, subsidiaries, and controlled entities, and we also encourage external stakeholders—including joint ventures and suppliers—to implement the policy.

Key Contents of Local Community Policy

- **Local community impact assessment :** Continuously identify and improve economic, environmental, and social impacts of business activities on local communities
- **Strengthening local community engagement and communication:** Establish communication channels and procedures to collect and incorporate local community feedback in decision-making processes
- **Operating cooperation and support programs:** Develop and support customized programs that address the specific needs of local communities
- **Building sustainable cooperation systems:** Build a foundation for sustainable growth through partnerships with local communities
- **Respecting rights of residents and indigenous people:** Ensure compliance with international standards and strive to secure Free, Prior, and Informed Consent (FPIC)
- **Operating risk management systems:** Proactively identify, assess, mitigate, and monitor risks, ensuring transparent communication

Local Community and Social Contribution

Major Social Contribution Activities at Domestic Plants

Hyundai Transys maintains close relationships with local communities and actively communicates with various stakeholders. We continuously collect feedback in collaboration with local institutions and community leaders, and operate a monitoring system to ensure our support reaches areas where it is genuinely in need. In 2024, we launched a new social contribution initiative centered on direct employee participation. Programs were planned and executed to embody carbon neutrality values through hands-on activities, including carbon-neutral plogging and goods donation campaigns.

Safe move

Hope 1365

Through the “Hope 1365” project, Hyundai Transys supports elderly individuals with mobility challenges in nearby communities by alleviating their daily inconveniences. In collaboration with the Seosan City Volunteer Center, our specialized volunteer team donated their time and skills to carry out a variety of support activities—ranging from home repair and safety equipment purchase and installation to mobility aids assembly such as silver cars—demonstrating our commitment to local community protection and care.

Employee Participatory Fundraising Campaign

Hyundai Transys supports diverse members of society in need through funds voluntarily donated by employees from their salaries. In particular, we operate a ‘matching grant’ program, in which the company contributes an equal amount to employee donations. As part of this initiative, we donated eight electric wheelchairs to help safeguard the mobility rights of youth with disabilities residing in Hwaseong City.

Sustainable move

Residential Environment Improvement Project in Seosan Area

In the second half of 2025, Hyundai Transys plans to install solar power facilities for energy-vulnerable households in Seosan City, aiming to lessen their electricity burden and lower utility costs. This initiative is part of our RE100-linked CSR, designed to realize corporate ESG values through the adoption of new and renewable energy. By doing so, we aim to lay the foundation for energy independence while contributing to GHG reduction and improved energy welfare in local communities. Additionally, by identifying neighbors in welfare blind spots, we aim to enhance both our CSR and social value to build more stable living conditions and foster a culture of sharing.

Second Hyundai Transys Plogging Event

Hyundai Transys promotes participatory environmental cleanup activities to foster organizational pride, strengthen team solidarity through voluntary engagement, and strengthen ESG response capabilities. In 2024, employees from the Dongtan and Hwaseong Plants—including 50 new hires—participated in a plogging event along the Dongtan Lake Park trail, collecting litter and making a tangible contribution to local environmental conservation. Cleanup locations were selected in collaboration with the Environment Action Association to maximize effectiveness. Moving forward, we plan to continue spreading a culture of environmental stewardship in partnership local communities through regular plogging initiatives.

Foldable electric wheelchair delivery

Hyundai Transys’ 2nd Plogging Day

Hope 2025 Campaign

Local Community and Social Contribution

Beautiful Zero Waste

Since 2023, Hyundai Transys has been running a Zero Waste Campaign in collaboration with Beautiful Store, led by its Dongtan Seat R&D Center. In 2024, the Hwaseong Drivetrain R&D Center joined the initiative, donating a total of 577 items, including clothing and home appliances. Beautiful Store sold these donated items, using the proceeds to support marginalized groups within the local community. Through this campaign, we also achieved an estimated 110kg CO2eq carbon reduction.

[Basis of Conversion]

- lothing: approximately 0.2kg CO_2eq reduction per item sold
- Miscellaneous goods: approximately 0.13kg CO_2eq reduction per item sold
- Books: approximately 0.06kg CO_2eq reduction per item sold
- Home appliances: approximately 1.27kg CO_2eq reduction per item sold

* Based on Standard Carbon Absorption of Major Forest Species (ver 1.2), a research paper on forest carbon storage conducted in accordance with the IPCC guidelines

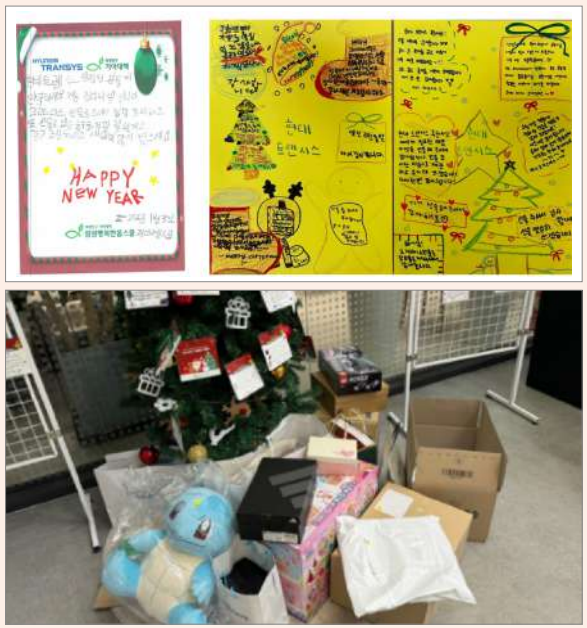
Seat Waste Leather Upcycling Project

Hyundai Transys is promoting upcycling initiatives that repurpose waste seats and leather scraps generated during automotive seat development and testing into bags and accessories.In 2025, we plan to further expand this project by collaborating with a social enterprise ZAONE, developing play and educational experience programs for children using waste leather, as well as assembling and donating furniture to child care facilities.

ZAONE's Upcycling Program for Children

Giving Tree Campaign

Hyundai Transys launched the '2024 Giving Tree Campaign' to foster positive awareness of social contribution through voluntary employee participation and to bring warmth to children during the year-end season. This campaign ran for two months starting in December 2024, as a participatory sharing initiative by employees of the Dongtan Seat R&D Center, with 90 children from Happy Home School children as beneficiaries. Employees selected Christmas gift cards handwritten by the children and provided gifts or money to them. For children who were not selected, we delivered gifts using separate project funds. This initiative aimed to promote both emotional well-being for the children and a stronger sense of social responsibility among employees.



Giving Tree Campaign

Local Community and Social Contribution

Major Social Contribution Activities at Overseas Plants

Hyundai Transys actively pursues diverse CSR initiatives at its overseas plants to foster mutual growth with local communities. At the Georgia Plant in the United States, we embrace community spirit through region-specific activities such as blood donations, toy and school supply donations, volunteer reading programs, career exploration sessions for local middle and high school students, participation in housing construction for disaster-affected families, dementia awareness campaigns, and donations to local charities. In China, the Rizhao Plant supports local welfare by donating goods to nursing homes and childcare facilities and improving educational environments. The Slovakia and Czech Plants consistently engage in donation and volunteer efforts to assist underprivileged groups, including fire stations, police stations, and orphanages. Through these efforts, Hyundai Transys faithfully fulfills its CSR worldwide, adapting to the unique needs and characteristics of each region across its global plants.

Georgia PT Plant, U.S.

Safe move

- **Emergency medical support through blood donation**
  : Contributed to stabilizing the local blood supply in collaboration with LifesSouth, a partner institution : 240 employees participated in 2024

- **Appreciation for local safety personnel and emergency response capability strengthening**
  : Improved safety levels for both residents and employees by recognizing and supporting local safety personnel and enhancing emergency response capability in the community: Donated USD 40,862.50 to 14 institutions in 2024

Sustainable move

- **Supported "Toys for Tots" by providing gifts and toys to low-income children at the end of the year**
  : Provided gifts to children who face difficulties in receiving gifts due to economic hardship, as well as to local child welfare organizations, through Toys for Tots, a partner institution : Donated over USD 14,000 worth of toys in 2024

- **Male employees voluntary book donation**
  : Male employees visited Clearview Elementary School wearing bow ties and volunteered their talents, promoting a love of reading and fostering a positive partnership with the school, a key institution in the community.

Book donation, Georgia

- **Provided job skill programs for high school students: By providing**
  : students from Troup High School, Callaway High School, and Lagrange High School with the opportunity to observe job functions in the plant, we supported their academic and career planning.: Received a Certificate of Appreciation in 2024, following the Work-Based Learning Employer of the Year Award in 2022

Rizhao Plant, China

Sustainable move

- **Support for paint work for a school in the Development Zone**
  - Those who donated more than RMB 50,000 were granted a "membership status," and the donations were used to fund painting work at a middle school located in the Development Zone.
  - By supporting paint work for two buildings—the lecture hall and the exam hall—of the middle school, we enhanced our corporate image and promoted mutual growth with the local community. We plan to continue providing such support.

Donations to a nursing home, China

Slovakia Plant, Europe

Safe move

- **Sponsored local fire department facility upgrades and equipment purchases**
- **Regularly donated goods and cash to Christian charities**
- **Provided continued follow-up support to families in distress and orphans**
- **Employees actively engaged in volunteering through partnerships with local welfare organizations.**

Donations to an orphanage, Slovakia

Czech Plant, Europe

Safe move

- **Support for customized programs for medical, educational, and welfare organizations**

Support for clown doctors, Czech

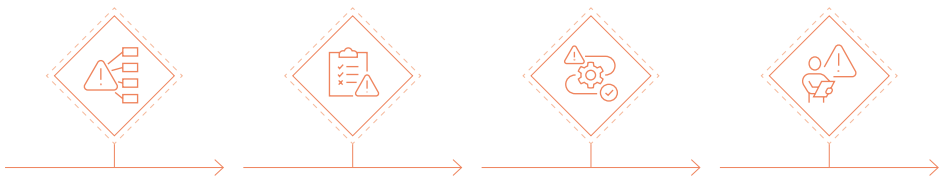
Local Community and Social Contribution

Risk Management

Hyundai Transys has implemented risk management processes under its local community policies and analyzes risks based on inputs received through grievance channels. When business activities are found to negatively impact local communities, we work to revise relevant policies and internal programs in compliance with International Labour Organization (ILO) Convention No. 169 and the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

If risks materialize, we will develop solutions that reflect stakeholder feedback, conduct post-monitoring to assess the effectiveness of mitigation efforts, and transparently share the outcomes with stakeholders.

Risk Management Process



Risk Identification

❶. Analyze risks based on issues raised via grievance channels.
❷. Verify compliance with local laws and regulations in advance. Investigate and analyze risks when concerns about potential negative impacts on local communities arise.

Risk Assessment

❶. Analyze the potential impacts of risks on local communities and develop mitigation measures that account for both the likelihood and severity of such risks.

Risk Mitigation

❶. Establish prevention and response measures to minimize the occurrence of risks stemming from business activities.
❷. When risks are unavoidable, prioritize minimizing their impact on local communities and ensure responsible business operations through ongoing consultation.

Monitoring and Reporting

❶. Monitor the effectiveness of implemented risk mitigation measures (as necessary).
❷. Communicate with stakeholders by sharing improvements and outcomes (public disclosure through websites, etc.).

Hyundai Transys maintains regular communication channels to ensure ongoing dialogue and cooperation with various stakeholders in local communities. In particular, through cooperation with the Chungnam Community Chest of Korea, we jointly review beneficiary lists and available resources to support the underprivileged in the region.

Additionally, when some of the underprivileged community directly request support from the Community Chest, those cases are reviewed through the organization's review process to determine final eligibility and support. Through this structured communication and collaboration, Hyundai Transys strives to provide practical support within local communities.

Metrics & Targets

Hyundai Transys plans to reconfigure its CSR portfolio by 2025 and increase employee engagement by developing participatory programs. We also aim to strengthen direct support for local communities by constantly monitoring concerns raised by community stakeholders through our local community risk response systems and expanding cooperation programs with external institutions.Furthermore, we plan to accelerate the development of sustainable social contribution models by launching new upcycling projects rooted in circular economy principles.

Promoting flagship projects

- **Establish flagship projects in Seosan and Dongtan.**
  - Dongtan: Leather plaything production project
    ▶ Part of the group's new six major customized MOVE projects
    ▶ Broaden the scope of upcycling initiatives.
  - Seosan: Housing environment improvement project for vulnerable groups
    ▶ Implement the project in alignment with relevant ESG indicators, ensuring the protection of vulnerable groups.
    ▶ Assess the potential for this project to be developed into a flagship project in the future.

Establishing CSR operation systems

- **Review CSR assessment results.**
  - Enhance CSR operations by addressing existing weaknesses to achieve better outcomes.
- **Seek guidance from external experts.**
  - Assess the CSR operation system to obtain professional advice.
    ▶ Seek ways to advance CSR operations.

Observing ESG indicators

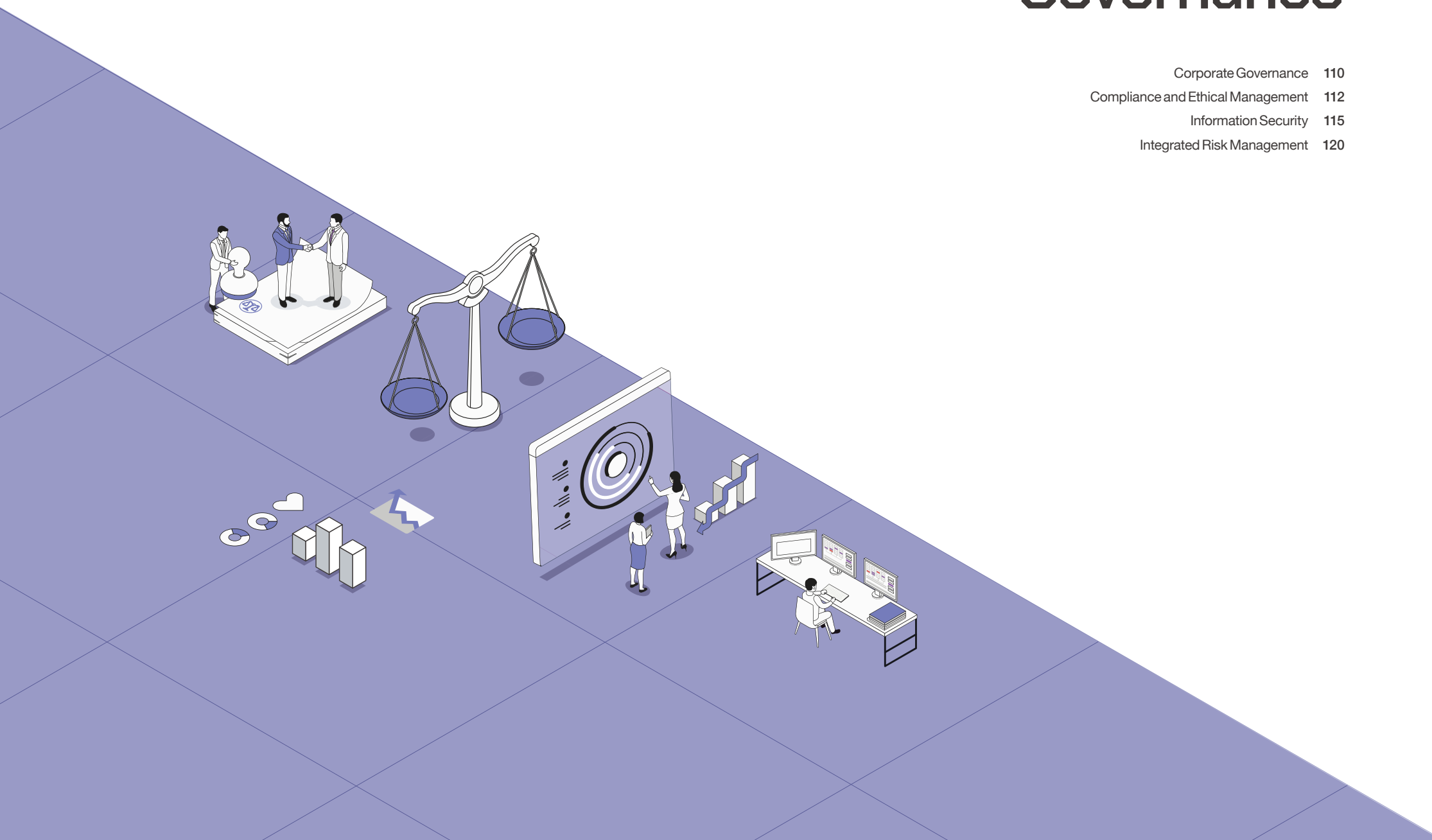
- **Work to achieve carbon neutrality.**
  - Implement the residential solar power installation project (Seosan).
  - Promote the carbon-neutral afforestation project through the T-Walk campaign.
- **Hyundai Transys Plogging Day**
  - Expand the participation targets. (from new hires to all volunteering employees)
  - Conduct local community environmental cleanup activities.

CSR-related KPIs and Other Metrics

*Data Scope: Domestic plants

Category		Unit	2022	2023	2024
CSR Value	Gross Amount	KRW million	450	562	958
	Contributed by the company	KRW million	1	31	15
	Contributed by employees	KRW million	449	531	943
No. of participating employees		Person	532	374	178
Volunteer work	Total volunteer work hours	Hour	752	374	178
	Volunteer work hours per person	Hour	1.4	1	1
Beneficiaries		Person	2,655	3,910	4,000
Ratio of plants engaged in CSR		%	100	100	100

Governance



Corporate Governance

Governance

Board Composition

Hyundai Transys' Board deliberates and resolves matters delegated at the AGM, basic management policies, and material issues related to business execution, and oversees the performance of directors and management. The Board is composed of three inside directors (including the CEO) and two outside directors, one of whom is a female director. To support professional and swift decision-making, the CEO concurrently serves as the board chairperson. According to the articles of incorporation, directors serve a three-year term. Reappointment is determined based on a performance evaluation conducted during the term. The board chairperson is appointed through a board resolution following submission of the nomination as a board agenda item. To support balanced decision-making through diversity, the board is composed of directors—including female members—who bring expertise in various fields such as leadership, accounting and finance, industrial technology, law, policy, global affairs, and ESG.

Board Expertise and Independence

To uphold board expertise and independence, Hyundai Transys carefully selects and appoints outside directors from among individuals who meet the qualification requirements set forth in the Commercial Act and related regulations, and who possess professional knowledge and practical experience in relevant fields. Outside directors are formally appointed through approval at the AGM, following the board' and shareholders' nomination. They maintain their independence in accordance with the criteria outlined in Article 382 of the Commercial Act. Once appointed, directors continuously strengthen the board's independence and transparency by leveraging their expertise and objectivity to monitor company management and provide oversight and advice to the management as needed.

Board Skill Matrix

Category		Inside Directors			Outside Directors	
		Chul Seung Baek	Seokbeom Hong	Baekjung Jeong	Hyoun Jin Kim	Myung Suk Choi
Competency Indicators	Leadership	•	•	•	•	•
	Accounting/Finance/Management	•	•	•		•
	Industrial technology	•	•	•	•	
	Law/Policy	•		•		•
	Global Competency	•	•	•	•	•
	ESG	•	•	•	•	•
Diversity Indicators	Year of appointment	2024	2024	2025	2020	2022
	Year of birth	1968	1970	1971	1975	1962
	Gender	Male	Male	Male	Female	Male

* Key details on governance are disclosed in pages 232-235 of the annual business report under "1. Matters concerning the Board of Directors."

Board Operations and Activities

Hyundai Transys holds regular board meetings on a quarterly basis and convenes extraordinary meetings as needed to promptly address major management issues. Board meetings are chaired by the board chairperson, with detailed materials distributed to board members in advance to allow for thorough review of agenda items. In 2024, a total of seven board meetings were held, during which 18 agenda items were deliberated and resolved. The board maintained a high level of engagement, with an average attendance rate of approximately 88.6%.

Board Agenda Items

Meeting Date	Agenda	Approval Status
January 31, 2024	1. Approval of 25th term financial statements and business report	Approved
	2. Approval of 2024 business and investment plans	Approved
	3. Approval of internal transactions between directors and the company	Approved
	4. Approval of financial transactions with affiliated financial companies under standard terms for Q3 2024	Approved
	5. Approval of 2024 safety and health management plans	Approved
	6. Approval of 2024 ESG plans	Approved
February 27, 2024	1. Approval of AGM convening and agenda items	Approved
	2. Approval of in-kind contributions in TRANIX and asset sale	Approved
April 26, 2024	1. Approval of financial transactions with affiliated financial companies under standard terms for Q3 2024	Approved
	2. Approval of the next-generation hybrid powertrain investment	Approved
July 26, 2024	1. Approval of financial transactions with affiliated financial companies under standard terms for Q4 2024	Approved
October 25, 2024	1. Approval of the overall limit for 2025 corporate bonds	Approved
	2. Approval of Hyundai Mseat's paid-in capital increase	Approved
	3. Approval of TRANIX's paid-in capital increase	Approved
November 18, 2024	1. Approval of extraordinary shareholders' meeting convening and agenda items	Approved
	2. Appointment of the CEO and chairperson	Approved
	3. Approval of financial transactions with affiliated financial companies under standard terms for Q1 2025	Approved
December 30, 2024	1. Appointment of the CEO and chairperson	Approved

Board Operation Status

Category	Unit	2022	2023	2024
Number of board meetings held	Time	6	6	7
Number of resolution agenda items	Case	19	20	18
Inside director attendance rate	%	82	94	86
Outside director attendance rate	%	100	100	93

Corporate Governance

Board Performance Evaluation and Compensation

The compensation limit for board directors of Hyundai Transys is finalized at the AGM in accordance with Article 388 of the Commercial Act and the company's articles of incorporation. Director compensation is evaluated and paid based on objective and quantitative criteria, comprehensively considering both fixed annual base pay and management outcomes, including ESG performance. For 2024, the director compensation limit was set at KRW 7 billion, with actual payments totaling KRW 5.89 billion. We actively encourage board's responsible and sustainable management through a performance-linked compensation structure.

Auditor Independence

Hyundai Transys operates an audit system to ensure transparent corporate governance and minimize principal-agency problems. Auditors are required to maintain independence from both management and shareholder influence, and must possess the professional knowledge and experience necessary to perform their audit responsibilities.

Auditors are appointed at the AGM. During this process, shareholders holding more than 3% of total issued shares—excluding non-voting shares—are restricted from exercising voting rights on the portion exceeding the 3% threshold. Auditors are granted the authority to freely examine accounting-related books and documents, request business reports from directors, and conduct investigations into the company's financial position and overall operations in order to carry out their duties.

Support for Outside Directors and Auditors

Hyundai Transys has established a specific support system to ensure effective board operations and facilitate the performance of outside directors. The Head of the Finance Management Office serves as the board secretary, overseeing all board-related affairs. Additionally, a unit within the Finance Team under the Finance & Accounting Division is designated to support board operations and assist outside directors in carrying out their duties.

Enhancing Shareholder Value

Hyundai Transys provides written or electronic notice of meeting schedules and agenda items two weeks in advance when convening shareholders' meetings, in order to protect shareholders' rights and facilitate the smooth exercise of those rights. We also allow proxy voting to further safeguard shareholders' voting rights.

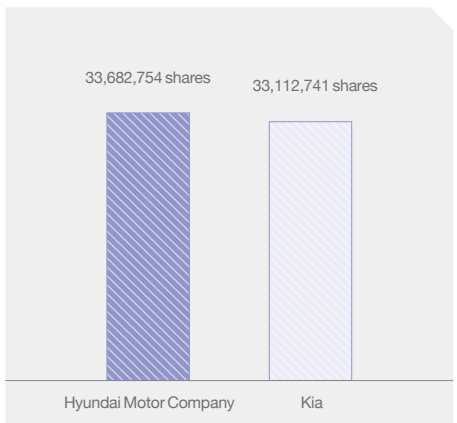
Strengthening Communication with Shareholders and Stakeholders

Hyundai Transys holds regular shareholders' meetings and convenes extraordinary meetings as needed. We maintain ongoing communication with shareholders through customer support functions available on our website. Major shareholders include Hyundai Motor Company and Kia.

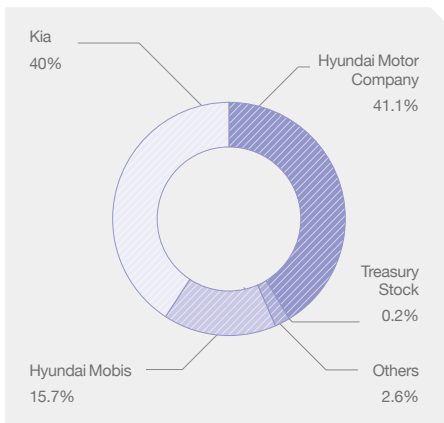
2024 AGM Agenda

Category	Agenda	Resolution	Major agenda
AGM (March 28, 2024)	1. Approval of the 25th term financial statements	Passed	-
	2. Auditor appointment	Passed	Auditor appointment (Muyeol Kim)
	3. Approval of the director compensation limit	Passed	Director compensation limit (KRW 7 billion)
Extraordinary shareholders' meeting(December 30, 2024)	1. Director appointment	Passed	Inside director appointment (Cheolseung Baek and Seokbeom Hong)

Number of shares



Ownership ratio



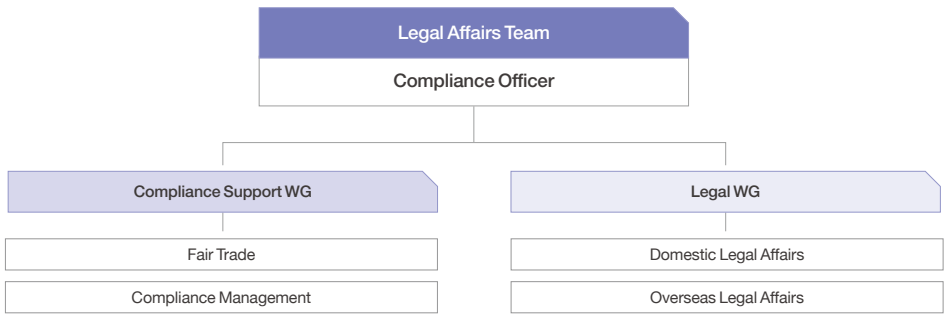
Compliance and Ethical Management

Governance

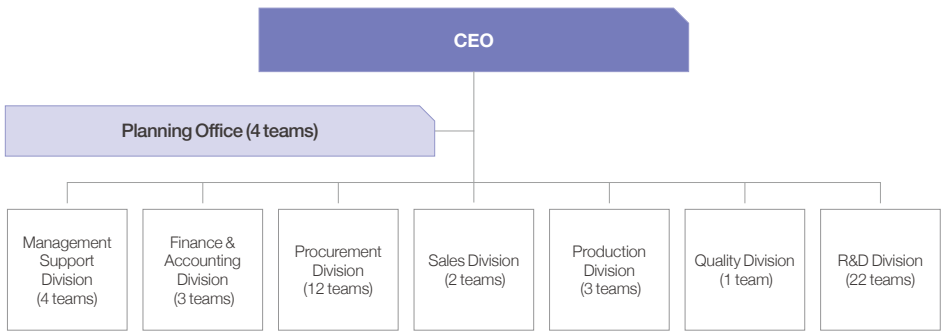
Compliance system and organization

Hyundai Transys operates compliance management systems and organizations under its internal regulations to proactively identify and manage legal obligations and risks—both domestic and overseas—across areas such as fair trade, quality, environmental safety, information security, and anti-corruption. The Board appoints compliance officers and managers to ensure the legality of compliance management practices. Additionally, we have reinforced the Legal Affairs Team, which provides professional support to compliance managers and in-house compliance activities. The Compliance Council—composed of compliance managers and department-specific personnel—has been formed to strengthen and systematically implement the compliance management framework. The activities and key outcomes of compliance officers and managers are regularly reported to the Board.

Compliance Organization (Legal Affairs Team)



Compliance Organization (Compliance Council)



Strategy

Compliance Program Operation

Hyundai Transys upholds the values of compliance, ethical, and win-win management through a range of initiatives. In 2024, we renewed our Anti-bribery Management Systems (ISO 37001) certification and maintained our Compliance Management Systems (ISO 37301) certification, reinforcing our commitment to compliance and ethical management frameworks. We further strengthened fair trade compliance by expanding departmental participation in the Fair Trade Compliance Council. To raise employee awareness and engagement, we carried out various activities including compliance education, self-assessments, CP inspections, and Compliance Week campaigns. Hyundai Transys is committed to growing into a sustainable global company founded on strong compliance management practices.

Compliance Week Campaign

Hyundai Transys hosts an annual Compliance Week campaign to enhance employee awareness of compliance and ethics. Key activities include the publication of CEO messages on ethical and compliance management, employee quizzes on fair trade compliance, compliance awareness surveys, compliance education, and awards recognizing departments that excel in fair trade practices. Additionally, we publish quarterly newsletters featuring compliance-related trends and daily legal updates to strengthen employees' awareness of legal compliance.

ISO 37301 Certificate

Compliance Week Poster

Compliance and Ethical Management

Ethical Management Policy

Hyundai Transys requires all stakeholders in business relationships—including domestic and overseas production and sales subsidiaries, second-tier subsidiaries, and joint ventures—to respect its ethical policies and codes of conduct, ensuring the practice of ethical management.

Ethical Management Practices

Hyundai Transys has established ethical regulations and codes of conduct, which are posted on internal bulletin boards and official websites to build a shared understanding of compliance and ethical management among employees. To enhance this commitment, we collect compliance and ethical management pledge forms from all employees, including the CEO. Additionally, we conduct annual anti-corruption education aimed at preventing violations such as bribery, acceptance of money or gifts, and conflicts of interest in the performance of duties.

Ethical Code of Conduct

We, the employees of Hyundai Transys, deeply recognize that ethics are the source of corporate competitiveness. We pledge to actively participate in embodying the spirit of the Ethical Charter so that Hyundai Transys may become an enterprise trusted by the public. To this end, we make the following commitments:

First, we take responsibility for the Korean automotive industry.

Second, we will lead in fostering a sound corporate culture grounded in principles and fundamentals.

Third, we shall protect customer information with the utmost care.

Fourth, we will firmly reject any unreasonable job demands or solicitations made by leveraging copyrights among internal employees.

Fifth, we will protect trade secrets learned in the course of our work.

Sixth, we shall strive to contribute to the development of the nation, society, and the company through continuous self-improvements.

Major contents of Ethical Charter

01. Contribute to the nation and society
02. Enhance customer and shareholder rights and interests
03. Respect people and nurture talent.
04. Establish partnerships with suppliers.
05. Establish transparent management.

Risk Management

Fair Trade Compliance Programs

Hyundai Transys operates a Fair Trade Compliance Program—an autonomous system designed to ensure adherence to fair trade-related laws. At the core of this program is the Compliance Council, composed of compliance managers appointed by the Board, with the Legal Affairs Team serving as the central coordinating body. The Council includes personnel from each division and continuously engages in ongoing activities focused on sharing fair trade-related issues preventing legal violations. To strengthen awareness of the Compliance Program (CP), we provide regular education and conduct compliance inspections. We also promote various employee engagement campaigns, such as monthly fair trade newsletter quizzes and quarterly compliance newsletter word puzzles. Furthermore, we foster a culture of fair trade compliance by recognizing and rewarding employees who contribute to obtaining ISO certification and teams that demonstrate excellence in fair trade practices.

Testimonial Awarded to Outstanding Departments in Fair Trade Compliance

Compliance Violation Reporting Channel (Cyber Sinmungo System)

Hyundai Transys operates the Cyber Sinmungo System, enabling anonymous reporting through official websites and intranets. Reports can be submitted on various issues, including corruption, workplace sexual harassment, violations of ethics regulations, and fair trade concerns, with no restriction on topic. The system is accessible to all stakeholders, including internal employees and suppliers. Whistleblower protection procedures are clearly defined, and anonymity is strictly guaranteed. Reported cases are handled by dedicated departments, and whistleblowers receive feedback on the outcomes after their reports have been processed.

Cyber Sinmungo System

Anti-bribery Management Systems (ISO 37001)

Hyundai Transys operates an anti-bribery management system in line with ISO 37001 to prevent bribery. We have been operating this system since 2021, and in 2024, we renewed it through a recertification audit and continue to maintain the system.

Anti-bribery Management System

Compliance and Ethical Management

Corruption Risk Assessment

We identify potential corruption risks within the organization and establish control measures to manage them effectively. These risks are assessed using heat maps ranging from 1x1 (lowest) to 5x5 (highest), based on the likelihood of occurrence and the potential impact. As a result of these efforts, there have been no corruption or bribery cases or penalties to date. We remain committed to achieving zero occurrences of corruption through rigorous risk management moving forward.

Corruption Risk Assessment Heat Map

L5	M5	H10	H15	H20	H25
L4	4	M8	H12	H16	H20
L3	3	6	M9	H12	H15
L2	2	4	6	M8	H10
L1	1	2	3	4	M5
Likelihood / Impacts	C1	C2	C3	C4	C5

Corruption and Bribery Preventing Processes

Hyundai Transys operates a range of systems to systematically prevent corruption and bribery and to establish a foundation for ethical management. As part of the supplier registration process, we require anti-corruption pledge forms, a procedure specified in our internal buyer registration regulations. Additionally, we have established the Ethical Charter, Code of Conduct, and regulations on workplace ethics and gift management. These guidelines are disclosed on our ethical management website to help employees and stakeholders clearly understand and implement ethical principles. Hyundai Transys is internalizing a fair trade culture based on the eight components of fair trade compliance and firmly rejects unreasonable job demands among internal employees, as well as solicitation using copyrights. Moving forward, Hyundai Transys will continue to reinforce ethical management and foster a transparent corporate culture grounded in a zero tolerance policy toward corruption and unethical behaviors.

Ethics Education

Job competency improvement education related to compliance and ethics includes CP education for executives and team leaders, fair trade education for new hires and education on internal transactions, subcontracting, intellectual property rights, and anti-corruption. 5,060 out of 5,079 employees (approximately 99%) completed these programs.

Education title (period)	Education target	No. of participants	Training Content
Working-level CP education (April 29, 2024)	Working-level personnel belonging to the member departments of the Compliance Council	46 persons	Fair trade incident handling procedures
Intellectual property rights (October 23, 2024)	Electrification R&D Division's researchers Seat Division's researchers	901 persons	Enhancing employee compliance awareness and preventing law violations
Fair trade (CP) education (October 14-25, 2024)	Executives (below division head level) and general/research positions (G1-G5) working at domestic plants	1,991persons	Enhancing compliance awareness by cultivating foundational knowledge related to fair trade (CP)
Prevention of improper internal transactions (July 10, 2024)	General positions belonging to the Procurement Division, the Finance & Accounting Division, the Planning Office, the Management Support Division, and the Sales Division	412 persons	Enhancing compliance awareness and preventing law violations among employees involved in inter-affiliate internal transactions
Collusion prevention (June 18, 2024)	General positions (G2-G5) belonging to the Sales Division	78 persons	Cultivating fundamental knowledge related to collusion, ESG, fair trade agreements, group-wide fair trade KPIs
Fair trade education for new hires who joined in 2024 (Conducted as needed)	New hires who joined in 2024 (unexperienced and experienced employees)	119 persons	Cultivating fundamental knowledge related to fair trade and subcontracting
Compliance for team leaders (April 30, July 3, September 30, 2024)	Dongtan Plant, Seosan Plants (Jigok and Seongyeon Plants), Hwaseong R&D Center	116 persons	Cultivating fundamental knowledge related to fair trade
Subcontracting law (June 5, September 12, 2024)	General and research positions belonging to the Electrification R&D Division, subcontracting-related departments including the Procurement Division, the Seat Division, the Quality Division, and the Production Technology Center	1,357persons	Enhancing employee compliance awareness related to subcontracting law
Compliance for executives (June 28, 2024)	Executives	40 persons	Enhancing compliance awareness

Metrics & Targets

To grow into a sustainable global company, we plan to continuously strengthen our compliance framework. This includes improving employees' compliance awareness through ongoing CP education, inspections, and diverse campaigns aimed at preventing violation of the law. Additionally, we will enhance our compliance organizations and systems to expand internal compliance management capabilities.

Data scope: Domestic plants

Category		Unit	2022	2023	2024
Self-assessment	Regular fair trade inspections	Case	3	2	4
	Compliance self-assessment (leader-level (team leader) self-inspection)	Case	1	1	1
Corruption risk assessment	Number of plants subject to assessment	Case	5	5	5
	Number of plants assessed	Case	5	5	5
Total No. of persons educated on compliance		Person	4,471	3,976	5,079
Total compliance education hours		Hour	4,471	3,976	5,060

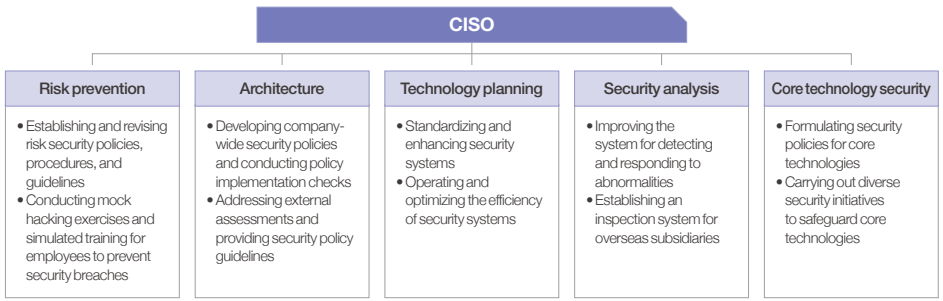
Information Security

Governance

Information Security Promotion System

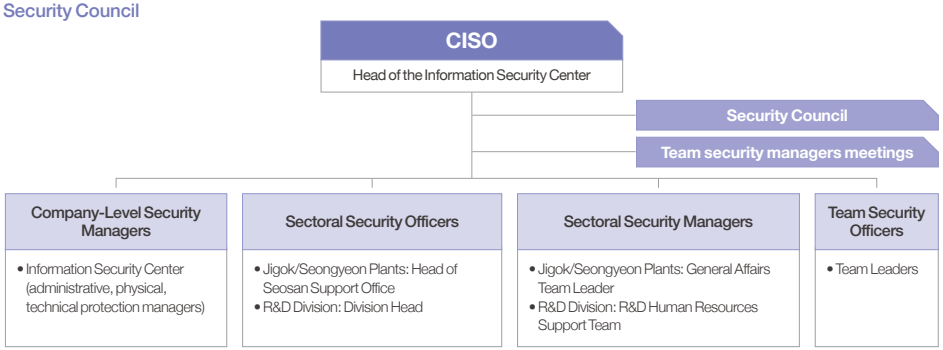
Hyundai Transys systematically operates an information protection and management system in compliance with relevant laws and internal regulations. To ensure effective protection of information, we have established a management framework tailored to the specific characteristics of each domestic and overseas plant. We conduct regular inspections and improvements across administrative, physical, and technical security domains, and oversee the implementation of protective measures at each plant. Guided by information protection strategies and security policies, we safeguard critical corporate information—including trade secrets, national core technologies, and defense technologies—by assigning dedicated security organizations and appointing a Chief Information Security Officer (CISO).

Information Security Council and Management Framework



We also operate a Security Council to strengthen company-wide security management, facilitate issue sharing among relevant departments, and enhance execution capabilities. The Security Council is responsible for deliberating and resolving matters related to the efficient operation and oversight of security tasks. It includes the CEO, CISO, and security personnel from across the organization. Key functions of the council include the review and approval of security plans, endorsement of policy documents such as security regulations, and consultation on major security incidents and corresponding response measures.

Security Council



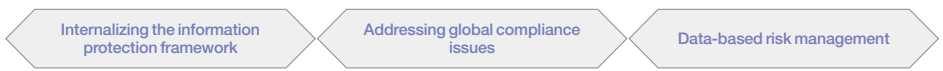
Strategy

Information Security Policy

Hyundai Transys has established and implemented information protection regulations and guidelines to protect its critical information—including technical, managerial, and personal information—from a wide range of security threats. The department responsible for overseeing company-wide information protection constantly monitors emerging security trends and regularly develops and updates relevant regulations. When necessary, these regulations are reviewed and approved by the CISO and the company-wide Information Security Committee. These information protection regulations apply to all individuals associated with the company—including Hyundai Transys employees, contractors, and visitors—as well as to all tangible and intangible information assets owned and operated by the company.

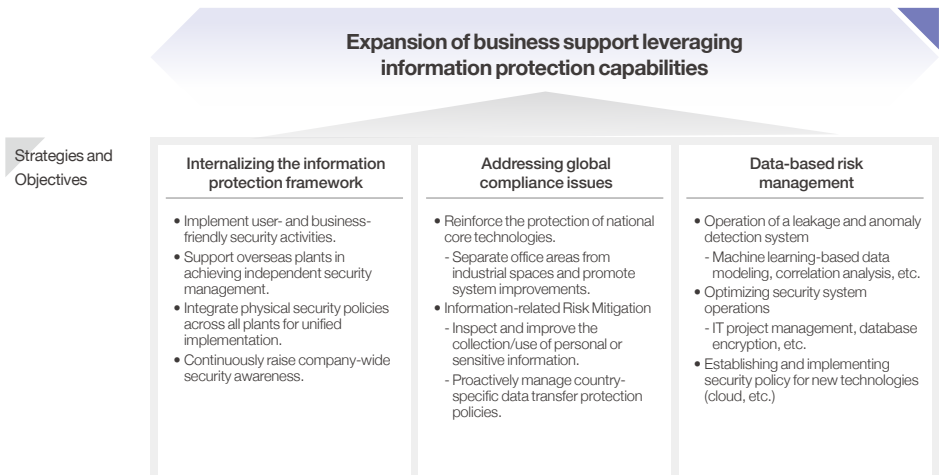
Information Security Strategy

Hyundai Transys recognizes information protection as a core element in building customer trust, going beyond mere risk control. To elevate our information protection standards and realize ESG-conscious sustainable management, we have set the following three strategic directions:



In line with these strategic directions, Hyundai Transys securely protects technical and managerial information, personal data, and other critical assets, while proactively responding to external security threats to strengthen corporate sustainability and build customer trust.

Information Security Center - Strategic Goals



Information Security

Risk Management

Security Management Framework (Security Life Cycle)

We have established a risk-based information security framework and solidified the foundation of our security principles by setting clear standards for handling security breaches and increasing penalty levels. To enhance responsiveness to external security threats, we have improved the operations of the Industrial Security Council and refined our incident response processes, enabling swift and effective issue resolution. Amid growing risks of information leakage due to rising cyberattacks both domestically and globally, Hyundai Transys operates a P-D-C-A information security management system—known as the Security Life Cycle—to strengthen internal security controls and ensure prompt response to external hacking threats. In addition to utilizing Security Operations Center (SOC) services for real-time defense against infiltration attempts, we have contracted Computer Emergency Response Team (CERT) services to ensure rapid response to security incidents, and Threat Intelligence (T.I.) services to continuously monitor external trends and security threats. We will continue strengthening our security efforts to ensure uninterrupted business operations by proactively responding to increasingly sophisticated cyber threats.

ISO27001 Certificate

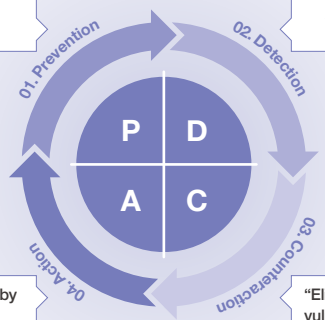
TISAX Certificate

"Preventing security breach incidents" with assets (personnel/systems

1) Security education and mock training: to prevent internal/external security incidents
2) Mock hacking / infrastructure checks: to remove system vulnerabilities

"Detecting security threats" by checking and monitoring

1) Detection of information leakage and verification of security violations: to check based on user log
2) Monitoring of external intrusion attempts: to monitor security around the clock



"Improving the management system" by enhancing security activities

1) Review and improvement of security activities: to develop solutions and improve processes
2) Training for employees and announcement by issue: to disseminate information on major security threat and violation cases

"Eliminating security risks" by addressing vulnerabilities

1) Measures and management to address detected vulnerabilities:to address violations and eliminate vulnerabilities
2) Responding to the latest external threats: to monitor and respond to external threats (T.I.)

Background

As the risk of information leakage is growing due to the rise in Korean and international cyber attacks, we are striving to enhance the effectiveness of our internal security control and to prevent and respond swiftly to external hacking threats.

Performance

In addition to the SOC service that we have operated to respond to intrusion attempts at all times, we have further strengthened our security against external hacking threats by contracting additional services. They include the CERT service for rapid response to security accidents and the T.I. service for real-time monitoring of external trends and security issues related to our company.

Future Plans

We plan to continue engaging in security activities to strengthen the management of core internal technologies, actively respond to intelligent external intrusion attempts, and ensure the continuous operation of the company's business.

Information Security

Response to security/IT incidents

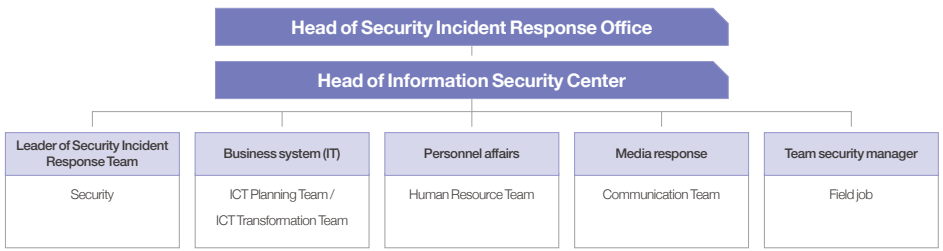
Hyundai Transys defines incident types and scope for security/IT incident response, and enables early blocking of anomalous signs through active prevention activities and systems. We have established a graded response and recovery tailored to various damage scenarios and their potential impacts. To further enhance our responsiveness, we conduct regular simulation training. Additionally, to respond to external infiltration attempts in real time, we defend against unauthorized external network traffic through 24/7 group security operations services. We also protect internal information assets from malicious code, using advanced security solutions such as EDR and SASE. We continuously monitor security trends related to information leakage incidents through external Threat Intelligence (T.I.) services. When high-risk vulnerabilities are identified in widely used open-source or commercial software, we take immediate action, such as updating to the latest versions or removing unnecessary services, to mitigate potential security threats.

Information Security Incident Response Process

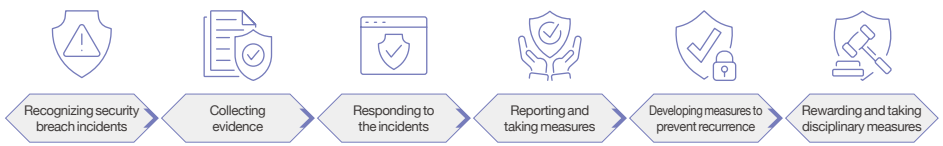
When IT or security incidents occur, we prioritize maintaining business continuity by implementing work procedures for incident response, reporting, and improvements. These procedures are designed to minimize the impact of incidents and prevent their recurrence. To support this, we have established a security incident response organization with clearly defined roles and responsibilities for each member. Regular training is conducted to ensure swift and effective responses in the event of a security incident. We also operate a Security Reporting Center to help prevent information leakage.

※ Security Reporting Center: Security@hyundai-transys.com

Organization Structure for Security Incident Response



Security Breach Incident Handling Procedure



Spreading an Information Security Culture

Hyundai Transys develops various information protection activities to enhance employee security awareness and prevent incidents. We are creating a culture of voluntary compliance with security regulations through employee security pledge signings, regular education, security campaigns, and phishing simulation exercises. Notably, we designate a monthly 'Data Protection Day' to raise awareness by distributing webtoon-format content that helps employees easily understand and practice security rules. We also regularly inspect physical security conditions and internal security practices, while distributing educational materials to help departments understand and comply with security rules. Phishing email simulation training is conducted regularly for both domestic and overseas employees. When violations are detected, follow-up training is provided to reinforce the ability to respond to cyber threats such as ransomware attacks, data breaches, and fraudulent transactions. We also promote security awareness through engagement campaigns, including awards for outstanding security practitioners and security slogan contests. Employee feedback is encouraged through the 'Security Portal Improvement Report Board,' where suggestions are reviewed and used to drive improvements in identified security vulnerabilities.

Education for Users Using Moving Toon (3 times/year)

Information Security Education Portal

Security Portal Bulletin Board

Security Day Webtoon

Phishing Email Simulation Training

Information Security

Personal Information Protection

At Hyundai Transys, the CPO and the Information Protection Department oversee and control personal information misuse and leakage. Departments processing personal information are permitted to use personal information strictly for business purposes under established principles and procedures. All personal information collected is based on informed consent, with data subjects clearly notified of the purpose of collection, the types of data collected, retention periods, and any third-party disclosures. We implement a range of technical safeguards, such as encryption and anti-hacking measures, to protect collected data. Data subjects also retain the right to request corrections or deletion of their personal information at any time through the responsible department. Through these processes, Hyundai Transys actively promotes personal information protection and remediation for all stakeholders—including employees, customers, and suppliers—and improves its responsiveness against data breaches.

Personal Information Management System

To prevent personal information breach and leakage incidents, all employees strictly adhere to the principles of personal information processing.

Principles for Handling Personal Information

- Appointment of a Chief Privacy Officer (CPO)
- Establishment of internal guidelines for personal information management
- Ongoing training and information protection pledges for key personal information handlers
- Regular inspection and improvement of measures to ensure the security of personal information processing systems
- Compliance with domestic and international personal information laws and regulations (e.g., the Personal Information Protection Act of Korea, the Act on Promotion of Information and Communications Network Utilization and Information Protection of Korea, EU GDPR, China's Cybersecurity Law, etc.)

Personal Information Management

Hyundai Transys ensures that all employees strictly comply with personal information processing principles to prevent breach and leakage incidents. We have established related guidelines and processing policies, and employee data is securely deleted from systems after the retention period specified by relevant laws. For external parties, such as those submitting reports or making visit reservations, personal information is managed according to specific retention periods based on business purposes, as detailed in the consent forms obtained at the time of collection. We also conduct regular inspections of internal personal information handling systems and continuously strengthen our management standards through protective measures such as access control and encryption. As a result of these efforts, we recorded zero personal information breaches from 2019 to 2024 and plan to continue advancing system enhancements and security response frameworks.

Building Smart Security Environment

Hyundai Transys has established a next-generation security architecture based on collaboration and information sharing, enabling efficient operations through the application of security policies and environmental enhancements. This architecture is designed to maintain robust security levels while flexibly adapting to various external environmental changes, including the increasing prevalence and expansion of non-face-to-face and remote work environments.

Security and Environment Improvement Directions and Areas

Improvement Direction	Improvement Area	
• Re-design the security policy and technical security architecture. ▶ Introduced or revised 18 systems and re-configured 8 cloud services	M365 Security Policy	User PC Security Policy
	Security Policy for Off-site Work	Detection and Monitoring
	Introduction of Mobile Employee ID	Application of Facial Recognition

Implementation of Regular Security Inspections

Hyundai Transys conducts regular and special security inspections in accordance with information protection regulations under the supervision of the CISO. These inspections include the verification of the effectiveness of the Security Day event, safety inspections of operating systems and infrastructure, system penetration testing, evaluation of the adequacy of personal information lifecycle operations (from collection to disposal), firewall rule inspections, and scanning of the production network. All security inspections and audits are conducted with independence and fairness as core principles. When violations are identified, we implement follow-up measures, including disciplinary measures and operational improvements, based on the severity of the issue.

Security Inspection Contents

- Verification of the effectiveness of the Security Day event
- Safety inspections of operating systems and infrastructure
- System penetration testing
- Evaluation of the adequacy of personal information lifecycle operations (from collection to disposal)
- Firewall rule inspections
- Network scanning
- Inspection of the security level of production networks

Information Security

Physical Security Management at Plants

Hyundai Transys has established security systems designed to protect key assets—including workforce, information, and facilities—from intentional threats. These systems are continuously enhanced through regular vulnerability monitoring. We also utilize control measures consisting of structural elements such as buildings and security-related facilities, electronic elements such as security systems, and human elements such as security personnel.

Key Technology Protection

Illegally leaking and misusing core technologies can have serious adverse effects on both corporate and national competitiveness. As a company that possesses core technologies related to future auto parts manufacturing, Hyundai Transys has established a key technology management system tailored to the characteristics of each element—including technology, assets, and workforce—and complies with relevant laws such as Korea's Act on Prevention of Divulgence and Protection of Industrial Technology. We provide ongoing specialized training for employees handling core technologies and undergo annual assessments on the adequacy of our technology protection systems. We also operate cross-departmental councils to enhance collaboration and strengthen protection efforts through securing technical expertise.

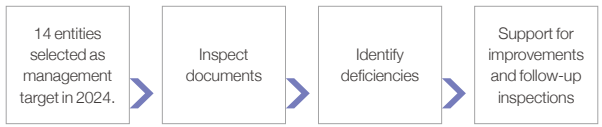
Information Protection-Related Investment

Hyundai Transys establishes and implements annual investment plans to strengthen information security. We have been steadily increasing the investment as a proportion of the total IT budget, and in 2024, we invested approximately KRW 4.37 billion to implement robust information security policies.

Strengthening Supplier Information Security Capabilities

To strengthen information security across the entire value chain, we inspect the information security status of suppliers that handle our critical information. Through these inspections, we identify areas for improvement. To encourage voluntary participation and continuous improvement, we recognize and reward suppliers with outstanding security evaluation results. Additionally, we support our suppliers by offering security training programs and sharing guidelines on security regulations, thereby reinforcing their capacity to manage and protect information securely.

Supplier Information Security Capacity Building Process



Application of Information Security KPIs to Overseas Plants

To enhance information protection at our overseas plants, we incorporated information security-related KPIs into the performance evaluations of the heads of 22 overseas plants. These KPIs cover the establishment of security systems, operation of security organizations, execution of essential security tasks, phishing email response training, security level assessments, and security control and monitoring. Through the application of these criteria, we are actively internalizing information security practices across all overseas plants.

Incorporation of Security Items into Group-wide KPIs

Hyundai Motor Group reflects security-related items into CEO KPIs to strengthen information protection across the entire group, and Hyundai Transys aligns with this approach by setting specific security objectives and systematically managing performance. The 2024 KPIs included the security system establishment rate, the application rate of security settings at domestic and overseas plants, and the operation of dedicated security organization. We achieved a full score of 2.6 out of 2.6 points against the targets. Moving forward, we will continue to advance our information security management systems and raise the overall security level at global sites, contributing to the creation of a stable and trusted digital work environment.

Metrics & Targets

In 2025, we plan to broaden the application of information security KPIs and actively make improvements identified through personal information handling assessments. These efforts aim to bolster the information security management system, ensure global compliance, and strengthen data-driven risk management. We have also laid the foundation for company-wide information protection oversight by incorporating information protection KPIs into the performance evaluation of domestic and overseas organization leaders. In 2024, we achieved a 100% completion rate for CEO-targeted information security items within group-wide KPIs, successfully meeting our group-wide information security objectives. Looking ahead, we will continue to promote balanced and measurable improvement in information security by expanding performance metrics, such as security level assessments and response drills for overseas plants.

Violation of Information Security Laws (Past Three Years)

*Data Scope: Domestic plants

Category	Unit	2022	2023	2024
No. of violations of personal information protection laws/ standards	Case	0	0	0
No. of customer data leakage, theft, or loss incidents	Case	0	0	0

Major Achievements in Information Security Education in 2024

*Data Scope: Domestic plants

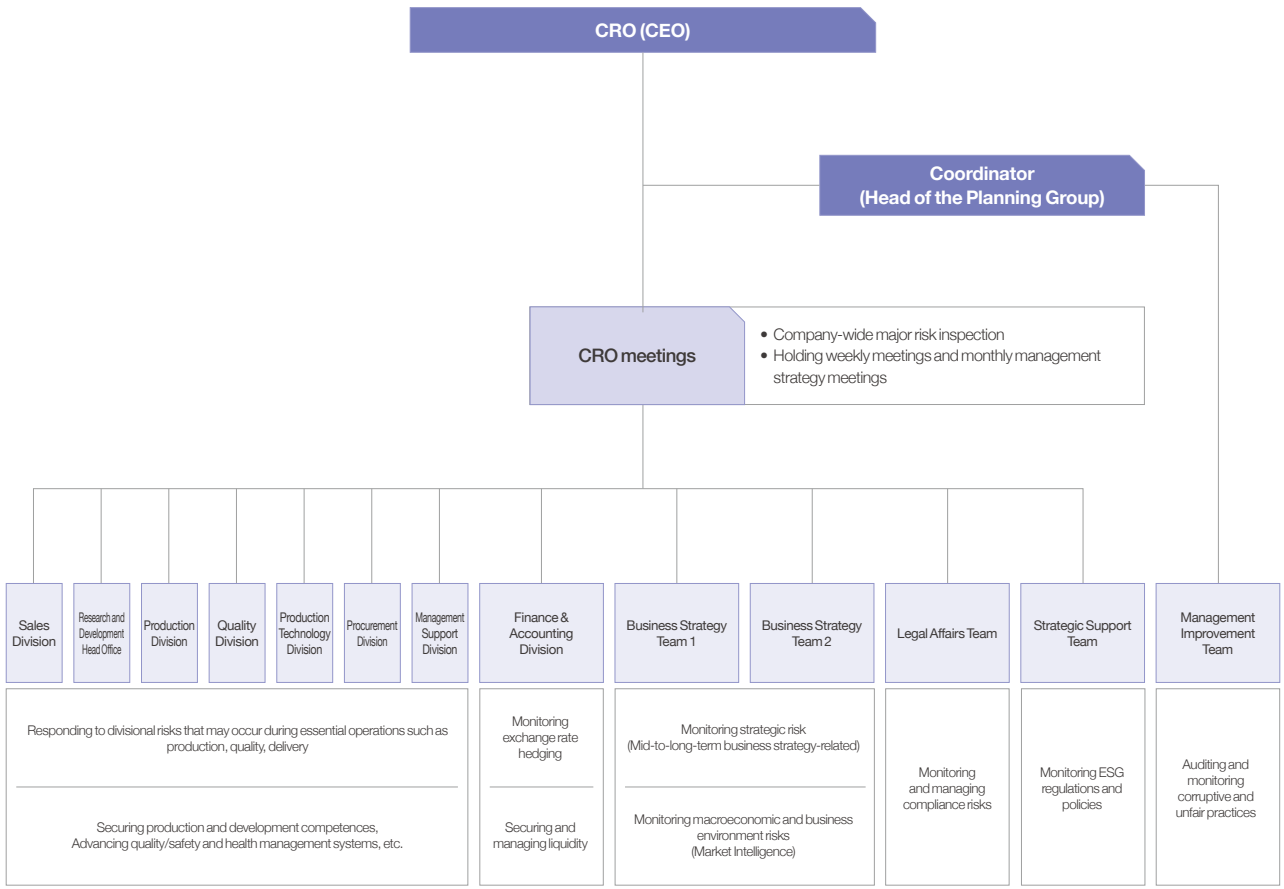
Course Title	Target (person)	Participation (person)	Participation rate (%)
① Security training for promoted employees	113	113	100
② Security training for new/ experienced hires	99	99	100
③ Security training for secretaries and drivers	2	2	100
④ Key technology handlers	136	132	97
⑤ Security training for employees	2199	2199	100
⑥ Security training for expatriates	56	55	98
⑦ Security training for personal information handlers	2172	2172	100

Integrated Risk Management

Governance

Hyundai Transys has established and operates a risk management governance system comprised of the CEO, the CRO, and heads of each division and business unit, and respective departments. Core risks are managed effectively by regularly reporting the status of each type to management. This approach allows us to proactively address potential risks across relevant fields.

Risk Management Organizational Chart



Strategy

We also systematically incorporate risk factors from the strategy planning stage to prepare for a wide range of challenges in a rapidly evolving internal and external environments, such as tightening safety and environmental regulations, supply chain instability, and technological shifts. As part of our mid-to-long-term strategies for sustainable growth, we are promoting key strategies such as ESG management across the supply chain, enhanced safety management, and a transition to renewable energy. We view risks not merely as threats to avoid, but as strategic levers that can be converted into business opportunities within a changing business landscape. Sector-specific CRO meetings play a central role in managing company-wide risks and also address ESG-related issues including climate change, resource circulation, and ethical management. Moving forward, we aim to secure sustainable competitiveness by advancing our strategic flexibility and integrated risk management capabilities in response to the ongoing paradigm shifts in the automotive industry.

Risk Management

Before establishing division-specific mid-to-long-term business strategies, we conduct macroeconomic and industry environment analyses to identify potential risks during strategy execution. Based on this, we establish annual business plans and define key tasks. During the task development process, we review major issues and assess risks, prepare response plans for high-risk items, and reflect them into practices through pre-approval procedures. We then operate an integrated management system to periodically monitor the status of these responses, ensuring that identified risks do not evolve into actual disruptions to business operations.

Risk Management Process

Plan		• Analyzing macroeconomic and business environment risks • Developing and finalizing annual business plans • Developing annual key tasks
Do	Identification	• Reviewing pending issues and assessing risks • Establishing, reviewing, and approving response measures for high risks • Monitoring responsive measures and risk mitigation efforts
	Analysis	
	Response and hedging	

Integrated Risk Management

Risk Definitions and Response Measures

Hyundai Transys identifies internal and external risks that may hinder the achievement of mid-to-long-term and short-term management objectives, and monitors them on a regular and as-needed basis. Identified risks are classified based on their controllability and are categorized within the company-wide risk management system as external risks, strategic risks, operational risks, financial risks, and tax risks. Each risk is further broken down into detailed items, and response measures are established through consultation with relevant departments based on impact analysis. Subsequently, continuous monitoring is conducted until the identified impact is mitigated, and necessary improvement activities are carried out in parallel to prevent any actual disruptions to the achievement of management objectives. In the event of a major risk, we facilitate a systematic response by promptly convening company-wide response meetings composed of the CEO and division heads to determine response directions and review execution results, thereby minimizing the impact of such risks.

Type Classification		Definitions	Risks	Response Measures
Uncontrollable	External Risks	• Risks arising from changes in external factors such as social, economic, political, and environmental conditions • Risks arising from changes within the automotive and parts industry	• Strengthened regulations for climate change response, introduction of carbon taxes, changes in international environmental regulations such as CBAM • Tariff risks originating from the United States and rapid volatility in the global supply chain due to trade conflicts • Decreased demand for internal combustion engine vehicles due to shifts in consumer preferences and the advancing price competitiveness of EV makers	• Establish scenarios and response policies for each stage of risk occurrence. • Review product planning and production strategies to prepare for the acceleration of electrification transition.
Controllable	Strategic Risks	• Risks that may affect the achievement of mid-to-long-term business strategies depending on internal choices	• Strengthening ESG policies and regulations	• Develop systems and technologies to respond to the demand for electrified vehicles, expand collaboration with external partners, and secure global business volume by strengthening regional operations.
	Operational Risks	• Risks that may impact short-term business objectives depending on internal processes and decision-making	• Major accident risks due to safety incidents • Risk of product competitiveness deterioration caused by delays in electrification response • Risk of lacking development capabilities necessary for software and new business transitions • Quality cost risks resulting from quality management failures	• Establish measures to prevent safety incidents and serious industrial accidents, and enhance safety awareness. • Secure development capabilities for electrification products and software. • Review mid-to-long-term organizational operation plans and establish talent acquisition strategies. • Build a robust quality assurance system and stabilize new projects.
	Financial Risks	• Risks that may arise due to fluctuations in financial market, credit ratings, and liquidity	• Intensified interest rate and exchange rate volatility due to global inflation	• Monitor financial markets and the company's liquidity, review the status and strategy of foreign exchange hedging, and prepare appropriate countermeasures.
	Tax Risks	• Risks of financial loss or legal sanctions due to tax uncertainties, regulatory violations, or incorrect tax payments	• Issues such as inconsistencies in tax return standards across countries, omissions in filing, or underpayment • Tax uncertainties and ESG-related risks	• Monitor global tax trends. • Analyze related policies such as BEPS 2.0, CBAM, and carbon taxes.

External Risks

Hyundai Transys systematically identifies external risks that affect sustainable corporate management amid a rapidly changing external environment and has established management systems for proactive response. External risks arise from factors beyond the company's direct control and can significantly impact management across various dimensions, including environmental, social, political, and industrial structural changes.

Environmental risks include heightened climate change response requirements and rising energy prices, while social risks stem from the strengthening of human rights and labor standards, as well as growing demands from local communities. Political risks are driven by geopolitical conflicts and shifts in government policies, whereas the transition to EVs and rapid technological innovation represent industrial structural risks. We aim to build a resilient foundation for sustainable management by implementing proactive monitoring and response systems tailored to these risk categories.

Strategic Risks

Strategic risks refer to the possibility that a company's mid-to-long-term management strategies may become ineffective or its market competitiveness may decline due to shifts in industry trends, technological transitions, and changing customer demands. We periodically review our mid-to-long-term strategies by taking into account rapidly evolving external conditions, including electrification and carbon neutrality. We have established systems to proactively identify strategic risks and respond with agility, leveraging insights from industry and market intelligence.

Operational Risks

Operational risks refer to practical risks that may arise during the execution of daily business activities such as production, quality, delivery, and information security. Hyundai Transys ensures production and development capabilities through companye-wide operational risk inspection systems. We have also established sector-specific response systems to address various operational risks, including quality, supplier ESG management, information security, and workplace safety, and continuously promotes improvement initiatives to mitigate these risks.

Integrated Risk Management

Financial Risks

Hyundai Transys is responding to major risks by setting management points for each item.

Profitability Risks

Given the long product lifecycle, Hyundai Transys manages profitability risks by categorizing them by business phase. From a long-term perspective, we are strengthening sustainable profitability and future competitiveness through project-based profitability management. Short-term profit and loss risks are addressed through monthly company-wide meetings that enable all departments to identify and review both profitability risks and opportunities affecting the annual business plan.

Liquidity Risks

We regularly inspect liquidity, borrowings, and contract limits to prevent financial disruptions across domestic and overseas sales, finance, and investment activities. To further enhance liquidity, we operate Cash Management Systems (CMS) that enable integrated liquidity management among overseas subsidiaries. This strengthens the efficiency of group-level fund operations and reinforces our ability to respond to financial risks.

Exchange Rate Fluctuation Risks

To minimize financial risks arising from exchange rate fluctuations, we centrally manage fund raising and foreign exchange risk response under the leadership of the Finance Team. We operate borrowing management and comprehensive foreign exchange management systems for each overseas region to continuously monitor the financial impact of currency fluctuations. Based on these insights, we develop and implement proactive response strategies.

Tax Risks

We faithfully comply with domestic and international tax laws by accurately filing tax returns and fulfilling all payment obligations. We also systematically identify, assess, and proactively manage a wide range of tax risks that may arise throughout our business activities.

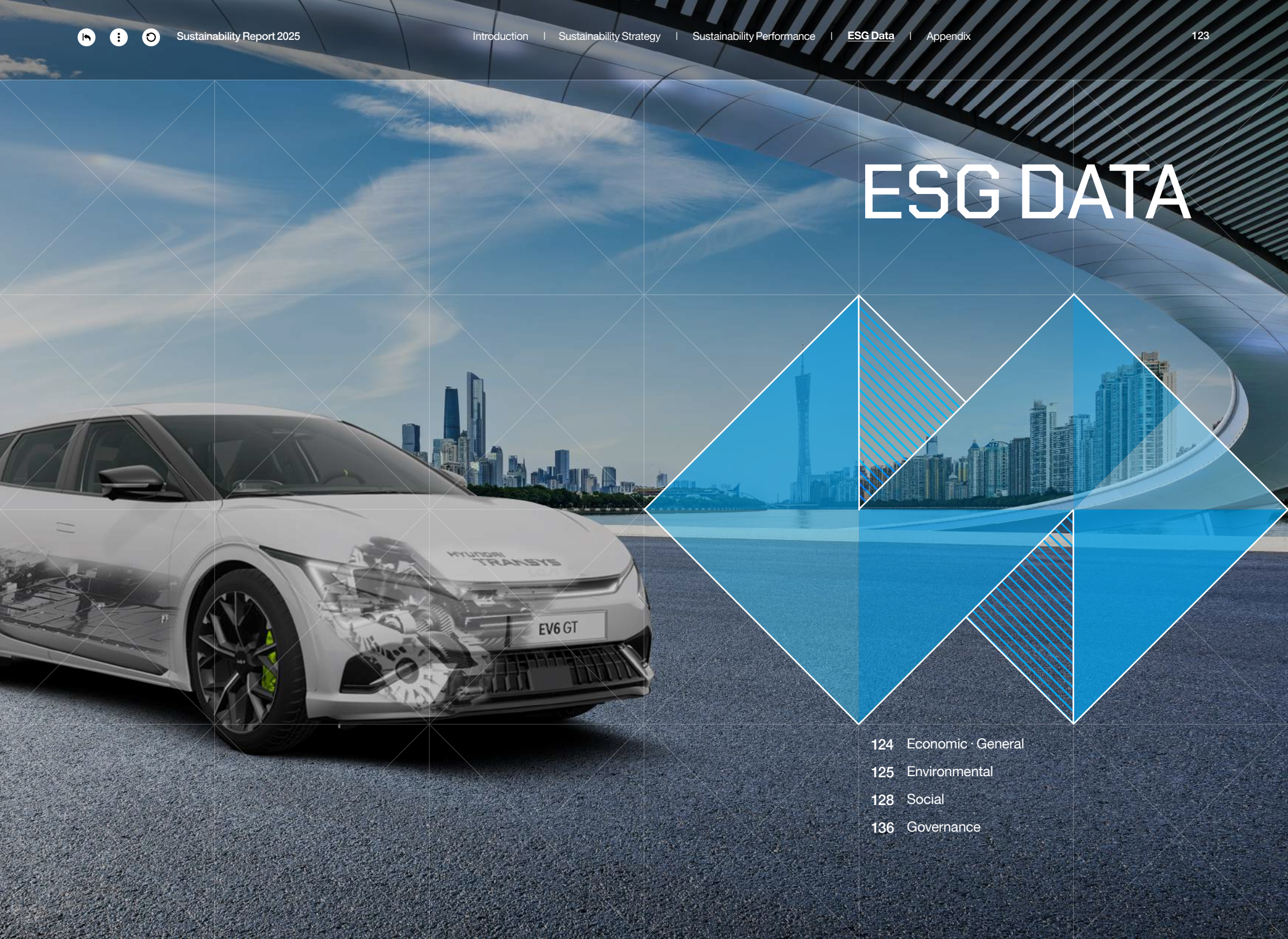
Tax Policy

We uphold legal compliance and faithful payment as core principles of our tax policy, recognizing them as integral to CSR. We establish and implement internal tax regulations based on thorough reviews of domestic and international tax laws, and proactively manage tax risks in response to major business developments, such as new businesses and changes in transaction structures. Additionally, by working closely with tax experts and maintaining trust-based communication with tax authorities, we regularly monitor tax systems and global tax trends that affect corporate finance—strengthening the foundation for sustainable management.

Overseas Tax Obligation Fulfillment

In cross-border transactions, we comply with domestic tax laws and OECD transfer pricing guidelines, ensuring tax transparency that aligns with global standards through the faithful fulfillment of overseas tax obligations. We strictly exclude transactions aimed at tax avoidance, tax structures lacking economic substance, and the use of tax havens. To address Base Erosion and Profit Shifting (BEPS), we submit documentation in accordance with OECD standards, including BEPS reporting requirements. With the introduction of the Global Anti-Base Erosion Rules in 2024, we are strengthening tax management for our overseas subsidiaries in cooperation with external experts. In key business regions such as North America and China, we utilize Advance Pricing Agreements (APA) to maintain transparent relationships with local tax authorities and substantially control tax risks.

ESG DATA



Economic · General

Hyundai Transys' Efforts to Strengthen ESG Data Management

Hyundai Transys has identified some errors in previously disclosed data while aggregating data from the company and its subsidiaries. These discrepancies stemmed from variations in data measurement methods and a lack of standardized practices across organizations. To enhance the reliability and consistency of ESG disclosures, we have established indicator definitions aligned with global standards and unified calculation criteria. Based on this, we established company-wide ESG disclosure guidelines and resolved data distortions caused by inconsistent application standards across our plants. The revised data items and reasons for these changes are clearly noted in the footnotes. We remain committed to ongoing improvements to enhance the transparency and credibility of our ESG data. In addition, we are focusing on securing data completeness by expanding the scope of disclosure to include not only our domestic plants but also overseas production subsidiaries, sales offices, and research centers across the company.

※ In this report's ESG data, a '-' denotes that data for the corresponding item was either not measured or not prepared, while '0' indicates that the performance value for that year is zero.

* Tranyx was established in April 2023, and its data has been included in the calculation for domestic subsidiaries starting from that year.

Category		Unit	2022	2023	2024
			Domestic (Consolidated)	Domestic (Consolidated)	Domestic (Consolidated)
Revenue		KRW mil.	10,256,254	11,693,980	12,746,390
Total economic value distributed	Total	KRW mil.	10,155,002	11,686,018	12,816,759
	Operating expenses	KRW mil.	9,546,835	10,809,136	11,733,881
	Wages and employee benefits	KRW mil.	557,693	767,856	933,847
	Corporate tax	KRW mil.	- 922	31,216	12,126
	Dividends	KRW mil.	0	0	0
	Interest expenses	KRW mil.	50,702	76,846	135,618
	Donations	KRW mil.	694	964	1,287
Government subsidies	Total	KRW mil.	1,500	2,100	1,600
	Treasury subsidies	KRW mil.	1,500	2,100	1,600
	Other operational activity support	KRW mil.	0	0	0
	Royalty exemptions	KRW mil.	0	0	0
	Prizes	KRW mil.	0	0	0
	Tax exemptions and deductions	KRW mil.	0	0	0
	Export credit agency support	KRW mil.	0	0	0
	Incentives	KRW mil.	0	0	0
	Investment, R&D and other support	KRW mil.	0	0	0
Government-owned equity		%	0	0	0
Consolidated tax information (BEPS)	Total	KRW mil.	4,457,697	5,059,896	6,536,045
	Tangible assets (excluding cash/cash equivalents)	KRW mil.	2,416,704	2,644,808	3,327,585
	Corporate tax paid	KRW mil.	49,002	49,088	54,013
	Accrued income taxes	KRW mil.	33,201	51,910	4,016
	Pre-tax profit/loss	KRW mil.	122,561	127,961	35,212
	Third-party sales revenue	KRW mil.	583,582	849,976	768,856
	Internal transactions with entities in other tax jurisdictions	KRW mil.	1,252,647	1,336,153	2,346,363
Related party transactions		KRW mil.	10,937,122	12,267,024	13,268,321
Related party receivables/payables		KRW mil.	2,193,055	2,059,112	2,018,870
Number of manufactured parts	P/T	10,000 unit	551	612	625
	Seats	10,000 unit	257	271	361

Environmental

GHG Management[1)]

Category		Unit	2022				2023				2024			
			Domestic Establishments	Domestic Subsidiaries[2)]	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total
Direct GHG emissions (Scope 1)	Total	tCO_2eq	21,817	563	3,947	**26,327**	20,581	394	5,410	**26,385**	21,193	251	5,611	**27,056**
	CO2	tCO_2eq	21,785	563	3,927	**26,275**	20,551	394	5,383	**26,327**	21,156	251	5,583	**26,990**
	N2O	tCO_2eq	22	0	4	**26**	22	0	5	**27**	21	0	6	**27**
	CH4	tCO_2eq	10	0	16	**26**	9	0	22	**31**	16	0	23	**38**
	HFC	tCO_2eq	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
	PFC	tCO_2eq	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
	SF6	tCO_2eq	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
	NF3	tCO_2eq	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
	Direct GHG emissions subject to emissions trading scheme (Scope 1)	tCO_2eq	21,817	0	-	**21,817**	20,581	0	-	20,581	21,193	0	-	**21,193**
	Ratio of direct GHG emissions subject to emissions trading scheme (Scope 1)	%	100	-	-	-	100	-	-	-	100	-	-	-
Indirect GHG emissions (Scope 2) location-based	Total	tCO_2eq	172,275	4,219	131,405	**307,899**	174,339	4,630	119,484	**298,453**	169,459	4,630	125,680	**299,769**
	Electricity	tCO_2eq	172,176	4,219	131,194	**307,589**	174,249	4,630	119,338	**298,217**	169,374	4,630	125,542	**299,546**
	Steam	tCO_2eq	99	0	0	**99**	90	0	0	**90**	85	0	0	**85**
	Heating	tCO_2eq	0	0	211	**211**	0	0	146	**146**	0	0	138	**138**
	Cooling	tCO_2eq	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
Indirect GHG emissions (Scope 2) market-based	Total	tCO_2eq	172,275	4,219	131,405	**307,899**	174,339	4,630	118,152	**297,121**	169,459	4,630	75,928	**250,017**
	Electricity	tCO_2eq	172,176	4,219	131,194	**307,589**	174,249	4,630	118,006	**296,884**	169,374	4,630	75,790	**249,794**
	Steam	tCO_2eq	99	0	0	**99**	90	0	0	**90**	85	0	0	**85**
	Heating	tCO_2eq	0	0	211	**211**	0	0	146	**146**	0	0	138	**138**
	Cooling	tCO_2eq	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
Total GHG emissions (Scope 1+2) location-based		tCO_2eq	194,092	4,783	135,352	**334,227**	194,921	5,024	124,894	**324,839**	190,652	4,881	131,291	**326,824**
Total GHG emission intensity (Scope 1+2) location-based		tCO_2eq/KRW mil.	0.0257	-	-	-	0.0227	-	-	-	0.0229	-	-	-
Total GHG emissions (Scope 1+2) market-based		tCO_2eq	194,092	4,783	135,352	**334,227**	194,921	5,024	123,562	**323,506**	190,652	4,881	81,539	**277,072**
Total GHG emission intensity (Scope 1+2) market-based		tCO_2eq/KRW mil.	0.0257	-	-	-	0.0227	-	-	-	0.0229	-	-	-
Other indirect GHG emissions (Scope 3)	Total	tCO_2eq	7,824,759	-	-	**7,824,759**	9,453,844	-	-	**9,453,844**	10,975,779	-	-	**10,975,779**
	Upstream 1) Purchased goods and services	tCO_2eq	1,309,249	-	-	**1,309,249**	1,442,904	-	-	**1,442,904**	1,395,950	-	-	**1,395,950**
	Upstream 2) Capital goods	tCO_2eq	6,152	-	-	**6,152**	43	-	-	**43**	49	-	-	**49**
	Upstream 3) Fuel and energy related activities not included in Scope 1 or 2	tCO_2eq	301,504	-	-	**301,504**	309,775	-	-	**309,775**	319,557	-	-	**319,557**
	Upstream 5) Waste generated from operations	tCO_2eq	4,325	-	-	**4,325**	8,246	-	-	**8,246**	8,884	-	-	**8,884**
	Upstream 6) Business travel	tCO_2eq	8,363	-	-	**8,363**	7,552	-	-	**7,552**	5,828	-	-	**5,828**
	Upstream 7) Employee commuting	tCO_2eq	34,912	-	-	**34,912**	27,332	-	-	**27,332**	28,972	-	-	**28,972**
	Downstream 9) Transportation & distribution	tCO_2eq	32,333	-	-	**32,333**	40,069	-	-	**40,069**	42,473	-	-	**42,473**
	Downstream 11) Use of sold products	tCO_2eq	6,127,734	-	-	**6,127,734**	7,617,748	-	-	**7,617,748**	9,173,939	-	-	**9,173,939**
	Downstream 12) End-of-life treatment of sold products	tCO_2eq	187	-	-	**187**	175	-	-	**175**	127	-	-	**127**
Total GHG emissions (Scope 1+2+3)_location-based		tCO_2eq	8,018,851	-	-	**8,158,986**	9,648,765	-	-	**9,778,683**	11,166,431	-	-	**11,302,603**
Total GHG emission intensity (Scope 1+2+3)_location-based[3)]		tCO_2eq/KRW mil.	1.06	-	-	-	1.12	-	-	-	1.3401	-	-	-

1) Domestic Plants underwent external verification in 2022, 2023, and 2024; and so did overseas plants in 2023 and 2024; while domestic subsidiaries and overseas plants did not in 2022.
2) 'Domestic subsidiaries' refer to Mseat data; Tranix is included in domestic plants.
3) Use of separate domestic revenue when calculating intensity (2022: KRW 7,560,169 million, 2023: KRW 8,596,884 million, 2024: KRW 8,332,610 million)

Environmental

Energy

Category		Unit	2022				2023				2024			
			Domestic Establishments	Domestic Subsidiaries[1]	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total
Energy consumption (purchase-based)	Total	MWh	491,542	11,873	243,093	**746,507**	489,230	12,675	301,451	**803,356**	481,899	11,840	398,889	**892,629**
	Non-renewable energy	MWh	491,542	11,873	241,106	**744,520**	489,230	12,675	290,594	**792,499**	480,913	11,840	303,726	**796,479**
	Fuel	MWh	116,027	2,532	20,202	**138,762**	109,245	1,783	48,018	**159,046**	111,564	1,088	42,669	**155,321**
	Electricity	MWh	374,775	9,341	219,320	**603,436**	379,287	10,892	241,501	**631,680**	368,676	10,753	260,070	**639,498**
	Steam	MWh	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
	Heating	MWh	739	0	1,583	**2,323**	698	0	1,075	**1,773**	673	0	987	**1,660**
	Cooling	MWh	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
	Renewable Energy	MWh	0	0	1,987	**1,987**	0	0	10,857	**10,857**	986	0	95,163	**96,150**
	Fuel	MWh	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
	Electricity (Bundle)	MWh	0	0	1,987	**1,987**	0	0	10,857	**10,857**	986	0	10,966	**11,953**
	Electricity (Unbundle)	MWh	0	0	0	**0**	0	0	0	**0**	0	0	84,197	**84,197**
	Steam	MWh	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
	Heating	MWh	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
	Cooling	MWh	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
	Renewable energy usage ratio[2]	%	0	0	0.91	**0.33**	0	0	4.50	**1.72**	0.27	0	37	**15**
	Renewable energy Bundle contract method ratio	%	-	-	100	**100**	-	-	100	**100**	100	-	12	**12**
	Renewable energy Unbundle contract method ratio	%	-	-	0	**0**	-	-	0	**0**	0	-	88	**88**
Energy production	Total	MWh	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
	Non-renewable energy	MWh	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
	Renewable Energy	MWh	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
Energy sales	Total	MWh	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
	Non-renewable energy	MWh	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
	Renewable Energy	MWh	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
Energy intensity[3]		MWh/KRW mil.	0.0650	-	-	-	0.0569	-	-	-	0.0578	-	-	-

1) 'Domestic subsidiaries' refer to Mseat data; Tranix is included in domestic plants.
2) Renewable energy usage ratio = (Total renewable energy consumption/Total electricity consumption) X 100
3) Use of separate domestic revenue when calculating intensity (2022: KRW 7,560,169 million, 2023: KRW 8,596,884 million, 2024: KRW 8,332,610 million)

Pollutant Management

Category		Unit	2022				2023				2024			
			Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries[1]	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total
Air pollutant emissions	Total	Ton	37	-	65	**102**	34	0.02	42	**76**	34	0.28	69	**104**
	Nox (Nitrogen oxides)	Ton	22	-	24	**46**	20	0.02	13	**33**	17	0.12	25	**42**
	SOx (Sulfur oxides)	Ton	5	-	25	**30**	5	0.002	17	**22**	8	0.16	28	**36**
	TSP (Total suspended particles)	Ton	10	-	15	**26**	9	-	12	**21**	9	-	16	**25**
	Air pollutant intensity[3]	Ton/KRW 10B	0.0484	-	-	-	0.0390	-	-	-	0.0408	-	-	-
Water pollutant emissions	Total	kg	88	-	32,480	**32,567**	111	-	34,076	**34,187**	139	-	31,190	**31,329**
	TOC (Total organic carbon)[3]	kg	21	-	21,345	**21,366**	26	-	17,020	**17,973**	17,046	-	8,625	**8,670**
	TSS (Total suspended solids)	kg	2	-	2,339	**2,340**	2	-	3,250	**3,250**	7	-	4,505	**4,512**
	BOD (Biochemical oxygen demand)	kg	5	-	6,944	**6,949**	7	-	9,317	**9,323**	23	-	14,849	**14,872**
	T-N (Total nitrogen)	kg	59	-	1,737	**1,796**	75	-	4,356	**4,431**	60	-	2,552	**2,612**
	T-P (Total phosphorus)	kg	1	-	115	**116**	1	-	134	**135**	4	-	659	**663**
	Water pollutant intensity[3]	Kg/KRW 10B	0.1161	-	-	-	0.1291	-	-	-	0.1673	-	-	-

1) Tranix was launched in April 2023, and its data collection began in the same year; Mseat is not measured.
2) Following the conversion of the organic matter measurement indicator for domestic (individual) plants from COD to TOC, data from 2022 was recalculated under the revised standard.
3) Use of separate domestic revenue when calculating intensity (2022: KRW 7,560,169 million, 2023: KRW 8,596,884 million, 2024: KRW 8,332,610 million)

Environmental

Waste Management

Category		Unit	2022				2023				2024			
			Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total
Waste generation		Ton	5,485	110	5,689	**11,284**	5,403	835	7,429	**13.667**	4,535	1,078	11,984	**17,598**
General waste	Total	Ton	2,259	101	4,334	**6,693**	61	219	5,960	**6,239**	118	450	8,564	**9,132**
	Landfill	Ton	43	0	1,721	**1,764**	48	0	2,585	**2,633**	57	0	4,948	**5,005**
	Incineration (without energy recovery)	Ton	120	0	2	**123**	14	14	4	**31**	61	16	3	**80**
	Incineration (with energy recovery)	Ton	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
	Recycling (official)	Ton	2,095	101	2,611	**4,807**	2,077	205	3,371	**5,652**	2,202	419	3,614	**6,235**
	Recycling (internal)	Ton	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
	Reuse	Ton	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
	Other disposal	Ton	0	0	0	**0**	0	0	0	**0**	0	15	0	**15**
Designated (hazardous) waste	Total	Ton	3,226	10	1,355	**4,591**	3,265	617	1,470	**5,351**	2,215	628	3,420	**6,263**
	Landfill	Ton	0	0	174	**174**	3	0	20	**23**	0	0	254	**254**
	Incineration (without energy recovery)	Ton	1,905	4	56	**1,965**	1,653	8	723	**2,384**	1,225	6	290	**1,521**
	Incineration (with energy recovery)	Ton	0	0	3	**3**	0	469	2	**471**	0	334	5	**339**
	Recycling (official)	Ton	1,321	6	1,022	**2,349**	1,609	140	625	**2,374**	990	288	2,734	**4,012**
	Recycling (internal)	Ton	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
	Reuse	Ton	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
	Other disposal	Ton	0	0	100	**100**	0	0	98	**98**	0	0	137	**137**
	Designated waste generation ratio	%	59	9	24	**41**	98	74	20	**46**	95	58	29	**41**
	Designated waste recycling ratio	%	24	6	18	**21**	48	17	8	**20**	42	27	23	**26**
Construction waste		Ton	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
Total waste directed to disposal		Ton	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
Total waste diverted from disposal		Ton	2,069	4	2,056	**4,128**	1,717	491	3,433	**5,641**	1,343	371	5,637	**7,351**
Total radioactive waste		Ton	3,416	107	3,633	**7,156**	3,686	345	3,996	**8,026**	3,192	707	6,347	**10,247**

Natural Capital Management

Category		Unit	2022				2023				2024			
			Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries[1]	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries[1]	Overseas Establishments	Total
Water withdrawal	Total	ton	459,402	19,170	588,282	**1,066,854**	522,785	17,561	542,790	**1,083,136**	545,482	17,963	481,367	**1,044,812**
	Seawater	ton	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
	Produced water	ton	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
	Third-party supplied water (tap water)[2]	ton	293,365	10,149	588,282	**891,796**	329,321	9,738	542,790	**881,849**	365,179	11,162	481,367	**857,708**
	Surface water	ton	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
	Groundwater	ton	166,037	9,021	0	**175,058**	193,464	7,823	0	**201,287**	180,303	6,801	0	**187,104**
Water discharge	Total	ton	116,071	19,170	213,596	**348,836**	117,341	17,561	219,999	**354,901**	108,752	17,963	226,599	**353,314**
	Third-party discharge	ton	1,591	19,170	204,961	**225,721**	981	17,561	174,949	**193,491**	1,022	17,963	183,746	**202,731**
	Third-party discharge for use by other organizations	ton	65,400	0	1,166	**66,566**	68,560	0	35,655	**104,215**	65,690	0	26,164	**91,854**
	Direct discharge to seawater	ton	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
	Direct discharge to surface water	ton	49,080	0	7,469	**56,549**	47,800	0	9,395	**57,195**	42,040	0	16,689	**58,729**
	Direct discharge to groundwater	ton	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
Water recycling/reuse volume[3]		ton	387,277	0	29,487	**416,764**	350,188	0	31,361	**381,549**	317,752	0	34,559	**352,311**

1) Among domestic subsidiaries, only water data from Mseat is included, and Tranix data is included in the domestic plants' category. 2) Domestic plants include only the Seongyeon Plant. 3) Only the Jigok Plant is included

Other Environmental Indicators

Category	Unit	2022				2023				2024			
		Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total
Environmental protection and improvement costs[1]	KRW mil.	1,045	-	246	**1,290**	3,512	-	671	**4,182**	2,051	-	1,255	**3,306**

1) The data was revised following the redefinition of indicators and subsequent data recollection and recalculation to include costs related to contaminated site restoration, environmental pollution removal, and other similar activities.

Social

Employee Composition

Category		Unit	2022				2023				2024			
			Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total
Total employees		Person	3,781	489	5,672	**9,942**	4,126	2,377	6,453	**12,956**	4,169	2,533	7,247	**13,949**
Male employee ratio		%	96	98	78	**86**	96	71	74	**80**	95	74	74	**80**
Female employee ratio		%	4	2	22	**14**	4	29	26	**20**	5	26	26	**20**
By employment type	Regular employees	Person	3,707	381	4,166	**8,254**	3,886	1,892	4,810	**10,588**	3,944	1,896	5,255	**11,095**
	Male regular employees	Person	3,570	372	3,028	**6,970**	3,721	1,298	3,307	**8,326**	3,760	1,327	3,639	**8,726**
	Female regular employees	Person	137	9	1,137	**1,283**	165	594	1,496	**2,255**	184	569	1,604	**2,357**
	Others and those with unspecified gender	Person	0	0	1	**1**	0	0	7	**7**	0	0	12	**12**
	Contract employees	Person	43	106	1,506	**1,655**	197	482	1,643	**2,322**	179	633	1,992	**2,804**
	Male contract employees	Person	43	104	1,373	**1,520**	182	391	1,457	**2,030**	158	543	1,736	**2,437**
	Female contract employees	Person	0	2	133	**135**	15	91	186	**292**	21	90	256	**367**
	Others and those with unspecified gender	Person	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
	Top management (executives)	Person	31	2	0	**33**	43	3	0	**46**	46	4	0	**50**
	Male	Person	31	2	0	**33**	43	3	0	**46**	46	4	0	**50**
	Female	Person	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
	Others and those with unspecified gender	Person	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
	Female executive ratio	%	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
	Male executive ratio	%	100	100	0	**100**	100	100	0	**100**	100	100	0	**100**
By position level	Senior managers (officer level and above)	Person	1,103	57	256	**1,416**	1,238	87	273	**1,598**	1,354	87	290	**1,731**
	Male	Person	1,076	57	206	**1,339**	1,202	87	220	**1,509**	1,310	87	229	**1,626**
	Female	Person	27	0	50	**77**	36	0	53	**89**	44	0	61	**105**
	Others and those with unspecified gender	Person	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
	Female senior manager ratio	%	2.45	0	19.53	**5.44**	2.91	0	19.41	**5.57**	3.25	0	21.03	**6.07**
	Junior managers (managers and non-administrative)	Person	2,647	430	5,416	**8,493**	2,845	2,287	6,180	**11,312**	2,769	2,442	6,957	**12,168**
	Male	Person	2,537	419	4,201	**7,157**	2,701	1,602	4,548	**8,851**	2,608	1,783	5,149	**9,543**
	Female	Person	110	11	1,218	**1,339**	144	685	1,625	**2,454**	161	659	1,796	**2,616**
	Others and those with unspecified gender	Person	0	0	1	**1**	0	0	7	**7**	0	0	12	**12**
	Female junior manager ratio	%	4.16	2.56	22.47	**15.76**	5.06	29.95	26.28	**21.69**	5.81	26.99	25.80	**21.49**
By age	Under 30 years old	Person	344	107	2,410	**2,861**	494	309	2,614	**3,417**	509	492	3,054	**4,055**
	30-49 years old	Person	2,960	252	2,756	**5,968**	3,059	1,424	3,230	**7,713**	3,047	1,425	3,516	**7,988**
	50 years old and above	Person	477	130	505	**1,112**	573	644	609	**1,826**	613	616	677	**1,906**
	Age unspecified	Person	0	0	1	**1**	0	0	0	**0**	0	0	0	**0**
Others	Number of employees with disabilities	Person	54	8	24	**86**	46	31	25	**102**	51	28	22	**101**
	Employee with disabilities ratio	%	1.43	1.64	0.42	**0.86**	1.11	1.30	0.39	**0.79**	1.22	1.11	0.30	**0.72**
	Total outsourced workers	Person	1,820	-	-	**1,820**	326	-	-	**326**	342	-	-	**342**

Social

New Recruitment

Category		Unit	2022				2023				2024			
			Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total
Total new hires		Person	604	140	2,592	3,336	389	348	5,168	5,905	414	517	5,310	6,241
New hire rate		%	16	29	46	34	9	15	80	46	10	20	73	45
Gender	Male	Person	518	136	1,954	2,608	311	327	3,366	4,004	349	489	3,519	4,357
	Female	Person	86	4	633	723	78	21	1,784	1,883	65	28	1,778	1,871
	Gender unspecified	Person	0	-	5	5	0	-	18	18	0	-	13	13
	Male new hire ratio	%	14	28	44	31	8	19	71	38	9	26	65	39
	Female new hire ratio	%	63	36	50	51	43	3	106	74	32	4	96	69
By position level	Top management (executives)	Person	21	1	-	22	9	0	-	9	20	1	-	21
	Senior managers (officer level and above)	Person	44	2	-	44	22	21	-	43	18	7	-	25
	Junior managers (managers and non-administrative)	Person	539	137	-	676	358	327	-	685	376	509	-	885
By age	Under 30 years old	Person	359	105	1,705	2,169	251	188	2,845	3,284	309	362	3,025	3,696
	30-49 years old	Person	193	32	721	946	102	150	1,955	2,207	64	141	1,899	2,104
	50 years old and above	Person	52	3	166	221	36	10	368	414	41	14	386	441
	Age unspecified	Person	0	0	0	0	0	0	0	0	0	0	0	0

Employee Turnover

Category		Unit	2022				2023				2024			
			Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total
Total employee turnover		Person	468	62	1,168	1,698	340	208	1,225	1,773	386	353	898	1,637
Employee turnover rate		%	12	13	21	17	8	9	19	14	9	14	12	12
Gender	Male	Person	412	60	760	1,232	289	176	740	1,205	346	299	528	1,173
	Female	Person	56	2	403	461	51	32	471	554	40	54	364	458
	Gender unspecified	Person	0	-	5	5	0	-	14	14	0	-	6	6
	Male turnover rate	%	11	13	17	14	7	10	16	12	9	16	10	10
	Female turnover rate	%	41	18	32	33	28	5	28	22	20	8	20	17
By age	Under 30 years old	Person	210	31	498	739	174	107	433	714	234	177	528	939
	30-49 years old	Person	164	18	564	746	89	74	634	797	65	135	364	564
	50 years old and above	Person	94	13	106	213	77	27	157	261	87	41	0	128
	Age unspecified	Person	0	0	0	0	0	0	1	1	0	0	6	6
By type	Involuntary turnover	Person	222	8	276	506	214	45	398	657	273	133	365	771
	Voluntary turnover	Person	246	54	892	1,192	126	163	827	1,116	113	220	533	866
By position level	Top management (executives)	Person	22	2	-	24	14	1	-	15	10	0	-	10
	Senior managers (officer level and above)	Person	39	12	-	54	33	8	-	46	22	5	-	27
	Junior managers (managers and non-administrative)	Person	407	48	-	1,438	242	199	-	1,602	354	348	-	1,903
Voluntary turnover		Person	246	54	892	1,192	126	163	827	1,116	113	220	533	866
Voluntary turnover rate		%	7	11	16	12	3	7	13	9	3	9	7	6
Gender	Male	Person	228	52	-	280	107	149	-	256	102	198	-	300
	Female	Person	18	2	-	20	19	14	-	33	11	22	-	33
	Others and those with unspecified gender	Person	0	0	-	0	0	0	-	0	0	0	-	0
	Male turnover rate	%	6	11	-	3	3	9	-	2	3	11	-	3
	Female turnover rate	%	13	18	-	1	11	2	-	1	5	3	-	1
By age	Under 30 years old	Person	94	30	-	124	63	88	-	151	71	127	-	198
	30-49 years old	Person	136	16	-	152	53	64	-	117	31	75	-	106
	50 years old and above	Person	16	8	-	24	10	11	-	21	11	18	-	29
	Age unspecified	Person	0	0	-	0	0	0	-	0	0	0	-	0
By position level	Top management (executives)	Person	14	0	-	14	7	-	-	7	3	-	-	3
	Senior managers (officer level and above)	Person	32	9	-	41	18	8	-	26	10	3	-	13
	Junior managers (managers and non-administrative)	Person	200	45	-	245	101	155	-	256	100	217	-	317
Average years of service		Year	12	-	-	-	12	-	-	17	12.5	-	-	-

Social

Parental Leave

Category	Unit	2022				2023				2024			
		Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total
Total employees eligible for parental leave	Person	852	-	-	**852**	771	-	-	**771**	678	-	-	**678**
Male	Person	835	-	-	**835**	756	-	-	**756**	660	-	-	**660**
Female	Person	17	-	-	**17**	15	-	-	**15**	18	-	-	**18**
Others and those with unspecified gender	Person	0	-	-	**0**	0	-	-	**0**	0	-	-	**0**
Ratio of employees eligible for parental leave	%	23	-	-	**22.53**	19	-	-	**18.69**	16	-	-	**16**
Total employees using parental leave	Person	180	9	687	**876**	166	8	692	**866**	185	15	687	**887**
Male	Person	172	8	494	**674**	160	8	507	**675**	171	13	494	**678**
Female	Person	8	1	180	**189**	6	0	165	**171**	14	2	152	**168**
Others and those with unspecified gender	Person	0	0	13	**13**	0	0	20	**20**	0	0	41	**41**
Ratio of employees using parental leave	%	21	-	-	**21**	22	-	-	**22**	27	-	-	**27**
Male	%	21	-	-	**21**	21	-	-	**21**	26	-	-	**26**
Female	%	47	-	-	**47**	40	-	-	**40**	78	-	-	**78**
Total employees eligible to return to work after parental leave [1]	Person	180	5	-	**185**	166	10	-	**176**	163	8	-	**171**
Male	Person	172	4	-	**176**	160	10	-	**170**	160	8	-	**168**
Female	Person	8	1	-	**9**	6	0	-	**6**	3	0	-	**168**
Others and those with unspecified gender	Person	0	0	-	**0**	0	0	-	**0**	0	0	-	**0**
Total employees returning to work after parental leave	Person	180	5	-	**185**	166	10	-	**176**	163	8	-	**171**
Male	Person	172	4	-	**176**	160	10	-	**170**	160	8	-	**168**
Female	Person	8	1	-	**9**	6	0	-	**6**	3	0	-	**3**
Others and those with unspecified gender	Person	0	0	-	**0**	0	0	-	**0**	0	0	-	**0**
Employee return-to-work rate after parental leave	%	100	100	-	**100**	100	100	-	**100**	100	100	-	**100**
Male	%	100	100	-	**100**	100	100	-	**100**	100	100	-	**100**
Female	%	100	100	-	**100**	100	-	-	**100**	100	-	-	**100**
Total employees who continued working for 12 months or more after returning from parental leave	Person	196	5	-	**201**	180	10	-	**190**	144	7	-	**151**
Male	Person	187	4	-	**191**	172	10	-	**182**	141	7	-	**148**
Female	Person	9	1	-	**10**	8	0	-	**8**	3	0	-	**3**
Others and those with unspecified gender	Person	0	0	-	**0**	0	0	-	**-**	0	0	-	**0**
Ratio of employees who continued working for 12 months or more after returning from parental leave	%	98	100	-	**98**	99	100	-	**99**	99	88	-	**99**
Male	%	98	100	-	**98**	99	100	-	**99**	99	88	-	**99**
Female	%	100	100	-	**100**	100	-	-	**100**	100	-	-	**100**
Total employees who did not continue working for 12 months or more after returning from parental leave [1]	Person	4	0	-	**4**	1	0	-	**1**	1	1	-	**2**
Male	Person	4	0	-	**4**	1	0	-	**1**	1	1	-	**2**
Female	Person	0	0	-	**0**	0	0	-	**-**	0	0	-	**0**
Others and those with unspecified gender	Person	0	0	-	**0**	0	0	-	**-**	0	0	-	**0**

1) A new report item applied in 2024

Social

Human Resource Management

Category	Unit	2022				2023				2024			
		Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total
Employees subject to regular performance evaluation	Person	2,007	355	2,423	**4,785**	2,180	419	2,664	**5,263**	2,271	488	2,988	**5,747**
Male	Person	1,870	349	1,994	**4,213**	2,015	399	2,190	**4,604**	2,087	466	2,373	**4,926**
Female	Person	137	6	429	**572**	165	20	473	**658**	184	22	502	**708**
Others and those with unspecified gender	Person	0	0	0	**0**	0	0	1	**1**	0	0	113	**113**
Employees who received regular performance evaluation	Person	1,823	355	2,350	**4,528**	1,894	419	2,428	**4,741**	2,088	488	2,569	**5,145**
Male	Person	1,726	349	1,964	**4,039**	1,784	399	1,998	**4,181**	1,942	466	2,135	**4,543**
Female	Person	97	6	386	**489**	110	20	430	**560**	146	22	434	**602**
Others and those with unspecified gender	Person	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
Ratio of male employees who received regular performance evaluation	%	92	100	98	**96**	89	100	91	**91**	93	100	90	**92**
Ratio of female employees who received regular performance evaluation	%	71	100	90	**85**	67	100	91	**85**	79	100	86	**85**

Wages

Category		Unit	2022				2023				2024			
			Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total
Total wages	Total	KRW mil.	382,941	34,461	163,653	**581,055**	423,808	136,896	218,059	**778,763**	440,615	176,466	273,548	**890,629**
	Male	KRW mil.	372,894	33,952	115,397	**522,243**	410,160	102,775	148,565	**661,500**	424,230	132,728	183,659	**740,617**
	Female	KRW mil.	10,047	509	48,256	**58,812**	13,648	34,121	69,494	**117,263**	16,385	43,738	89,889	**150,012**
	Male average wage	KRW mil.	98	64	22	**51**	107	54	26	**54**	110	61	28	**56**
	Female average wage	KRW mil.	71	46	29	**32**	82	49	31	**38**	87	62	37	**45**
	Gender pay gap ratio	%	27	27	-34	**36**	23	9	-22	**29**	20.90	-1	-29	**20**
Total number of employees on payroll	Total	Person	3,925	540	7,005	**11,470**	3,948	2,549	8,012	**14,509**	4,020	2,874	8,898	**15,792**
	Male	Person	3,783	529	5,342	**9,654**	3,782	1,848	5,791	**11,421**	3,831	2,170	6,449	**12,450**
	Female	Person	142	11	1,663	**1,816**	166	701	2,221	**3,088**	189	704	2,449	**3,342**
Ratio of highest-paid individual's total wages to median total wages of all employees[1]		%	5.93	-	-	**5.93**	6.58	-	-	**6.58**	9.86	-	-	**9.86**
Median wages of all employees excluding highest-paid individual		KRW mil.	100	-	-	**100**	111	-	-	**111**	114	-	-	**114**
Highest-paid individual's total wages[2]		KRW mil.	1,686	-	-	**1,686**	1,687	-	-	**1,687**	1,156	-	-	**1,156**

1) A new report item applied in 2024
2) Calculated based on earned income

Social

Employee Capacity Development

Category		Unit	2022				2023				2024			
			Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total
Total employee training hours		Hour	94,750	3,318	24,209	**122,277**	12,6571	3,754	34,621	**164,946**	111,432	3,669	41,885	**156,986**
Male		Hour	87,297	3,230	17,588	**108,115**	114,588	3,650	24,083	**142,321**	102,382	3,581	31,653	**13,7616**
Female		Hour	7,453	88	3,203	**10,744**	11,983	104	4,333	**16,420**	9,050	88	4,657	**13,795**
Others		Hour	0	0	0	**0**	0	0	561	**561**	0	0	1,633	**1,633**
Gender unspecified		Hour	0	0	3,419	**3,419**	0	0	5,644	**5,644**	0	0	3,943	**3,943**
Average training hours per person		Hour/person	25	7	4	**12**	31	2	5	**13**	27	1	6	**11**
Male		Hour/person	24	7	4	**13**	29	2	5	**14**	26	2	6	**12**
Female		Hour/person	54	8	3	**8**	67	0	3	**6**	44	0	3	**5**
Human rights education	Total participants	Person	3,997	-	2,160	**6,157**	3,897	-	2,240	**6,137**	4,158	-	2,679	**6,837**
	Training hours per person	Hour/person	3	-	0.31	**-**	3	-	0.28	**-**	3	-	0.31	**-**
	Completion rate	%	100	-	-	**-**	100	-	-	**-**	100	-	-	**-**
Total training costs		KRW mil.	1,951	-	394,304	**396,255**	3,770	-	236,282	**240,052**	3,945	-	211,579	**215,524**

Grievance Handling

Category		Unit	2022				2023				2024			
			Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Plants	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total
Number of grievances handled through formal mechanisms/procedures		Case	16	0	0	**16**	9	19	0	28	21	29	0	50
By channel	Online	Case	0	0	0	**0**	0	5	0	5	0	9	0	9
	Offline	Case	16	0	0	**16**	9	14	0	23	21	20	0	41
Number of grievances resolved through formal mechanisms/procedures		Case	16	0	0	**16**	9	19	0	28	21	29	0	50

Social

Workplace Safety Management

Category		Unit	2022				2023				2024			
			Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total
Number of fatalities from work-related injuries	Total	Person	0	0	0	0	0	0	0	0	0	0	0	0
	Employees	Person	0	0	0	0	0	0	0	0	0	0	0	0
	Outsourced workers	Person	0	-	-	0	0	-	-	0	0	-	-	0
	Employee fatality rate from work-related injuries	%	0	0	0	0	0	0	0	0	0	0	0	0
	outsourced worker fatality rate from work-related injuries	%	0	-	-	0	0	-	-	0	0	-	-	0
Number of fatalities from work-related illnesses	Total	Person	0	0	0	0	0	0	0	0	0	0	0	0
	Employees_current employees	Person	0	0	0	0	0	0	0	0	0	0	0	0
	Employees_former employees	Person	0	0	0	0	0	0	0	0	0	0	0	0
	Outsourced workers	Person	0	-	-	0	0	-	-	0	0	-	-	0
Lost-time injury days[1]	Total	Day	-	-	-	-	-	-	-	-	2,170	4,434	553	7,157
	Employee injuries	Day	-	-	-	-	-	-	-	-	1,301	508	425	2,234
	Employee illnesses	Day	-	-	-	-	-	-	-	-	608	3,926	128	4,662
	Outsourced worker injuries and illnesses	Day	-	-	-	-	-	-	-	-	261	-	-	261
Number of lost-time injuries[1]	Total	Case	-	-	-	-	-	-	-	-	52	109	139	300
	Employee injuries	Case	-	-	-	-	-	-	-	-	29	77	135	241
	Employee illnesses	Case	-	-	-	-	-	-	-	-	19	32	4	55
	Outsourced worker injuries and illnesses	Case	-	-	-	-	-	-	-	-	4	-	-	4
Total working hours[1]	Total	Hour	-	-	-	-	-	-	-	-	8,598,240	4,615,144	13,312,058	26,525,442
	Employees	Hour	-	-	-	-	-	-	-	-	8,012,088	4,615,144	13,312,058	25,939,290
	Outsourced workers	Hour	-	-	-	-	-	-	-	-	586,152	-	-	586,152
Lost Time Injury Frequency Rate (LTIFR)[2]	Employees	Case/million hour	0.73	-	-	0.288	0.78	-	0.15	0.38	5.99	23.62	10.44	11.41
	Outsourced workers	Case/million hour	0	-	-	-	1.24	-	-	-	6.82	-	-	6.82
Lost Time Injury Rate (LTIR)[2]	Employees	Case/200,000 hour	-	-	-	-	-	-	-	-	1.20	4.72	2.09	2.28
	Outsourced workers	Case/200,000 hour	-	-	-	-	-	-	-	-	1.36	-	-	1.36
Number of recordable injuries[1]	Total	Case	-	-	-	-	-	-	-	-	118	-	186	304
	Employee injuries	Case	-	-	-	-	-	-	-	-	91	-	182	273
	Employee illnesses	Case	-	-	-	-	-	-	-	-	27	-	4	31
Recordable work-related injury rate[1]	Employees	Case/million hour	-	-	-	-	-	-	-	-	11.36	-	13.67	10.52
Total Recordable Injury Rate (TRIR)	Employees	Case/million hour	-	-	-	-	-	-	-	-	14.73	-	13.97	11.72
SASB-based Total Recordable Injury Rate (TRIR)	Employees	Case/200,000 hour	-	-	-	-	-	-	-	-	2.95	-	2.79	2.34
Number of serious injuries	Total	Case	0	-	-	0	0	-	-	0	0	-	-	0
	Employees	Case	0	-	-	0	0	-	-	0	0	-	-	0
	outsourced workers	Case	0	-	-	0	0	-	-	0	0	-	-	0
	Employee serious injury rate	Case/million hour	0	-	-	0	0	-	-	0	0	-	-	0
	Outsourced worker serious injury rate	Case/million hour	0	-	-	0	0	-	-	0	0	-	-	0
Fatality rate from work-related injuries and illnesses	Employees	%	0	0	0	0	0	0	0	0	0	0	0	0
	Outsourced workers	%	0	-	-	0	0	-	-	0	0	-	-	0

1) A new report item applied in 20242)
2) Since 2024, due to the change in the calculation method to include cases of business suspension of at least one day (from the previous government reporting criteria), the figures have increased.

Social

Occupational Health and Safety Management System

Category		Unit	2022				2023				2024			
			Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total
Plants implementing occupational health and safety management processes (risk assessment)		Number	4	3	16	23	4	3	16	23	4	5	16	25
Occupational health and safety management system	Plants with external certification	Number	4	3	16	23	4	3	16	23	4	5	16	25
	Applicable plants	Number	4	3	16	23	4	3	16	23	4	5	16	25

Product and Service Health and Safety

Data scope: Domestic Establishments

Category		Unit	2022	2023	2024
Total number of products subject to recall	Total	Number	90,680	298,125	56,518
	Involuntary recalls	Number	90,680	298,125	56,518
	Voluntary recalls	Number	0	0	0
	Costs incurred from recalls for the year	KRW 100 million	26.5	48.0	20.1

Labor Relations

Data scope: Domestic Establishments

Category	Unit	2022	2023	2024
Ratio of employees covered by collective bargaining agreements	%	100	100	100

Supply Chain ESG Management

Data scope: All establishment

Category		Unit	2022	2023	2024
Supply chain ESG assessment	Suppliers subject to assessment	Number	91	182	165
	Number of suppliers that conducted ESG risk assessment	Number	91	182	165
	Number of suppliers with significant actual/potential negative impacts identified in ESG risk assessment	Number	15	36	15
	Number of suppliers that agreed to implement improvement measures among those identified with actual/potential negative impacts	Number	15	36	15
	Ratio of suppliers that agreed to implement improvement measures among those identified with actual/potential negative impacts	%	100	100	100
	Number of suppliers whose contracts were terminated based on ESG risk assessment results	Number	0	0	0
	Ratio of suppliers whose contracts were terminated based on ESG risk assessment results	%	0	0	0
Ratio of new suppliers screened using ESG-related criteria		%	0	100	100
Number of new suppliers screened using ESG-related criteria		Number	0	14	3
Number of new suppliers		Number	0	14	3
Win-win growth agreements	Tier 1 suppliers	Number	230	240	113
	Tier 2 suppliers	Number	70	142	139
Shared growth support activities	Technology development financial support	KRW 100 million	365	872	698
	Shared growth fund establishment	KRW 100 million	400	400	790
	Education support	Person	1,378	2,415	2,413
	Consulting	Number	18	51	30
	Recruitment support				
	Number of supported suppliers	Number	8	13	51
	Number of personnel at supported suppliers	Person	105	49	89
	Technical support				
	Number of supported suppliers	Number	98	123	76
	Number of support cases	Case	849	936	728
	Innovation activity support	Case	15	24	6
	Technology bailment system	Number	42	36	41
	Market development support	Number	40	38	35
	Quality inspection	Number	204	184	176
	Safety inspection	Number	32	100	93
	Environmental inspection	Number	13	0	0
	Consulting instructor dispatch	Number	5	4	0

Social

Consumer and Customer Satisfaction[1)]

Data scope: All Establishment

Category		Unit	2022	2023	2024
Number of employee grievances handled through formal mechanisms/procedures	Overall	Case	-	-	121
	Offline channels	Case	-	-	0
	Online channels	Case	-	-	121
Number of employee grievances resolved through formal mechanisms/ procedures		Case	-	-	121

1) A new report item in 2024

Social Contribution

Category		Unit	2022				2023				2024			
			Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total
Social contribution value	Overall	KRW mil.	450	-	244	694	562	-	425	987	958	-	364	1,322
	Company support amount	KRW mil.	449	-	226	675	531	-	366	897	943	-	349	1,292
	Employee donation amount	KRW mil.	1	-	19	20	31	-	59	90	15	-	14	29
Number of employees participating in donations		Person	532	-	127	659	374	-	136	510	178	-	115	293
Volunteer activities	Total volunteer activity hours	Hour	752	-	139	891	374	-	147	521	178	-	115	293
	Volunteer activity hours per person	Hour	1	-	3	4	1	-	3	4	1	-	6	7
Number of social contribution beneficiaries		Person	2,655	-	-	2,655	3,910	-	-	3,910	4,000	-	-	4,000
Ratio of plants conducting social contribution activities		%	100	-	-	-	100	-	-	-	100	-	-	-

Local Community

Data scope: All Establishment

Category	Unit	2022	2023	2024
Ratio of local procurement costs to total procurement costs	%	78	80	76
Total procurement costs	KRW mil.	8,975,925	9,890,121	10,587,602
Procurement costs paid to local suppliers	KRW mil.	7,036,819	7,908,002	8,068,377

Information Protection and Security

Data scope: All Establishment

Category		Unit	2022	2023	2024
Number of confirmed data breaches	Total	Case	0	0	0
	Complaints raised by regulatory agencies	Case	0	0	0
	Complaints received from external sources and verified by the organization	Case	0	0	0
Total number of confirmed customer information leaks, thefts, and losses		Case	0	0	0

Governance

Board Structure

Category		Unit	2022	2023	2024
Board composition	Total	Person	5	5	4
Male	Other non-executive directors	Person	0	0	0
	Inside directors	Person	3	3	2
	Outside Directors	Person	1	1	1
Female	Other non-executive directors	Person	0	0	0
	Inside directors	Person	0	0	0
	Outside Directors	Person	1	1	1
	Female ratio	%	20	20	25
Outside director ratio		%	40	40	50

Anti-Corruption

Category		Unit	2022				2023				2024			
			Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total	Domestic Establishments	Domestic Subsidiaries	Overseas Establishments	Total
Plants that assessed corruption risks		Number	5	-	0	5	5	-	0	0	5	-	0	0
Anti-corruption policy/procedure notification ratio	Board of Directors	%	100	-	0	100	100	-	-	100	100	-	-	100
	Number of board members who received anti-corruption policy/procedure notifications	Person	5	-	-	5	4	-	-	4	4	-	-	4
	Number of board members subject to anti-corruption policy/procedure notifications	Person	5	-	-	5	4	-	-	4	4	-	-	4
	Employees	%	100	-	0	100	100	-	0	100	100	-	0	0
	Number of employees who received anti-corruption policy/procedure notifications	Person	4,084	-	0	4,084	3,976	-	0	3,976	2,073	-	0	2,073
	Number of employees subject to anti-corruption policy/procedure notifications	Person	4,084	-	0	4,084	3,976	-	0	3,976	2,073	-	0	2,073
Anti-corruption education	Employee education completion ratio	%	0	-	32	32	0	-	51	51	79	-	34	35
	Number of employees who completed education	Person	0	-	536	0	0	-	519	519	38	-	562	600
	Number of target employees	Person	0	-	1,665	0	0	-	1,009	1,009	48	-	1,670	1,718
	Anti-corruption education hours	Hour	0	-	320.5	0	0	-	249	249	38	-	355	393
Total number of corruption/bribery cases		Case	0	-	1	1	0	-	0	0	0	-	0	0
Number of supplier contract terminations/non-renewals due to corruption/bribery		Case	0	-	0	0	0	-	0	0	0	-	0	0
Number of employee dismissals/disciplinary actions due to corruption/bribery and anti-competitive activities		Case	0	-	1	1	0	-	0	0	0	-	0	0
Whistleblowing system operation	Number of grievances received	Case	7	-	2	9	4	-	5	9	12	-	1	13
	Number of cases resolved	Case	7	-	2	9	4	-	5	9	12	-	1	13

Legal and Regulatory Violations[1)]

Category		Unit	2022	2023	2024
Total number of non-compliance incidents with laws/regulations	Total	Case	0	1	0
Monetary sanctions	Anti-competitive behavior (excluding corruption)	Case	0	0	0
	Others	Case	0	0	0
	Marketing and communication	Case	0	0	0
	Corruption and bribery	Case	0	0	0
	Human rights	Case	0	0	0
	Product/service safety/health	Case	0	0	0
	Environmental law and regulation violations	Case	0	1	0
Non-monetary sanctions	Anti-competitive behavior (excluding corruption)	Case	0	0	0
	Others	Case	0	0	0
	Marketing and communication	Case	0	0	0
	Corruption and bribery	Case	0	0	0
	Human rights	Case	0	0	0
	Product/service safety/health	Case	0	0	0
	Environmental law and regulation violations	Case	0	0	0
Monetary sanctions due to non-compliance with laws/regulations	Total	KRW mil.	0	30	0
	Anti-competitive behavior (excluding corruption)	KRW mil.	0	0	0
	Others	KRW mil.	0	0	0
	Marketing and communication	KRW mil.	0	0	0
	Corruption and bribery	KRW mil.	0	0	0
	Human rights	KRW mil.	0	0	0
	Product/service safety/health	KRW mil.	0	0	0
	Environmental law and regulation violations	KRW mil.	0	30	0

1) Legal and regulatory violations follow the same standards used in 'XI. Other matters necessary for investor protection, 3. Matters related to sanctions, etc.' in the business report.

APPENDIX

GRI Index

General Disclosures

Usage Instructions	Hyundai Transys reports sustainability management activities for the period from January 1 to December 31, 2024, in accordance with the GRI Standards 2021.
GRI Standards used in this Report 1	GRI 1: Foundation 2021
Applicable Industry-Specific Standards	As of the publication date of this report, the GRI Sector Standards corresponding to Hyundai Transys' GICS and industry classification have not yet been published and are therefore not applicable.

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GRI Index

Material Topics

GRI	GRI Standards		Report Page	Note
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	302-2	Energy consumption outside of the organization	125	
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SASB

SASB Index

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	TR-AP-440b.2	Percentage of recycled or remanufactured content in input materials	-
Competitive Behavior	TR-AP-520b.1	Percentage of input materials from recycled or remanufactured content	136
Activity Metrics	TR-AP-000.A	Number of parts produced	124
	TR-AP-000.B	Weight of parts produced	-

IFRS S2

IFRS S2 Index

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Governance	The decision-making system, internal controls, and management procedures companies use to identify and respond to climate-related risks and opportunities	
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	2. The roles management plays in managing and supervising climate-related risks and opportunities, including their responsibilities within governance systems, controls, and related procedures.	38
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	4. Impacts of climate-related risks and opportunities on corporate financial position, financial performance, and cash flows during the reporting period and expected financial impacts over short-, medium-, and long-term periods	19, 37, 47
	5. Climate resilience of corporate strategies and business models in response to climate-related changes, developments, and uncertainties	46-52
Risk Management	The procedures a company operates to identify, assess, prioritize, and monitor climate-related risks and opportunities, as well as the processes used to evaluate overall corporate risk management	
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	2. Processes used to identify, assess, prioritize, and monitor climate-related opportunities	46-52
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Metrics and Targets	Performance on climate-related risks and opportunities, including progress toward targets set by the company and those required by laws or regulations	
	Industry-wide Metrics	
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	2. Amount and percentage of assets or business activities vulnerable to climate-related transition risks	47-52
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TCFD Index

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	Resilience of the company's strategy under various climate-related scenarios, including "Below 2°C"	
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Metrics and Targets	Metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk management process	40-41, 126
	Scope 1, Scope 2, and Scope 3 GHG emissions and the related risks	
	The targets used by the company to manage climate-related risks and opportunities and performance against targets	

TNFD Index

Category	Content	Report page
Corporate Governance	a) Describe the board's oversight of dependencies, impacts, risks, and opportunities related to natural capital. b) Describe management's role in assessing and managing dependencies, impacts, risks, and opportunities related to natural capital. c) Describe the company's human rights policies, engagement activities, and board and management oversight of indigenous peoples, local communities, and other affected stakeholders when assessing and responding to dependencies, impacts, risks, and opportunities related to natural capital.	60
Strategy	a) Describe the natural capital-related dependencies, impacts, risks, and opportunities the company has identified over the short, medium, and long term. b) Describe the impact of natural capital-related dependencies, impacts, risks, and opportunities on the company's business models, value chains, strategies, financial plans, transition plans, or analyses. c) Describe the flexibility of the company's strategy regarding natural capital-related risks and opportunities, considering various scenarios. d) Disclose the locations of assets and business activities directly operated by the company, and, where possible, disclose prioritized locations within the upstream and downstream value chains.	60-64
Risk Management	a(i) Describe the procedures the company uses to identify, assess, and prioritize natural capital-related dependencies, impacts, risks, and opportunities within its directly operated business segments. a(ii) Describe the procedures the company uses to identify, assess, and prioritize natural capital-related dependencies, impacts, risks, and opportunities within its upstream and downstream value chains. b) Describe the procedures the company uses to manage natural capital-related dependencies, impacts, risks, and opportunities. c) Describe how the procedures for identifying, assessing, prioritizing, and monitoring natural capital-related risks are integrated into the company's overall risk management systems.	60-64
Metrics and Targets	a) Disclose the metrics the company uses to assess and manage significant natural capital-related risks and opportunities under its strategies and risk management procedures. b) Disclose the metrics the company uses to assess and manage natural capital-related dependencies and impacts. c) Describe the targets set and used to manage natural capital-related dependencies, impacts, risks, and opportunities and performance.	65-66

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S1-6	Approaches to mitigating material risks and pursuing material opportunities related to own workforce	128
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	Number of employees entitled to family care leave (e.g. parental or maternity leave), number of employees who used it, and retention rate after return	130
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S1-11	Percentage of workers not covered by governmental or organizational social protection schemes	-
S1-12	Employment rate of persons with disabilities; number of employees with disabilities by gender	128
S1-13	Percentage of employees who received performance and career development reviews	131
	Average training hours and training cost per employee	132
S1-14	Percentage of workers covered by an occupational health and safety management system (internal, third-party reviewed, or certified)	134
	Number of injuries and occupational diseases, injury rate, disease rate, and lost working days	133
S1-15	Work-life balance indicators	77
S1-16	Ratio of the median employee compensation to the highest-paid individual	131
S1-17	Number of identified risks of negative impacts on workers' labor and human rights, and actions taken	132
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S2-4	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	90
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S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	104
S3-4	Taking action on material impacts on affected communities, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	104, 108
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	108

ESRS S4. Consumers and End Users

Indicator No.	Disclosure	Report Page
S4.SBM-3	Approach to engagement with affected communities and to addressing their interests	92
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G1-4	Incidents of corruption or bribery	136
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UN SDGs

UN SDGs Index

UN SDGs		Related Activities	Report page
	End poverty in all its forms everywhere.	• Encourage employees to engage in social contribution activities, such as supporting the livelihoods of vulnerable groups.	105
	Ensure healthy lives and well-being for all at all ages.	• Employee Health Management Programs • Improve work-family balance.	77, 84
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	• Employee capacity building programs (Industrial master development, job leadership education)	71-75, 87
	Achieve gender equality and empower all women and girls.	• Employee diversity programs (ERG)	70
	Ensure availability and sustainable management of water and sanitation for all.	• Water pollutant management • Water stress analysis at domestic and overseas plants • Analysis of the financial impact of water resources	33, 61-63
	Ensure access to affordable, reliable, sustainable and modern energy for all.	• Energy efficiency improvement and conservation activities	43-45
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	• Promising startup discovery and collaboration	23
	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	• R&D investment expansion • Intellectual property registration and application	25
	Reduce inequality within and among countries.	• Diversity and inclusion policy establishment	68
	Make cities and human settlements inclusive, safe, resilient and sustainable.	• Analysis of natural capital-related risks near the plants	61-64
	Ensure sustainable consumption and production patterns.	• Hazardous chemical management • Waste recycling	55-57
	Take emergency action to combat climate-related impacts.	• Work to achieve net zero by 2045. • Establish an LCA process.	38-42, 53
	Protect, restore and promote sustainable use of terrestrial ecosystems.	• Water pollutant management, hazardous substance management • Natural capital-related risk analysis for domestic plants	33-34, 61-64
	Promote peaceful and inclusive societies, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	• Distributed the Code of Conduct for employees and suppliers. • Reporting channels and compliance program operation	112-114
	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.	• Support for the UN SDGs and the UNGC	146

UNGC

UN Global Compact 10 Principles

Category	Principle	Report Page
Human Rights	**Principle 1** Businesses should support and respect the protection of internationally proclaimed human rights; and	68, 70
	Principle 2 make sure that they are not complicit in human rights abuses.	68
Labor	**Principle 3** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	86
	Principle 4 the elimination of all forms of forced and compulsory labor;	86-87
	Principle 5 the effective abolition of child labor, and	87
	Principle 6 the elimination of discrimination in respect of employment and occupation.	68
Environmental	**Principle 7** Businesses should support a precautionary approach to environmental challenges;	31-34
	Principle 8 undertake initiatives to promote greater environmental responsibility; and	31-34
	Principle 9 encourage the development and diffusion of environmentally friendly technologies.	7-13 23-25 58-59
Anti-Corruption	**Principle 10** Businesses should work against corruption in all its forms, including extortion and bribery.	112-114

WEF IBC Stakeholder Capitalism Metrics

Principles of Governance

Theme	Core Metrics	Disclosures	Report Page
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Stakeholder engagement	Material issues impacting stakeholders	Materiality assessment	18-21
Ethical behavior	Anti-corruption	Anti-corruption details and prevention activities (training, etc)	112-114
	Protected ethics advice and reporting mechanisms	Internal and external ethics advising and reporting mechanisms	112-114
Risk and opportunity oversight	Integrating risk and opportunity into business process	Identification of and response to risks and opportunities	121-122
Planet			
Climate change	Greenhouse gas(GHG) emissions	Status of GHG emissions by scope	125
	TCFD implementation	TCFD recommentations metrics	46-52
Nature loss	Landuse and ecological sensitivity	Information on business sites in relation to biodiversity	61
Freshwater availability	Water consumption and withdrawal in water-stressed areas	Information on business sites in relation to water stress	61
People			
Dignity and equality	Diversity and Inclusion	Composition of employees by type	14
	Pay equality	Employee salaries by type	131
	Wage level	Pay ratio	131
	Risk for incidents of child, forced or compulsory labor	Information business sites with risk	-
Health and wellbeing	Safety and health	Safety incidents metrics and health service	133-134
Skills for the future	Training provided	Training hours and cost	132
Prosperity			
Employment and wealth generation	Absolute number and rate of employment	Employment and transfer	129
	Economic contribution	Economic value creation and distribution	124
	Financial investment contribution	Shareholder return	111
Innovation of better products and services	Total R&D expenses	Total R&D expenses	25
Community and social vitality	Total tax paid	Total tax payment	124

Membership Status

NICEDNB	Seosan Police Station Security Cooperation Committee	Seongyeon-myeon Agricultural and Industrial Complex Council	Hyundai-Kia Cooperative Federation
Korean Society of Automotive Engineers(KSAE)	Seosan Auto Valley Enterprise Council	Jigok-myeon Institutional Heads' Council	Korea Industrial Safety Association(KISA)
Korean Society for Fluid Machinery	Steering Committee of Seosan Branch Office (Prosecutor's Office) Crime Victim Support Center	Jigok-myeon Residents' Self-Governing Committee	The Korea Nursing Association
Korean intellectual Property Association(KINPA) Seosan Branch Office (Prosecutor's Office) Judicial Affairs and Ma	Seosan Branch Office (Prosecutor's Office) Judicial Affairs and Management Committee	Seosan Safety Management Council	Defense Security Council in Daejeon, Chungnam, and Sejong
Korea Rolling Stock Industries Association	The association of heads of organizations in Seongyeon-myeon	Seosan Residents' Autonomous Environment Monitoring Council	Korea Defense Industry Promotion Association
Daejeon Chungnam Enterprises Federation	The associaiton of businessmen in Seongyeon-myeon	Seosan City Fire Administration Development Committee	Emergency Planning Officer Association of the Ministry of Trade, Industry and Energy
Korean Society for Noise and Vibration Engineering(KSNVE)			

Third-Party Assurance Statement

To: The Stakeholders HYUNDAI TRANSYS INC.

Overview

BSI (British Standards Institution) Group Korea (hereinafter referred to as the "Assurer") was requested to verify the Hyundai Transys Sustainability Report 2025 (hereinafter referred to as the "Report"). The Assurer is independent of HYUNDAI TRANSYS and has no major operational financial interest other than the assurance. This assurance opinion statement is intended to provide information related to the assurance of the HYUNDAI TRANSYS report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any purpose other than the purpose of publication. This assurance opinion statement was prepared based on the information presented by the HYUNDAI TRANSYS and the assurance was carried out under the assumption that presented the information and data were complete and accurate. HYUNDAI TRANSYS is responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to HYUNDAI TRANSYS only. The Assurer is responsible for providing HYUNDAI TRANSYS management with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of HYUNDAI TRANSYS. The Assurer shall not bear any other responsibility, including legal responsibility, to any third party other than HYUNDAI TRANSYS in providing the assurance opinion and shall not be liable to any other purpose, purpose or stakeholders related thereto for which the assurance opinion may be used.

Scope

The scope of engagement agreed upon with HYUNDAI TRANSYS includes the following:

- Reporting contents during the period from January 1st to December 31st 2024 included in the report, some data included the first half of 2025.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- In Accordance with the four principles of AA1000 AccountAbility in the report, based on the type of Sustainability Assurance based on AA1000AS v3 and if applicable, the reliability of the sustainability performance information contained in the report.

The following contents were not included in the scope of assurance.

- Financial information in Appendix.
- Index items related to other international standards and initiatives other than the GRI.
- Other related additional information such as the website, business annual report.

Assurance Level and Type

The assurance levels and types are as follows;

- Moderate level based on AA1000 AS and Type 2 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018 and quality and reliability of specific performance information published in the report.)

Description and sources of disclosures covered

Based on the scope and methodology of assurance applied, the assurer reviewed the following Disclosures based on the sampling of information and data provided by HYUNDAI TRANSYS.

[Universal Standards]

2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-8 (Activities and workers), 2-9 to 2-21 (Governance), 2-22 to 2-28 (Strategy, policies and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)

[Topic Standards]

201-2, 302-1~5, 305-1~5, 305-7, 306-1~5, 308-1~2, 402-1, 403-1~10, 414-1~2, 416-1

Methodology

As a part of its independent assurance, the Assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The Assurer has performed the following activities;

- A top-level review of issues raised by external parties that could be relevant to organizations policies to provide a check on the appropriateness of statements made in the report.
- Discussion with managers and staffs on organization's approach to stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible departments.
- Review of the system for sustainability management strategy process and implementation
- Review of materiality issue analysis process and prioritization by reviewing materiality issue analysis process and verifying the results
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures where available
- An assessment of the company's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).
- Visit of the Dongtan Tech-Lab of HYUNDAI TRANSYS to confirm the data collection processes, record management practices.

Limitations and approach used to mitigate limitations

The Assurer performed limited verification for a limited period based on the data provided by the reporting organization. It implies that no significant errors were found during the verification process, and that there are limitations related to the inevitable risks that may exist. The Assurer does not provide assurance for possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

Competency and Independence

BSI (British Standards Institution) is a leading global standards and assessment body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with almost 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with HYUNDAI TRANSYS. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.

Third-Party Assurance Statement

Opinion Statement
The assurer was carried out by a team of sustainability report assurors in accordance with the AA1000 Assurance Standard v3. Assurer planned and performed this part of our work to obtain the necessary information and explanations assurer considered to provide sufficient evidence that HYUNDAI TRANSYS's description of their approach to AA1000 Assurance Standard and their self-declaration of compliance with the GRI standards were fairly stated.
On the basis of our methodology and the activities described above, it is our opinion that the information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement. We believe that the economic, social and environmental performance indicators are accurate and are supported by robust internal control processes.

Conclusions
The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards). The detailed reviews against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards are set out below.

Inclusivity: Stakeholder Engagement and Opinion
HYUNDAI TRANSYS defined customers, employees, local communities/media, suppliers, shareholders/investors and government as a Key Stakeholder Groups. In order to collect opinions by each stakeholder group in the context of sustainability, operated the stakeholder engagement process. HYUNDAI TRANSYS conducted a review of the stakeholder engagement process in order to reflect the major issues derived through the process in sustainability strategy and goals. HYUNDAI TRANSYS disclosed the results related to the process in the Report.

Materiality: Identification and reporting of material sustainability topics
HYUNDAI TRANSYS implemented its own materiality assessment process in consideration of the major business and operational characteristics to derive important reporting issues related to sustainability. In the materiality assessment, HYUNDAI TRANSYS conducted the analysis of global sustainability reporting or assessment standards, analysis of benchmarking the same industry to derive the impact and financial materiality. HYUNDAI TRANSYS derived 9 material issues through the relevant process, and disclosed GRI topic standards disclosures related to material issues in the Report.

Responsiveness: Responding to material sustainability topics and related impacts
HYUNDAI TRANSYS operated a management process for material issues in the context of sustainability derived from the materiality assessment. HYUNDAI TRANSYS established mid- to long-term sustainability plans and goals in according to the management methodology established to effectively reflect the expectations of key stakeholders. HYUNDAI TRANSYS reviewed through major management organizations, disclosed the IRO(Impact, Risk & Opportunity) including policy, indicator, activity and response performance on material issues in the Report.

Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders
HYUNDAI TRANSYS identified the scope and extent of the impacts to the organization and key stakeholders in the context of the sustainability of the material issues reported. HYUNDAI TRANSYS established sustainability strategies and objectives based on the analysis results of major impacts, including risks and opportunities for material issues at the governance level, disclosed mid- to long-term plans and strategic system in the Report.

Findings and conclusions concerning the reliability and quality of specified performance information
Among the GRI Topic Standards, the following disclourse were carried out in a assurance Type 2 based on the information and data provided by the reporting organization. In order to verify the reliability and accuracy of the data and information, internal control procedures related to data processing, processing, and management were verified through interviews with the responsible department, and accuracy was verified through sampling. Errors and intentional distortions in sustainability performance information included in the report were not found through assurance processes. The reporting organization manages the sustainability performance information through reliable internal control procedures and can track the process of deriving the source of the performance. Errors and unclear expressions found during the assurance process were corrected during the assurance process and prior to the publication of the report, and the assurer confirmed the final published report with the errors and expressions corrected.
- GRI Topic standards: 201-2, 302-1~5, 305-1~5, 305-7, 306-1~5, 308-1~2, 402-1, 403-1~10, 414-1~2, 416-1

Recommendations and Opportunity for improvement
The assurer will provide the following comments to the extent that they do not affect the result of assurance;
- It may be helpful to advance the sustainability management system by specifying response strategies and objectives related to the major sustainability impact within the value chain, including the auto-motive industry.
- It may be helpful to advance the sustainability management system by strengthening internal control procedures within the sustainability performance indicator management system established by Hyundai Transys.

GRI-reporting
HYUNDAI TRANSYS provided us with their self declaration of compliance within GRI Standards. Based on our review, we confirm that social responsibility and sustainable development indicators with reference to the GRI Index. The Assurer confirmed that the Report was prepared in accordance with the GRI Standards and the disclosures related to the Universal Standards and Topic Standards Indicators based on the data provided by HYUNDAI TRANSYS. The sector standard was not applied.

Issue Date: **01/07/2025**
For and on behalf of BSI (British Standards Institution):
BSI representative

Jungwoo Lee, **Lead Assurer, LCSAP**

Seonghwan Lim, **Managing Director of BSI Korea**

BSI Group Korea Limited: 29, Insa-dong 5-gil, Jongno-gu, Seoul, South Korea
Hold Statement Number: SRA 809642

AA1000
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000-4/V3-S6KB6

LRQA Independent Assurance Statement

Relating to HYUNDAI TRANSYS INC.'s GHG Emissions Inventory for the calendar years 2019, 2023 and 2024

This Assurance Statement has been prepared for HYUNDAI TRANSYS INC. in accordance with our contract.

Terms of engagement

LRQA was commissioned by HYUNDAI TRANSYS INC. (HYUNDAI TRANSYS) to provide independent assurance on its GHG emissions inventory for the calendar years 2019, 2023 and 2024 (here after referred to as "the report") against the assurance criteria below to a limited level of assurance and materiality of 5% using ISO 14064-3:2019, 'Specification with guidance for verification and validation of greenhouse gas statements'.

1 Our assurance engagement covered the operations of HYUNDAI TRANSYS' domestic sites1 and its overseas subsidiaries, and specifically the following requirements:
- Evaluating conformance with World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, revised edition2
- Evaluating the accuracy and reliability of data and information for direct GHG emissions (Scope 1) and energy indirect GHG emissions (Scope 2).

The main activities of HYUNDAI TRANSYS and its overseas subsidiaries include manufacturing of automotive parts and the GHG emissions have been consolidated using an operational control approach. LRQA's responsibility is only to HYUNDAI TRANSYS. LRQA disclaims any liability or responsibility to others as explained in the end footnote. HYUNDAI TRANSYS' responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of HYUNDAI TRANSYS.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that HYUNDAI TRANSYS has not, in all material respects:
- Met the requirements above; and
- Disclosed accurate and reliable data and information as summarized in Table 1 ~ Table 3 below.

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of 5%.
Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LRQA's approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:
- Interviewing key people of the organization responsible for managing GHG emissions data and records;
- Reviewing processes related to the control of GHG emissions data and records;
- Visiting the Dongtan Seat R&D Center and additional evidence made available by HYUNDAI TRANSYS was reviewed;
- Verifying historical GHG emissions data and records at an aggregated level for the calendar years 2019, 2023 and 2024; and
- Reviewing whether HYUNDAI TRANSYS reflected the Greenhouse Gas Management Manual for Hyundai Motor and Kia Suppliers (Ver. 1.0).

LRQA's standards, competence and independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021 Conformity assessment – Requirements for bodies providing audit and certification of management systems that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants. LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent. This verification engagement is the only work undertaken by LRQA for HYUNDAI TRANSYS and as such does not compromise our independence or impartiality.

Dated: 16 April 2025

Chan-Sik Yun
LRQA Lead Verifier
On behalf of LRQA

2nd Floor, T Tower, 30, Sowol-ro 2-gil, Jung-gu, Seoul, Republic of Korea

1 Domestic subsidiaries were excluded from this assurance engagement.
2 https://www.ghgprotocol.org

Summary of GHG Emissions Inventory 2023

Region	Corporate entity (Site)	Scope of GHG emissions (tCO_2e)				
		Direct GHG emissions (Scope 1)	Energy indirect GHG emissions (Scope 2, location-based)	Total	Energy indirect GHG emissions (Scope 2, market-based)	Total
Korea	HYUNDAI TRANSYS INC. (Jigok Powertrain Plant)	13,451	126,631	140,082	126,631	140,082
	HYUNDAI TRANSYS INC. (Seongyeon Powertrain Plant)	5,196	37,066	42,262	37,066	42,262
	HYUNDAI TRANSYS INC. (Dongtan Seat R&D Center)	347	2,574	2,921	2,574	2,921
	HYUNDAI TRANSYS INC. (Hwaseong Drivetrain R&D Center)	1,581	7,962	9.5413	7,962	9,543
	HYUNDAI TRANSYS INC. (Seoul Office)	6	106	112	106	112
United States	Hyundai Trangys Georgia Powertrain, Inc	597	17,752	18,349	17,752	18,349
	Hyundai Transys Georgia Seating System, LLC	81	2.669	2,750	2,669	2,750
	Hundai Trans, s Georgia Seating S, stem, LLC (Alabama)	84	823	907	823	907
	Hyundai Transys Georgia Seating System, LLC (Arizona)	8	170	178	170	178
	Hyundai Transys Georgia Seating System, LLC (Illinois)	254	404	658	404	658
	Hyundai Transys Georgia Seating System, LLC (Savannah)	6	157	163	157	163
	Hyundai Transys Georgia Powertain, Inc. (Michigan)	54	36	91	36	91
	Hyundai Transys Georgia Seating System, LLC (Caltomia)	12	10	21	10	21
Mexico	Hyundai Transys Mexico Powertain, S. de R.L de C.V.	158	17,534	17,692	17,534	17,692
	Hyundai Transys Mevico Seating System, S. de RL	69	3,993	4,062	3,993	4,062
Mexico	Hyundai Transys Fabricacao de Auto Pecas Brazil Litda	28	30	58	30	58
China	Bejing Transys Transmission Co., Ltd.	868	16,442	17,310	16,442	17,310
	Hyundai Transys (Shandong) Co., Ltd.	1,201	32,392	33,593	32,392	33,593
	Bejing Lear-Transys Automotive System Co., Ltd.	204	1,332	1,536	0	204
	China Sales Office	10	9	19	9	19
India	Hyundai Transys India private Limited	812	16,895	17,707	16,895	17,707
	Hyundai Transys Lear Automotive India Pvt. Ltd.	230	3,849	4,080	3,849	4,080
	Hyundai Transys india Private Limit	15	127	142	127	142
Indonesia	PT APM HYUNDAI TRANSISINDONESIA	25	2,312	2,337	2.312	2,337
Czech	Hyundai Transys Czechs.r.o	420	1,930	2,400	1,980	2,400
Slovakia	Hyundai Transys Slovakias.r.o.	49	532	81	532	581
Germany	Europe Technical Center	66	15	81	15	81
Austria	Hyundai Transys Inc. Austria	159	21	180	21	180
	Total	25,991	293,823	319,813	292,491	318,481

Note 1: Scope 2, Location-based and Market-based are defined in the GHG Protocol Scope 2 Guidance, 2015

Table 3. Summary of GHG Emissions Inventory 2024

Region	Corporate entity (Site)	Scope of GHG emissions (tCO_2e)				
		Direct GHG emissions (Scope 1)	Energy indirect GHG emissions (Scope 2, location-based)	Total	Energy indirect GHG emissions (Scope 2, market-based)	Total
Korea	HYUNDAI TRANSYS INC. (Jigok Powertrain Plant)	12.529	119,768	132,297	119,768	132,297
	HYUNDAI TRANSYS INC. (Seongyeon Powertrain Plant)	5,511	37,751	43,261	37,751	43,261
	HYUNDAI TRANSYS INC. (Dongtan Seat R&D Center)	403	2,661	3,064	2,661	3,064
	HYUNDAI TRANSYS INC. (Hwaseong Drivetrain R&D Center)	2,750	9,162	11,912	9,162	11912
	HYUNDAI TRANSYS INC. (Seoul Office)	3	117	120	117	120
United States	Hyundai Trangys Georgia Powertrain, Inc	773	22,186	22,959	22,186	22,959
	Hyundai Transys Georgia Seating System, LLC	64	2669	2.732	2,669	2,750
	Hundai Trans, s Georgia Seating S, stem, LLC (Alabama)	55	1,703	1,758	1,703	1,758
	Hyundai Transys Georgia Seating System, LLC (Arizona)	11	211	222	211	222
	Hyundai Transys Georgia Seating System, LLC (Illinois)	508	429	937	429	937
	Hyundai Transys Georgia Seating System, LLC (Savannah)	9	1,102	1,111	1,102	1,111
	Hyundai Transys Georgia Powertain, Inc. (Michigan)	51	39	90	39	90
	Hyundai Transys Georgia Seating System, LLC (Caltomia)	18	11	29	11	29
Mexico	Hyundai Transys Mexico Powertain, S. de R.L de C.V.	142	18,157	18,299	18.157	18,299
	Hyundai Transys Mevico Seating System, S. de RL	38	4,220	4.258	4,220	4,258
Brazil	Hyundai Transys Fabricacao de Auto Pecas Brazil Litda	23	47	70	47	70
China	Bejing Transys Transmission Co., Ltd.	856	18.494	19,351	0	856
	Hyundai Transys (Shandong) Co., Ltd.	1,070	27,312	28,382	0	1,070
	Bejing Lear-Transys Automotive System Co., Ltd.	219	1,652	1,871	1,652	1,871
	China Sales Office	7	8	15	8	15
India	Hyundai Transys India private Limited	862	18,240	19,102	18,240	19,102
	Hyundai Transys Lear Automotive India Pvt. Ltd.	197	3,946	4,143	-	197
	Hyundai Transys india Private Limit	17	130	147	130	147
Indonesia	PT APM HYUNDAI TRANSISINDONESIA	27	2,400	2,426	2,400	2,426
Czech	Hyundai Transys Czechs.r.o	486	2,151	2,637	2,151	2,637
Slovakia	Hyundai Transys Slovakias.r.o.	46	530	576	530	576
Germany	Europe Technical Center	66	22	88	22	88
Austria	Hyundai Transys Inc. Austria	66	20	86	20	86
	Total	26,803	295,139	321,942	245,386	272,190

Greenhouse Gas Emission Verification Statement

Introduction

DNV Business Assurance Korea Ltd. (“DNV”) was commissioned by HYUNDAI TRANSYS INC. (“Company”) to perform third party verification of the Company’s Greenhouse Gas statement for the calendar year 2024. The company is responsible for the preparation of the GHG statement on the basis set out within the guidelines on the operation of GHG emission trading scheme (“ETS”) (Notification No. 2024-155 of Ministry of Environment). The Company has full responsibility of the GHG statement. According to terms of contract, DNV expressly disclaims any liability or responsibility for any decisions, based upon the verification opinion.

Scope of Verification

The GHG emissions data covered by our verification is based on the GHG statement submitted to the competent authority.

- Organizational boundary: Domestic business sites of HYUNDAI TRANSYS
- Operational boundary: Direct Emissions (Scope 1) and Indirect Emissions (Scope 2)
- Reporting period: 2024.01.01 ~2024.12.31

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the guidelines on the operation of GHG-ETS (Notification No. 2024-155 of Ministry of Environment) and the verification guideline for GHG-ETS (Notification No. 2024-169 of Ministry of Environment) based upon a reasonable level of assurance. DNV planned and concluded our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level. As part of the verification process, we have reviewed as follows;

- Adequacy of GHG data control, collection and emission calculation and report process
- The GHG statement is based on measurements and has inherent limitations that may arise from the process of calculating, estimating, and finalizing the reported data.

Conclusions

Based on the verification conducted, the information related to the GHG statement has been properly calculated and reported.

- DNV presents an ‘Unmodified’ opinion on Greenhouse Gas Emissions

Division	Greenhouse Gas Emissions(ton CO_2eq)			Energy Consumption (TJ)
	Direct emission (Scope 1)	Indirect emission (Scope 2)	Total emission	
HYUNDAI TRANSYS	21,195.247	169,458.733	190,652	3,948

❖ The above 'emissions' may differ from the combined direct emissions depending on the application of the summation standard after truncation at the business site level

11 June 2025
Seoul Korea

Lee, Jang Sup
Country Representative
DNV Business Assurance Korea Ltd.

This Verification Opinion is valid as of the date of the issuance. Please note that this Verification Opinion would be revised if any material discrepancy which may impact on the Greenhouse Gas Emissions of the company is subsequently brought to our attention. In the event of ambiguity or contradiction in this opinion between English version and Korean version, Korean shall be given precedent. DNV Business Assurance Korea : 1, Jong-ro, Jongno-gu, Seoul, Republic of Korea PRJN-915355-01-AST-ENG

HYUNDAI
TRANSYS