HYUNDAI TRANSYS

TRANSFORMATION TO SUSTAINABLE MOBILITY

HYUNDAI TRANSYS
SUSTAINABILITY REPORT 2026



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ABOUT THIS REPORT

About This Report

Hyundai Transys publishes an annual Sustainability Report to share its performance across environmental, social, governance, and overall ESG management with stakeholders. We remain committed to advancing ESG management to create both financial and non-financial value, and will transparently disclose our related activities and performance. The 2025 report addresses six material issues identified through a Double Materiality Assessment, along with general issues. To enhance the systematic structure and reliability of its disclosures, the report adopts the core framework of governance, strategy, risk management, and metrics and targets in accordance with the ISSB (International Sustainability Standards Board) Standards.

Reporting Standards

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and the European Sustainability Reporting Standards (ESRS). It incorporates the Sustainability Accounting Standards Board (SASB) Standards to disclose activities related to key industry-specific issues. Furthermore, the report aligns its disclosures with the United Nations Sustainable Development Goals (UN SDGs) and the World Economic Forum International Business Council (WEF IBC) Stakeholder Capitalism Metrics, linking them to our sustainability strategy. It also partially reflects the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations and the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations.

Reporting Boundaries

This report covers five domestic sites of Hyundai Transys (Dongtan Seat R&D Center, Hwaseong Drivetrain R&D Center, Seosan Jigok Plant, Seosan Seongyeon Plant, and Seoul Office). Key ESG data also includes information from five domestic subsidiary sites (Asan Plant, Ulsan Plant, SCM Plant, TRANIX Jigok Plant, and TRANIX Seongyeon Plant) and 25 overseas sites (including production plants and sales offices). Where physical limitations restrict data collection, specific reporting boundaries are detailed in the footnotes.

* In the ESG data of this report, a dash ('-') indicates unmeasured or unreported data, while a zero ('0') indicates a performance value of zero for the given year.
* TRANIX, established in April 2023, has been included in the domestic subsidiary data since 2024.
* Consolidated Subsidiaries as of 2025
  Hyundai Mseat Co., Ltd. | TRANIX Co., Ltd | Beijing Hyundai Transys Transmission Co., Ltd. | Hyundai Transys(Shandong) Co., Ltd. | Hyundai Transys Czech s.r.o. | HYUNDAI TRANSYS LEAR AUTOMOTIVE INDIA PRIVATE LIMITED | HYUNDAI TRANSYS FABRICACAO DE AUTOPECAS BRASIL LTDA. | Automotive Seat System Dymos Mexico S.De R.L. DE C.V. | Sichuan Hyundai Transys Automotive System Co., Ltd. | Hyundai Transys America, Inc. | HYUNDAI TRANSYS GEORGIA SEATING SYSTEM, LLC | Hyundai Transys Slovakia s.r.o. | HYUNDAI TRANSYS INDIA PRIVATE LIMITED | Hyundai Transys Mexico Powertrain, S. de R.L. de C.V. | Hyundai Transys Georgia Powertrain, Inc. | HYUNDAI TRANSYS RUS LLC
  Business sites other than those listed above are included in the Reporting Boundaries based on operational control.

Reporting Period

This report covers environmental, social, and economic responsibility performance and sustainability activities for the 2025 fiscal year (January 1 to December 31, 2025). Some qualitative data includes information up to the first half of 2026. Quantitative data covers the past three years (2023–2025) to illustrate annual trends.

Report Assurance

To enhance the reliability of the reported information, Hyundai Transys commissioned BSI, an independent assurance provider, to conduct Third-Party Assurance. This ensures the credibility and fairness of the reporting process, data calculation standards and methodologies, and the disclosed data itself. The Strategic Support Team, its dedicated ESG organization, reports the verified Sustainability Report to the Board of Directors. The BSI Assurance Statement is available in the Appendix. The assurance was conducted in accordance with the international assurance standard AA1000AS, with Type 2 assurance applied to sustainability performance linked to material issues.

Reporting Cycle

Hyundai Transys published its first Sustainability Report in 2020, and the most recent report was published in 2025. This is its seventh Sustainability Report, and it plans to publish the report annually hereafter.

Date of Publication

This report was published on August 7, 2026.

Contact Information

Please direct any inquiries regarding this report to the contact below.

Hyundai Transys Strategic Support Team (mhkim@hyundai-transys.com)

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CEO Message

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Hyundai Transys will create future value based on unwavering sustainability management.

Dear esteemed stakeholders,

Recently, the global business environment has faced deepening uncertainty driven by escalating geopolitical risks, accelerating competition for AI technological supremacy, and the realignment of global supply chains. To sustain growth amid the complex changes of this industrial transition, it is essential to adhere to fundamentals and principles while practicing responsible management. Accordingly, Hyundai Transys is committed to securing long-term competitiveness by continuously identifying new growth opportunities through a robust sustainability management system.

First, Hyundai Transys will create a safe society for all by committing to the safety of its customers and employees.

Hyundai Transys prioritizes safety across all business activities. We will secure customer trust with safe, high-quality products and build a secure workplace for our employees based on a prevention-oriented, proactive safety management system.

Second, Hyundai Transys will realize a sustainable future through an active response to the climate crisis and responsible supply chain management.

To proactively address the climate crisis, Hyundai Transys considers environmental impacts across the entire process, from product development to procurement, production, and distribution. In particular, we are expanding the development of eco-friendly products through technological innovation, including electrified powertrains and sustainable seat materials. Furthermore, we will build a sustainable ecosystem based on trust and cooperation with suppliers to ensure that sustainable management principles spread throughout the supply chain.

Third, we will strengthen ethical management to become a trusted company.

Hyundai Transys practices transparent and fair management under compliance principles, and is striving to establish an organizational culture where all employees act according to the right values and standards. Moving forward, we will become a more trusted company among our diverse stakeholders based on a high standard of ethics.

Hyundai Transys will continue its responsible efforts to ensure that sustainability management leads to tangible changes and outcomes. We ask for the continued interest and support of our stakeholders.

Cheol-seung Baek, CEO of Hyundai Transys



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Company Overview

Company Overview

Since its establishment, Hyundai Transys has grown into a global automotive parts specialist, built on its core businesses including powertrains and seats. We systematically manage our entire value chain—from raw material and parts procurement to manufacturing and customer delivery—prioritizing quality and sustainability. Its primary customers are domestic and international automakers. Furthermore, we are continuously advancing technological innovation to prepare for the future mobility era.

Company Name	Hyundai Transys Corporation	
Establishment Date	1994	
CEO	Cheol-seung Baek	
Headquarters Location	105, Sindang 1-ro, Seongyeon-myeon, Seosan-si, Chungcheongnam-do, Korea	
Main Business	Automotive Parts (Powertrain, Seat)	
Workforce Status	Number of Employees	16,545 (Domestic sites: 4,173, Domestic subsidiaries: 2,779, Overseas sites: 9,593)
	Number of Researchers	971
Credit Rating	AA- (Korea Ratings, Korea Investors Service, NICE Investors Service)	

Business Status

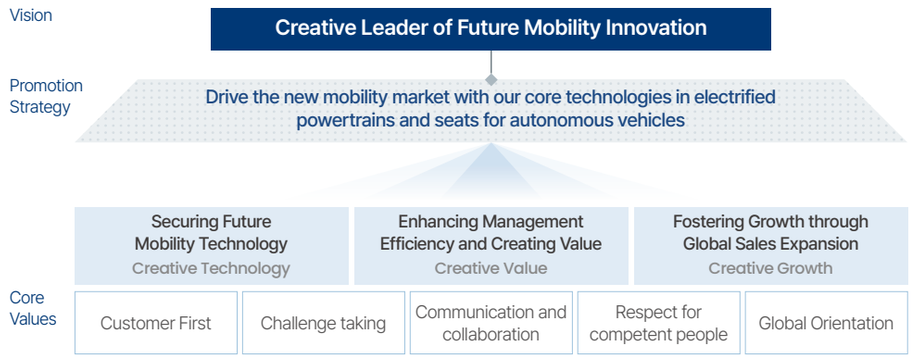
Key Financial Indicators (Consolidated)

(Unit: KRW 100 million)

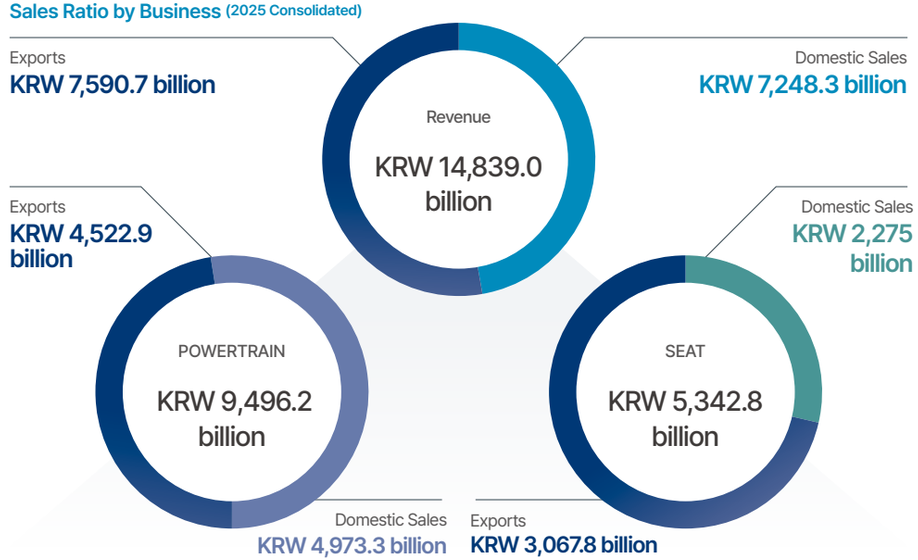
Category		2023	2024	2025
Revenue	Total	116,939	127,464	148,390
	Powertrain	73,315	79,508	94,962
	Seat	43,624	47,956	53,428
Operating Profit		1,169	786	3,360
Net Income		967	231	1,153
Total Assets		80,160	97,710	103,505
Total Equity		29,494	34,121	35,261

Company Vision

As a leader in future mobility technology, Hyundai Transys is advancing technological innovation centered on core products such as electrified powertrains and autonomous driving car seats. Recognizing this as a strategic driver for sustainable value creation and growth, we organically align our product strategy with our ESG strategy.



Sales Ratio by Business (2025 Consolidated)



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Powertrain

Hyundai Transys produces a wide range of powertrains that can be installed in various vehicle types, from automatic transmissions for internal combustion engines to eco-friendly drive systems for hybrid and electric vehicles, based on world-class powertrain technology.

Vision ▶

Global No. 1 Powertrain System Solution Provider

Strategy ▶

Production of Global No. 1 Electrified Products

Powertrain R&D Theme





Direction of R&D ▶

Technologies responding to the Car Industry Mega-Trend



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



Developing compact powertrains to realize advanced technologies



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

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Internal Combustion Engine Powertrain

The internal combustion engine powertrain is a vehicle drive system comprising power components such as the engine, transmission, and drive shaft, which converts fuel into power to drive the wheels. Leveraging its accumulated R&D expertise and mass production experience in the powertrain sector, Hyundai Transys produces powertrains applicable to various vehicle models, including hybrid and electric vehicles. Specifically, Hyundai Transys mass-produces transmissions and axles among power transmission components, and has established a powertrain lineup featuring high-efficiency and high-performance technologies based on continuous research and mass production development know-how.

Transmission

Transmissions are core components that convert engine output into optimized torque. Hyundai Transys has established a full transmission lineup—including automatic, continuously variable, dual-clutch, and manual transmissions—and consistently delivers customer satisfaction through outstanding quality. Furthermore, Hyundai Transys is actively responding to the electrification transition by developing and supplying hybrid transmissions and EV reducers to meet the growing demand for eco-friendly vehicles.

Axle

As a core component that transmits engine power to the wheels, the axle embodies Hyundai Transys's technological expertise and contributes to enhanced vehicle performance. By utilizing high-strength materials, it ensures stability across diverse driving conditions, including high-speed and long-distance travel. Furthermore, the Electronic Shift Transfer (EST), independently designed by Hyundai Transys, supports safe driving on off-road terrains.

Internal Combustion Engine Powertrain



AT(Automatic Transmission)



DCT(Dual Clutch Transmission)

Electrified Powertrain

An electrified powertrain consists of a motor, battery, and reducer. The reducer, which corresponds to the transmission in an internal combustion engine powertrain, converts the power generated by the motor into torque that aligns with the vehicle's control strategy. Driven by global regulations restricting the sale of internal combustion engine vehicles—such as the EU's ban on new internal combustion engine vehicle sales, U.S. fuel efficiency regulations for new vehicles, and stricter emission standards in China—the market share of electrified powertrains is projected to grow rapidly. Leveraging its extensive expertise in mass-producing transmissions, Hyundai Transys is actively responding to the electrification market with a comprehensive product lineup that includes a 3-in-1 EV drive system, an EV reducer, and an HEV drive system.

3-in-1 EV Drive System

The Electric Drive System (EDS) is an EV drive system that integrates a motor, an inverter, and a reducer into a single unit. Hyundai Transys has developed an EV drive system that reduces weight and improves system efficiency through an integrated structure of the motor, inverter, and reducer. We are actively developing advanced technologies to maximize energy efficiency, including the application of Hairpin Winding Technology to drive motors and direct oil injection cooling designs, to realize clean mobility in line with increasingly stringent global environmental regulations.

EV Reducer

The EV reducer controls the motor's high-speed rotation to deliver the target output to the vehicle's drive shaft. Hyundai Transys has produced EV reducers since 2019 and has established a reducer lineup applicable to various vehicle models. Notably, the Disconnector System applied to the EV reducer seamlessly switches between AWD and 2WD, reducing unnecessary power loss and improving energy efficiency by approximately 6% to 8%. We were the first in the world to develop this technology, securing a new competitive edge in the electric vehicle era.

HEV Drive System

A hybrid drive system controls vehicle propulsion by simultaneously utilizing two power sources: an internal combustion engine and an electric drive motor. Leveraging its technological expertise in internal combustion engine transmissions, Hyundai Transys developed e²AT, the world's first P1+P2 hybrid drive system. This innovative system is currently being deployed as the next-generation HEV drive system for Hyundai Motor Group. The system incorporates a built-in damper to optimize vehicle packaging and expands the gear ratio span to enhance power performance. Furthermore, we continue to strengthen our global competitiveness through ongoing technological advancements, such as developing an oil pump unit (OPU) and an integrated inverter, as well as optimizing the system layout.

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Future Mobility Powertrain

The global automotive industry is undergoing a major transformation to achieve carbon neutrality and an energy transition, with the shift toward electrification now in full swing. According to the market research firm S&P Global, electric vehicles (EVs) and hybrid electric vehicles (HEVs) are expected to account for approximately 40% of global automotive sales by 2026, and this share is projected to exceed 60% by 2030. Driven by global climate change response efforts and growing consumer demand for electrified vehicles, this trend is accelerating a paradigm shift in the automotive industry.

Hyundai Transys is actively responding to these changes and preparing to become a future mobility solutions provider. Building on its expertise in internal combustion engine powertrain technologies, Hyundai Transys is leading technological innovation in powertrain components for hybrid and electric vehicles. By developing highly efficient and reliable products, we are establishing ourselves as a key player in the electrification market. In particular, we have established a Technology Road Map (TRM) for xEV powertrain development and are focusing on securing technologies that achieve efficiency, resource conservation, and carbon reduction. Furthermore, we integrate various ESG elements—such as material innovation and lightweighting—throughout our product development process to realize a circular economy and ensure sustainability, playing a pivotal role in climate change response.



Next Gen HEV AT



EV Reducer

Creating Circular Economy Value

1 Resource Conservation

Based on its collaboration with Hyundai Motor Group, Hyundai Transys carries out activities under the Carbon Neutrality Committee and is pursuing the minimization of raw material use and resource input through the application of carbon-reducing materials and metal recycling.

2 Product Downsizing and Lightweighting

By applying optimized design to HEV drive systems, Hyundai Transys minimizes component weight and quantity while achieving the same performance. On the vehicle mounting and performance front, it has secured vehicle mountability by applying built-in dampers and has achieved product lightweighting by enhancing system efficiency through the development of integrated inverters using the Oil Pump Unit (OPU) and layout optimization.

In addition, Hyundai Transys is pursuing a lightweighting strategy that simultaneously improves component integration and energy efficiency by utilizing highly integrated component technologies such as built-in dampers and OPU-integrated inverters.

Maximizing Efficiency

1 High-Efficiency Electrification Drive System

- Through the development of the e²AT (Next Gen HEV AT) and 3-in-1 EDS, Hyundai Transys has improved system efficiency, contributing to reduced vehicle energy consumption and lower carbon emissions.
- The e²AT is the world's first P1+P2 hybrid drive system, structured to integrate the inverter, motor, and transmission unit. As Hyundai Motor Group's next-generation HEV drive system (Next Gen HEV AT), it is in mass production and has achieved a 4.3% improvement in fuel efficiency and a 25% improvement in allowable torque compared to the previous model (HEV AT).
- By applying hairpin winding and oil direct-spray technologies to the drive motor, Hyundai Transys has enhanced fuel efficiency savings. Applying hairpin winding technology and reflecting an oil direct-spray cooling design reduces energy consumption and minimizes environmental impact, thereby extending vehicle driving range.
- The EV Reducer Disconnector System is a world-first technology that provides a fuel efficiency improvement of approximately 6–8% by reducing unnecessary power loss through switching between AWD and 2WD. This enhances energy efficiency and contributes to reduced carbon emissions.

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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

Strategy ▶

Intelligent seats that interact with humans and the environment

Seat R&D Theme







Direction of R&D ▶

Technologies responding to the Car Industry Mega-Trend



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



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



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



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

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Designing Human-Centered Experiences

Future mobility is evolving beyond a mere means of transportation into a shared space that offers passengers new experiences and value. In line with this shift, Hyundai Transys conducts human-centric R&D to provide seat solutions optimized for future mobility environments. We are setting a new standard for the mobility experience by developing seats for diverse platforms, including autonomous driving cars and Purpose Built Vehicles (PBVs), that prioritize passenger safety, convenience, and emotional satisfaction.

Hyundai Transys develops future mobility seats centered on the core values of safety, space, and sustainability, while closely monitoring the evolution of mobility spaces driven by autonomous driving technology. Accordingly, we focus on UX design—crafting spatial experiences for people—to create environments that offer passengers freedom of mobility and diverse experiences.

Driven by human-centric technological development and continuous innovation, Hyundai Transys is committed to providing safe, comfortable, and sustainable mobility experiences in the future mobility era.

Autonomous Driving Car Seats

Comfort in the Freedom of Movement

In the era of autonomous driving, car seats are evolving beyond their traditional role into personalized spaces where passengers can enjoy their free time and engage in various activities. Hyundai Transys is responding to this shift by designing seats based on a total interior system.

Variable Seat Layout

To reflect the diverse lifestyles of passengers, Hyundai Transys conducts research on seat movements, functions, and forms optimized for modular vehicle structures, providing features that allow users to freely configure the space as needed. This human-centric design enables a variety of in-transit experiences, including work, relaxation, and entertainment.

Passenger-Centered UX Technology

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



Next-Generation Autonomous Mobility Space Solutions (HTVM)

Purpose Built Vehicle (PBV) Seats

Mobility Experience Extending to Customized Spaces

PBVs are designed for specific purposes, differentiating themselves from conventional vehicles by allowing flexible interior configurations based on passengers' individual mobility goals and needs. Hyundai Transys researches and develops seat solutions that maximize these PBV characteristics.

Technologies for Maximizing Space Utilization

Hyundai Transys maximizes interior space utilization through innovative technologies such as detachable seats and pop-up/hidden seats. We provide customized space solutions tailored to specific purposes and users, including research on interior space utilization mechanisms for families with infants. This reflects a human-centric philosophy aimed at providing optimal spaces for various activities, going beyond the basic function of mobility.

PBV Mobility-Based UX Scenario Research

Hyundai Transys creates innovative user experiences by developing specialized structures and differentiated seating UX for PBVs. These innovations are designed to meet the diverse needs of B2B customers in areas such as delivery, mobility support, and personalized services.



Purpose Built Vehicle (PBV) Seats

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Environment-Conscious Seat Materials

Sustainable Solutions for Both People and the Environment

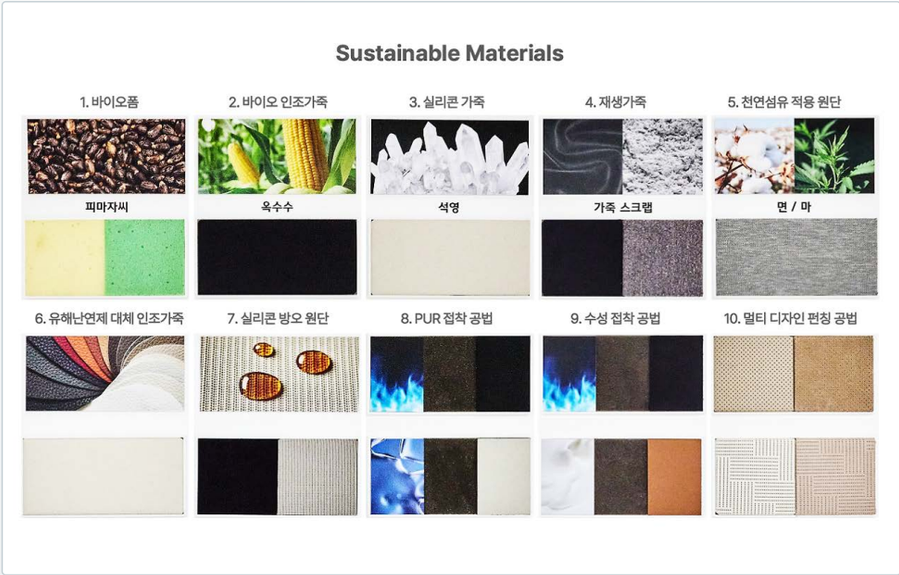
With the advancement of autonomous driving technology, vehicle interiors are expanding beyond simple mobility spaces into living spaces. This shift has heightened the importance of passenger health and safety, as well as compliance with environmental regulations. In response to these evolving demands, Hyundai Transys is actively investing in the development of eco-friendly materials.

Utilization of Human-Friendly Natural Materials

By applying natural materials such as Korean Traditional Paper and bamboo to its seats, Hyundai Transys provides passengers with a healthy and pleasant environment while minimizing its environmental impact. We are committed to realizing sustainable mobility by developing various material technologies, including the utilization of biomass, the use of Silicon Extracted from Quartz, and alternatives to natural cotton fibers.

Resource Circulation Efforts

Hyundai Transys obtained Global Recycled Standard (GRS) certification by developing recycled leather from manufacturing scrap, and it contributes to establishing a circular economy by participating in national projects such as developing applied leather materials from end-of-life vehicles. These achievements reflect its efforts to prioritize not only environmental protection but also the values of consumers seeking ethical consumption.



Infotainment Seats

Immersive Experiences That Enhance Enjoyment During Travel

The transition to the electric vehicle era has expanded interior cabin space, accelerating the growth of the infotainment market, which allows passengers to enjoy various activities on the go. In line with these changes, Hyundai Transys is researching and developing a multi-purpose mobility seat system that provides passengers with rich information and entertainment.

Technologies for Immersive Experiences

Hyundai Transys provides passengers with a more immersive infotainment experience by stimulating various senses—including sight, hearing, and touch—through the 4D Motion Simulator, Haptic Sound System, and Directional Speaker. This represents a human-centric technological innovation that transforms travel time from boredom into enjoyment.



HTVM Seat Solutions

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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 Hyundai Transys prioritizes it above all. Beyond enhancing collision safety performance, it reduces driver and passenger fatigue and promotes 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.



Ergo Motion Seats (Seat Pneumatic Control System)

2 Maximizing Interior Utilization Through Structural Innovation and Modularization

Hyundai Transys continuously innovates seat structures focused on optimizing vehicle interior utilization and is 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.



2nd-Row Independent Swivel Seats

Material Development with Human Health and the Environment in Mind

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

1. **Eco-friendly Material Development**: Hyundai Transys actively incorporates 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**: Hyundai Transys enhances 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 design and material innovation.



Development of New Materials

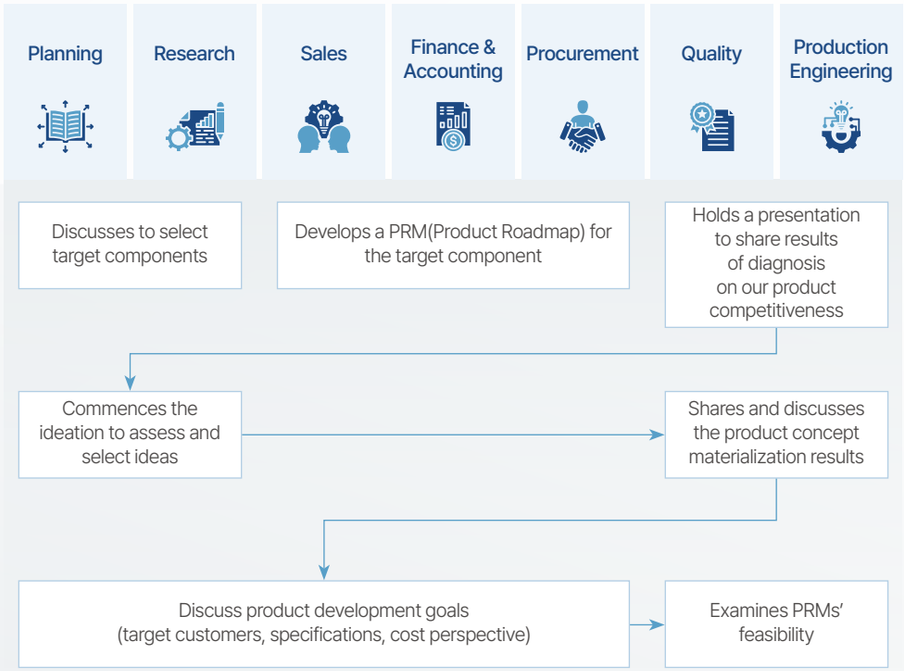
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Business and Technology Strategy Formulation and Operation System

In response to the expansion of the global electrification market and changes in the industrial environment, Hyundai Transys has set the discovery of new growth engines and technological innovation as its key strategic direction and has established a company-wide technology strategy operation system. Its mid-to-long-term corporate strategy is formulated by comprehensively reflecting the results of analyzing global finished-vehicle market outlooks, Market Intelligence-based market environment analysis, and Hyundai Transys's competitiveness analysis, based on which mid-to-long-term product and technology directions are derived. This strategy establishment process serves as the foundational data for mid-to-long-term product portfolio planning, with a focus on ensuring the consistency of the company-wide strategy in response to changes in the business environment.

Inter-departmental Collaboration Framework for Product and Technology Development



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

Product and Technology Development Strategy and Roadmap System

Based on Market Intelligence and management environment analysis, Hyundai Transys is proactively responding to industrial transition trends such as changes in automotive policies and regulations and the popularization of electric vehicles. Through business structure improvement and core technology internalization, the Company promotes the strengthening of mid-to-long-term corporate competitiveness. In response to the expansion of the electrification market, we are advancing the securing of core product competitiveness—focusing on the sophistication of HEV and EV drive systems and EV-dedicated seat technologies—and is enhancing its product and technology portfolio.

In the powertrain and seat business divisions, centered on the planning department, Hyundai Transys establishes mid-to-long-term R&D directions through collaboration with related departments, and link and manage its business strategy and R&D plans based on the PRM (Product Roadmap) and TRM (Technology Roadmap).

- **Technology Road Map** (TRM)
  By reflecting market changes and the future requirements of products, it derives core technology tasks and is utilized as a basis for setting the priorities of technology acquisition and mid-to-long-term technology development directions.
- **Product Roadmap** (PRM)
  Linked with our business strategy, it is utilized as a basis for discovering and materializing strategic products and for driving product development and business execution.

Based on a strategy establishment system that links the TRM and PRM, Hyundai Transys operates a PRM council and continuously reviews the consistency between technology development and business.

R&D Task Operation, Review, and Risk Management

R&D tasks undergo a rigorous process of comprehensively examining strategic alignment, marketability, customer relevance, and technical feasibility. To secure mid-to-long-term new growth engines, division-specific tasks are targeted and the status of key priority tasks and KPI fulfillment is managed through monthly regular reviews on an annual basis. In this process, potential issues and risks that may arise are identified in advance along with the progress status of each task, and a management system is operated to enable timely responses.

When potential risks are identified, response strategies are prepared and reported to the top management council for final decision-making, and the confirmed response strategies are managed through stage-by-stage reviews to prevent/mitigate risks and ensure timely resolution. In addition, the progress status of the PRM and TRM by task is reviewed against the planned schedule, and by jointly examining whether backups or additional development are needed when changes occur, Hyundai Transys operates an integrated risk management system across the entire R&D and business process.

Global Network

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Hyundai Transys maintains close communication with customers worldwide through its 34 production, R&D, and sales bases across 10 countries.

Production Plants 26

R&D Centers 4

Sales Offices 4



	Korea	Asia	North America	Latin America	Europe
Powertrain	● Hwaseong Drivetrain R&D Center	● Beijing Powertrain Plant	● Georgia Powertrain Plant	● Monterrey Powertrain Plant	● Europe Technical Center
	● Seosan Jigok Plant	● Rizhao Plant	● Michigan Branch		
	● Seosan Seongyeon Plant	● India AP Powertrain Plant			
	● Seosan Jigok Plant (TRANIX)	● Shanghai Office			
	● Seosan Seongyeon Plant (TRANIX)				
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)	● India Pune Branch	● Alabama Branch		
	● SCM Plant(Hyundai Mseat)	● India AP Seat Plant	● Arizona Branch		
		● India Chennai Plant	● Savannah Seat Plant		
		● Indonesia Plant	● California Branch		
Common	● Seoul Office	● India Technical Center			

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

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ESG Vision and Implementation Strategy

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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

Creating a sustainable environment for future generations by pursuing carbon neutrality across the entire value chain

Expanding the Development of Electrified Products

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

Creating 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 health and safety

Creating quality 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

(Local Community) Expand the Impact of Social Contributions

Contributing to the sustainability of future generations by addressing local community issues

(Customers) Innovate customer experience and improve product reliability

Providing valuable products and services to customers at the optimal time

(Supply Chain) Build a sustainable supply chain

Establishing a Supply Chain ESG Management process to assess, manage, and improve the potential ESG risks of suppliers

(Board of Directors) Secure the soundness of the Board of Directors

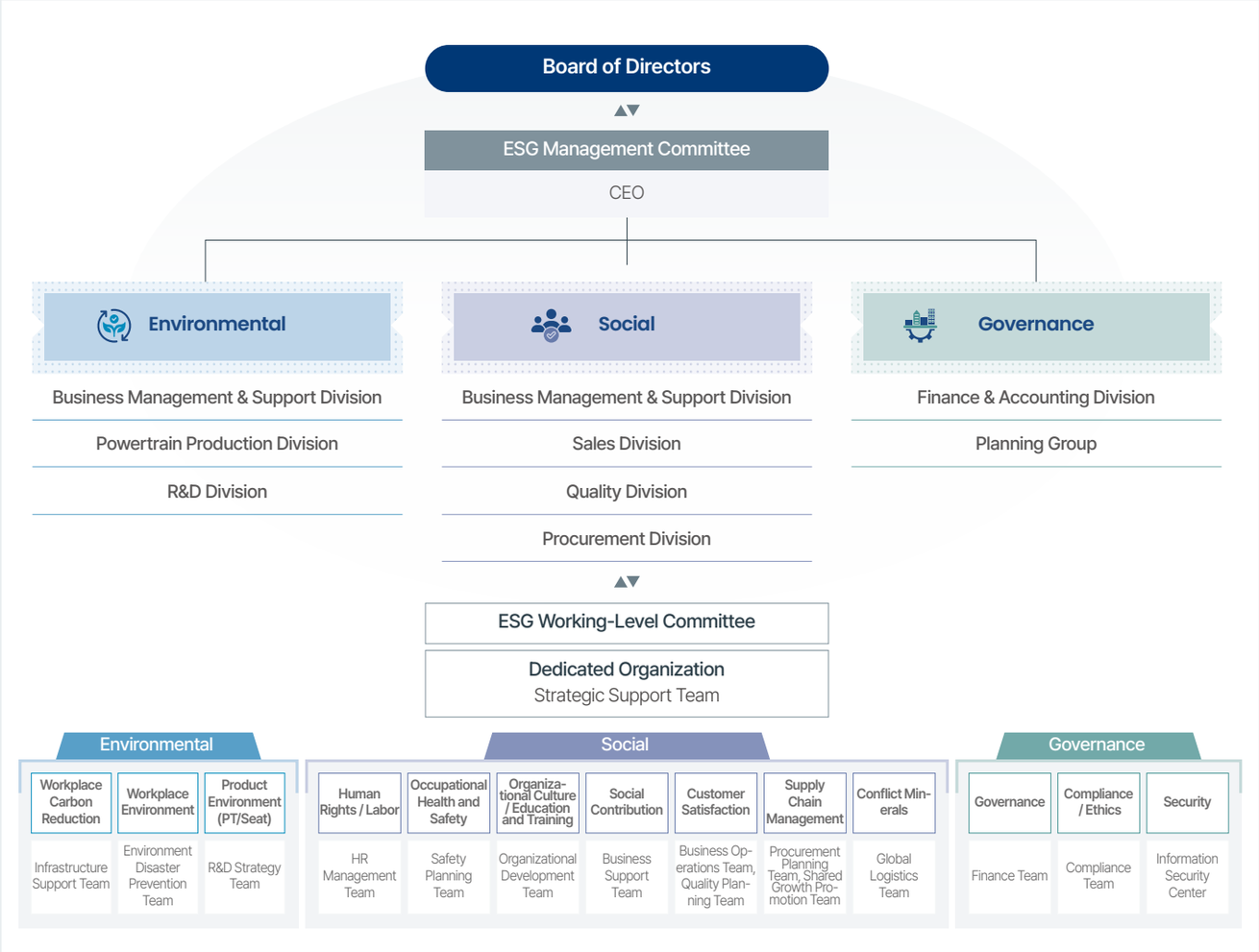
Securing independence, diversity, and expertise of the board to improve its soundness and operational efficiency

ESG Vision and Promotion Strategy

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ESG Governance

The ESG Committee, the highest ESG decision-making body across the company, is composed of the CEO and executives in charge of ESG. The ESG Working-Level Committee is operated by the Strategy Support Team (a dedicated organization) together with responsible departments in each division, carrying out ESG-related practical tasks. In addition, depending on the matter, major ESG-related agenda items are reported to and approved by the Board of Directors. Hyundai Transys will continue to move toward becoming a sustainable company through systematic ESG management, performance management, and transparent disclosure.



Status of Deliberations on Key ESG Agenda Items

Hyundai Transys regularly reports key ESG issues to the Board of Directors and finalizes major strategies and action plans following deliberation by the Board. Going forward, Hyundai Transys will continuously strengthen its Board reporting and deliberation system to internalize ESG management.

Date	Agenda	Approval Status	Attendance Rate
January 22, 2025	• Approval of the 2025 Health and Safety Management Plan	Approved	100%
	• Approval of the 2025 ESG Plan	Approved	100%

Double Materiality Assessment

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Assessment Overview

To enhance the reliability and transparency of its ESG information each year, Hyundai Transys conducts a double materiality assessment in accordance with the European Sustainability Reporting Standards (ESRS). This assessment comprehensively considers both the impact of Hyundai Transys's business activities on the environment and society, and the financial risks and opportunities posed by external environmental changes. The assessment results were derived through written surveys and stakeholder engagement. Through this report, we transparently disclose the identified material issues and our management approach to addressing them.



Double Materiality Assessment Process

Hyundai Transys conducted the materiality assessment in four steps: ① selecting sustainability issues, ② identifying impacts, risks, and opportunities (IROs), ③ assessing IROs, and ④ selecting material issues. Based on the assessment results, six material issues were finalized.

Issue Selection

Issue Pool Derivation

Derived a long-list issue pool of 22 issues, comprising 20 issues aligned with the requirements of the Simplified ESRS standards and two company-specific issues.

20 Simplified ESRS Topics
+ 2 Company-Specific Issue-Based
22 Long-list

▼

Screening Criteria

Internal Data	Evaluation Institution
Peer Companies	Media Research
Upstream Industry	Downstream Industry

▼

Deriving the 12 Short-list

IRO Identification

IRO* Identification along the Issue Value Chain

Identifying risks and opportunities within issues across major subsidiaries and headquarters value chains (manufacturing, offices, transportation, sales)

- Deriving the Short-list environmental/social impacts and financial risk/opportunity Pathway.
- Classifying IRO when there are impact differences by value chain stage (Example: Climate change –manufacturing stage, Climate change – usage stage)

Environmental and Social Impact	• Impact of our activities on the external environment and society
Financial Risk/ Opportunity (Risk & Opportunity)	• external environment's financial risks and opportunities affecting our business

* IRO: Our impact on society and the environment (Impact), and the impact of society and the environment on our finances (Risk & Opportunity).

Assessment

Internal and External Stakeholder Survey

- Environmental and Social Impact Assessment: Assessed impact materiality among internal Transys employees and external stakeholders, including suppliers, subsidiaries, customers, ESG experts, and public institutions.
- Financial Risk and Opportunity Assessment: Assessed financial materiality among relevant employees in the Finance & Accounting Division.

Impact Materiality				Financial Materiality	
Likelihood	Severity			Likelihood	Scale
	Scale	Scope	Remediability		
Likelihood	Scale	Scope	Remediability	Likelihood	Financial Scale
▼	▼	▼	▼	▼	▼
Expected timing of the impact's likelihood of occurrence	Degree of negative/ positive impact	Physical/ geographical extent affected by the impact	Cost of time required to restore to the original state	Expected timing and likelihood of the financial impact's occurrence	Financial impact on the company's revenue, cash flow, and profit/loss

Material Issue Selection

Material Issue Derivation

By comprehensively assessing environmental/social impacts and financial risks/opportunities, all issues exceeding the threshold in either impact materiality or financial materiality were included, and 6 material issues were selected from among the 22 sustainability issues.

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Double Materiality Assessment Results

Hyundai Transys comprehensively evaluated each issue by incorporating both impact and financial materiality. Based on this assessment, we identified six final material issues: Climate Change Response, Transition to Eco-friendly Products, Worker Health and Safety, Supply Chain Management, Consumer Safety, and Ethical Management. Ethical Management is a newly added material issue this year. Meanwhile, material issues from the previous year—Strengthening New Growth Engines and Technological Innovation, Waste Management and Circular Economy, Managing the Financial Impact of Environmental Issues, and Sound Labor-Management Relations—were either integrated into other issues or excluded.

In the environmental dimension, Climate Change Response and Eco-Friendly Product Transition were evaluated as mid-to-long-term issues impacting the supply chain, worksites, and customers. Climate Change Response was analyzed as a financial risk factor associated with GHG reduction and energy transition, while Transition to Eco-friendly Products was identified as a financial opportunity linked to the expansion of electrification and eco-friendly technologies. Guided by its goal to achieve Carbon Neutrality by 2045, Hyundai Transys systematically manages related environmental risks and opportunities by advancing energy efficiency, transitioning to Renewable Energy, and expanding eco-friendly products.

Within the Social and Governance dimensions, Employee Safety and Health, Supply Chain Management, Consumer Safety, and Ethical Management were identified as material issues. These issues are primarily associated with safety, quality, and ethical risks that may arise during business operations, and were assessed as factors that could present financial risks or opportunities over the short, medium, or long term. Hyundai Transys is enhancing stability and sustainability across its entire value chain by strengthening workplace safety management, advancing its Supply Chain ESG Management system, ensuring product safety, and internalizing ethical management.

In accordance with the IFRS Sustainability Disclosure Standards, this report systematically organizes and discloses selected material issues by topic across four areas: Governance, Strategy, Risk Management, and Metrics and Targets.

Significance ●: High ◐: Mid ○: Low

Material Issue	Impact Materiality							Financial Materiality		
	Positive/ Negative	Actual/ Potential[1)]	Timing	Impact Scope			Result	Opportunity/ Risk	Timing	Result
				Supply Chain	Business Site	Customer				
❶ Climate Change Response	Negative	Actual	Mid-Long term	✓	✓	✓	◐	Risk	Short-Long term	●
❷ Eco-Friendly Product Transition	Positive	Actual	Mid-Long term	✓	✓	✓	●	Opportunity	Short-Mid term	●
❸ Employee Health and Safety	Negative	Actual	Short-Long term	✓	✓		◐	Risk	Short-term	●
❹ Supply Chain Management	Negative	Potential	Mid-Long term	✓			◐	Risk	Mid-term	●
❺ Consumer Safety	Negative	Potential	Short-Long term	✓	✓	✓	●	Risk	Short-Long term	●
❻ Ethical Management	Positive	Actual	Mid-Long term	✓	✓	✓	●	Opportunity	Mid-Long term	◐

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

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Double Materiality Assessment Results

Hyundai Transys identifies the financial impacts (risks and opportunities) and the social/environmental impacts (positive and negative) that the 6 material issues have on its business and strengthens sustainable management by establishing future plans.

Management Status by Material Issue

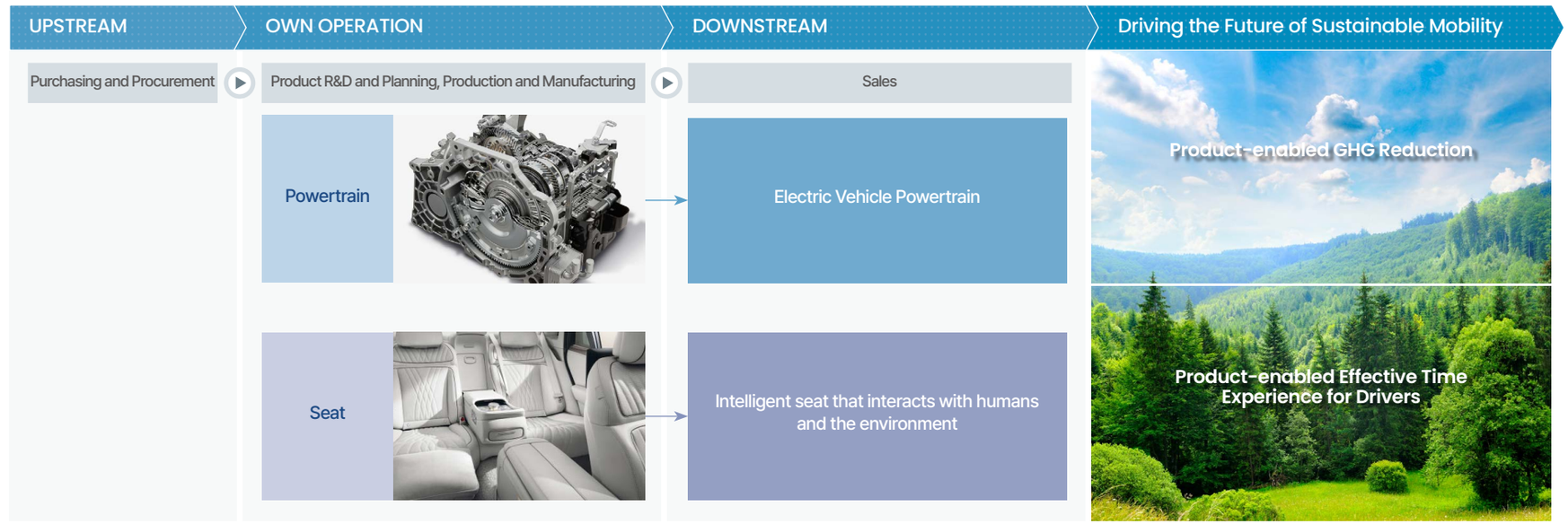
	Material Topic	Issue Definition	Response Status	Key Plans	Reference Page
Environmental	Climate Change Response	Activities aligned with Hyundai Transys's carbon neutrality strategy, such as reducing GHG emissions, improving energy efficiency, and expanding renewable energy, aimed at responding to climate change risks and realizing a mid- to long-term energy transition.	• Established goals to transition to 100% renewable energy by 2040 and achieve carbon neutrality by 2045. • Implementing activities such as energy efficiency improvements, Energy Storage Systems (ESS), and waste heat recovery to manage GHG emissions at worksites. • Regularly monitoring energy intensity at the worksite and product levels. • Hyundai Transys evaluates the feasibility of adopting Renewable Energy by site and pursues procurement strategies tailored to regional conditions, such as purchasing PPAs and RECs, and self-generation.	• Committed to achieving Carbon Neutrality by 2045, Hyundai Transys plans to reduce GHG emissions by 87% compared to business-as-usual (BAU) levels by 2035 and transition to 100% Renewable Energy by 2040. • We reduced annual GHG emissions per unit of production by 2.7%. • Hyundai Transys plans to accelerate RE100 implementation across its global production sites by diversifying Renewable Energy procurement methods, such as expanding solar power facilities and signing long-term PPAs.	27-47
	Eco-Friendly Product Transition	This refers to improving materials, designs, and manufacturing processes to minimize environmental impacts throughout the product life cycle, and expanding the development of products with eco-friendly attributes, such as low-carbon, recycled, and non-toxic properties.	• The Powertrain and Seat divisions are advancing R&D with the goals of achieving 'zero emissions' and developing 'nature-friendly seats,' respectively. • Hyundai Transys is diversifying its supply chain and strengthening collaboration with major startups and global suppliers to address supply instability and quality variations in recycled raw materials (PCR, PIR). • Hyundai Transys focuses on developing sustainable Seat technologies based on natural and recycled materials and is expanding these efforts in phases by establishing five strategic themes, including hazardous substance reduction, five-senses quality, resource circulation, and Lightweighting.	• Accelerate the transition to eco-friendly products by linking quantitative targets for each strategic theme to KPIs and managing departmental implementation rates.	48-51
Social	Employee Health and Safety	This refers to systematically managing the physical working conditions, facilities, training, and prevention systems to protect employees' lives and health, and minimizing industrial accidents and incidents.	• Contribute to the health and safety management of employees at both business sites and subsidiaries by operating the Safety Experience Training Center. • Maintain a rapid response and prevention system through tiered incident reporting, management reviews, and regular risk assessments. • Regularize participation-based improvement activities for employees and suppliers by operating the Occupational Health and Safety Committee, identifying potential risks (T-SHE (Transys Safety Health Environment System)), and conducting joint inspections with in-house suppliers.	• Advance the management of safety KPIs by additionally tracking TRIR (Total Recordable Injury Rate) and OIFR (Occupational Illness Frequency Rate) alongside LTIFR (Lost Time Injury Frequency Rate). • Manage company-wide employee health and safety by incorporating T-SCLA (Transys-Safety Culture Level Assessment) results into KPIs.	70-75
	Supply Chain Management	This refers to preventing supply chain risks and fostering a sustainable value chain by systematically monitoring and managing sustainability factors—such as environmental, social, and ethical aspects—across all suppliers.	• Hyundai Transys contributes to strengthening suppliers' ESG capabilities by providing consulting services through supply chain ESG assessments and shared growth activities. • Hyundai Transys controls risks by mandating ethical assessments during new supplier registration and applying practical sanctions, such as bidding restrictions, based on ESG assessment results. • To manage responsible mineral risks, Hyundai Transys requires the annual submission of CMRT/EMRT reports and implements phased measures—such as requesting improvements, requiring pledges, and restricting bids—depending on the inclusion of uncertified smelters.	• Hyundai Transys has expanded the scope of its ESG assessments to include suppliers in Europe and plans to further expand these assessments to North America by 2026. • Aiming to achieve a 100% completion rate for ESG inspections, due diligence, and corrective actions. • Hyundai Transys enhances the sustainability and competitiveness of its supply chain by continuously operating comprehensive supplier programs, including capacity building, benefit-sharing systems, shared growth funds, and smart factory support. • Maintaining a 100% response rate from suppliers subject to CMRT reporting.	76-82
	Consumer Safety	This refers to activities encompassing design standards, quality management, and certification systems required to protect customers' lives and property throughout the entire product life cycle, from development to production, shipment, use, and disposal. It is a core issue directly linked to brand trust.	• Hyundai Transys incorporates functional safety requirements into design standards from the early stages of product development and preemptively prevents risks through the Design Verification Plan (DVP) and simulations. • Hyundai Transys has introduced an ISO 26262-based functional safety certification system, focusing on powertrain products. • Hyundai Transys has secured ASIL-D level development capabilities for electronic components.	• Hyundai Transys is continuously advancing its internal quality standards and verification processes based on global safety regulations and client certification requirements. • Hyundai Transys is strengthening its global market presence through products that meet high safety and functional safety standards.	83-88
Governance	Ethics Management	Ethical management refers to activities that establish sound corporate governance by preventing corruption and unfair practices through employees' fair and transparent performance of duties, and by securing stakeholder trust based on fair trade compliance and a transparent decision-making system.	• Hyundai Transys operates the Fair Trade Voluntary Compliance Program (CP) based on its Anti-bribery Management System and Compliance Management System and maintain ISO 37001 and ISO 37301 certifications. • Hyundai Transys operates an internal reporting channel (Cyber Sinmungo) to prevent fair trade violations and misconduct, applying the principles of whistleblower protection and confidentiality. • Hyundai Transys regularly identifies and manages corruption risks at each site through Corruption Risk Assessments and enhances ethical awareness by providing compliance and ethics training for employees.	• Hyundai Transys holds regular ethics and compliance training for employees and expands customized training by job function and organization to further internalize ethical management. • Hyundai Transys strengthens its violation prevention activities and monitoring systems by advancing the Fair Trade Voluntary Compliance Program (CP). • Based on Corruption Risk Assessment results, Hyundai Transys strengthens the management and inspection of high-risk areas and continuously improve the effectiveness of its internal control system.	113-116

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Linkage Between Material Issues and Business Strategies

Hyundai Transys does not simply identify material issues but manages them by closely linking them with its business strategy and product strategy across the entire value chain. Material issues play a key role in establishing the management direction and risk response system, and in particular, major issues such as Climate Change Response, Eco-Friendly Product Transition, Consumer Safety, and Supply Chain Management are reflected as important considerations when establishing business strategy. In addition, by systematically managing material issues throughout the entire process—from procurement and sourcing to product R&D, production and manufacturing, and sales—we consider the risks and opportunities across the entire value chain together. In particular, we integrate our ESG strategy and product strategy centered on two core product areas: the Electrified Powertrain and the Intelligent Seat that interacts with humans and the environment. Each product is closely linked with material issue management—the Electrified Powertrain creates environmental value through greenhouse gas reduction at the product usage stage, while the Intelligent Seat creates social value by enhancing driver and customer safety and experience. Based on this product-centered ESG strategy (Product-enabled Impact), we are actively promoting the realization of sustainability through the products themselves. Going forward, we plan to strengthen the alignment between ESG management and business strategy based on continuous material issue management, and to pursue sustainable growth by proactively responding to the changing management environment.



Material Topic

◆	Supply Chain Management	-	-
◆	Employee Health and Safety		-
◆◆	Climate Change Response		
◆◆	Eco-Friendly Product Transition		
◆◆	Consumer Safety		
◆	Ethics Management		

◆ General Management Issues
◆ Direct Impact on Seats
◆ Direct Impact on Powertrain

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ESG Ratings and Awards

Received the Minister's Award at the 2025 Corporate Intellectual Property Awards

Recognized for its contribution to the development of national industry through intellectual property rights, Hyundai Transys received the **Minister of Trade, Industry and Energy Award** at the "2025 Corporate Intellectual Property Awards."

KINPA CONFERENCE 2025

Selected as an 'Excellent Quality Competitiveness Enterprise' for three consecutive years

Through company-wide quality innovation activities, Hyundai Transys was selected as an excellent company in the Quality Competitiveness category of the National Quality Management Awards for 3 consecutive years.

KNQA Korea National Quality Award

Won three awards at the 2025 Red Dot Design Awards

Hyundai Transys was internationally recognized for its design innovation in future mobility environments and space utilization, including modular seats and UAM[1] cabin concepts.

reddot design award

Key Performance by Area

Environmental

Expansion of Renewable Energy Transition

Achieved RE27[2] through On-Site PPA and renewable energy certificates

35% Improvement in Product Greenhouse Gas Intensity

Achieved a 35% reduction in greenhouse gas emissions per unit of production compared to the base year (2022).

Calculation of Product Carbon Emissions

Conducted life cycle assessment (LCA) and calculated carbon emissions for powertrain and seat products

Establishment of Natural Capital Management Goals

Established mid- to long-term biodiversity goals and detailed strategies through 2028

Social

Obtained the government's 'Excellent Laboratory in Safety Management' certification

The Seat R&D Center's Seat Material R&D Lab obtained "Excellent Safety Management Research Lab" certification, hosted by the Ministry of Science and ICT

Selected as "Best Win-Win Growth Company" for 11 Consecutive Years — First in the Auto Parts Sector

First in the auto parts industry in the '2024 Win-Win Growth Index Evaluation' by the Korea Commission for Corporate Partnership Achieved the highest rating for 11 consecutive years

Acquired International Standard Certification for Automotive Functional Safety

Acquired the 'ISO 26262 Functional Safety Management (FSM)' certification, an international standard for automotive functional safety, gaining global recognition for the functional safety of powertrain products

Enhancement of Partner ESG Management Level

Expanded the scope of ESG evaluations from 15 suppliers in 2021 to 166 in 2025, achieving a 100% completion rate for ESG inspections, due diligence, and corrective actions for four consecutive years.

Governance

Obtained AA Grade in the Fair Trade Compliance Program (CP)

Achieved an 'AA' rating in the Korea Fair Trade Commission's 'Fair Trade Voluntary Compliance Program (CP),' an upgrade from the previous year

Expanded Operation of the Compliance Council

Departments participating in the Compliance Council were expanded, with regular operation (held a total of 6 times in 2025)

Maintained ISO 37001 and ISO 37301 international certifications

Renewed the Anti-Bribery Management System (ISO 37001) certification and maintained the Compliance Management System (ISO 37301) certification

1) Urban Air Mobility (UAM)
2) Jigok, Beijing, and Rizhao Sites

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Stakeholder Engagement

Hyundai Transys collects diverse opinions from stakeholders through communication channels and strengthens the linkage with management activities by reporting major issues to the Board of Directors. In addition, we expand stakeholder participation in management by continuously monitoring sustainability management activities and conducting feedback. Going forward, we plan to continue our efforts to fulfill corporate social responsibility by reflecting stakeholder opinions in management.

Stakeholder Group	Customers	Suppliers	Shareholders and Investors	Local Communities / Media	Government / NGOs	Employees
Group Definition	Stakeholders who experience our products and services and significantly impact corporate sustainability	Key partners in production processes and product/service quality	Stakeholders who provide financial capital to maintain sustainable growth engines	Stakeholders directly or indirectly affected by our business activities	Stakeholders with the authority to enact laws and regulations governing the automotive industry	Core assets driving organizational operations and value creation
Communication Channels	• Customer Satisfaction Survey (Annual) • VOC Survey (Ongoing) • International Exhibitions (Ongoing) • Client Visits (Ongoing) • Sustainability Report (Annual)	• Supplier Council (Regular general meetings, roundtables, seminars, etc., annual) • Continuous Response Channels (Online/Offline)	• General Shareholders' Meeting (Annual) • Website (Ongoing) • Corporate Disclosures (Ongoing) • Conferences and Roundtables (Ongoing)	• Social Contribution Activities (Ongoing) • Sisterhood Partnership Activities (Ongoing) • Press Releases (Ongoing) • Strategic Social Contributions through Community Collaboration	• Participation in National Projects (Ongoing) • Conferences and Roundtables (Ongoing)	• Workers' Council (Ongoing) • Management Briefings (Quarterly) • Organizational Culture Assessment (Annually)
Key Communication Topics	• Expansion of Electrified Vehicle Lineup • Fuel Efficiency Improvement in Internal Combustion Engine Vehicles • Investment in and Development of Related Technologies • Product Safety and Quality Management • Customer Satisfaction • Brand Image • Enhancing Product Safety and Quality Management	• Supply Chain ESG Risk Management (Assessment and Improvement) • Promoting Supplier Carbon Neutrality and Supporting Shared Growth • Supporting Supplier Safety and Security Management	• Strengthening the Role of ESG Governance • Mid- to Long-Term Future Business Strategy • Economic Performance • ESG Risk Management • Board Transparency • Protecting Shareholder Rights	• Job Creation and Retention • Enhancing Environmental Efficiency at Worksites • Press Releases on ESG Assessments and Related Activities	• Enhancing Safety • Supporting Electrification of SME Suppliers • Support for Global Supply Chain and Trade Issues • Business Ethics • Establishing Infrastructure • Responding to Fuel Efficiency Regulations • Environmental Investment • Supporting the Commercialization of New Businesses	• Organizational Culture, Performance Evaluation, and Compensation • Respect for Employee Human Rights and Diversity • Strengthening Employee Competencies • Labor-Management Relations • Sharing Company Business Status • Workplace Health and Safety

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Climate Change Response

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Governance

Under its ESG governance framework, Hyundai Transys allocates specific roles for climate change response and energy management across the Board of Directors, the ESG Management Committee, and the ESG Working-Level Committee. The Board of Directors reviews climate change response strategies and the analysis of key risks and opportunities, approving the company-wide response direction. The ESG Management Committee then discusses detailed implementation plans for these matters. Furthermore, the ESG Working-Level Committee operates a workplace carbon reduction subcommittee to establish and implement emission reduction plans. By regularly reporting on related issues, Hyundai Transys ensures seamless integration across strategy formulation, execution, and risk management.

Role of the Board of Directors in Climate Change Response

Hyundai Transys operates a management and oversight system for Climate Change Response and Carbon Neutrality, led by the Board of Directors. The Board defines the authority, responsibilities, and reporting structure of the Carbon Neutrality Committee and holds final decision-making authority over carbon reduction plans. Furthermore, the Board establishes the corporate direction for Climate Change Response by reviewing and approving the carbon neutrality strategy report, thereby overseeing management's execution of its climate-related responsibilities.

Management and Oversight System for Climate Change Response Implementation

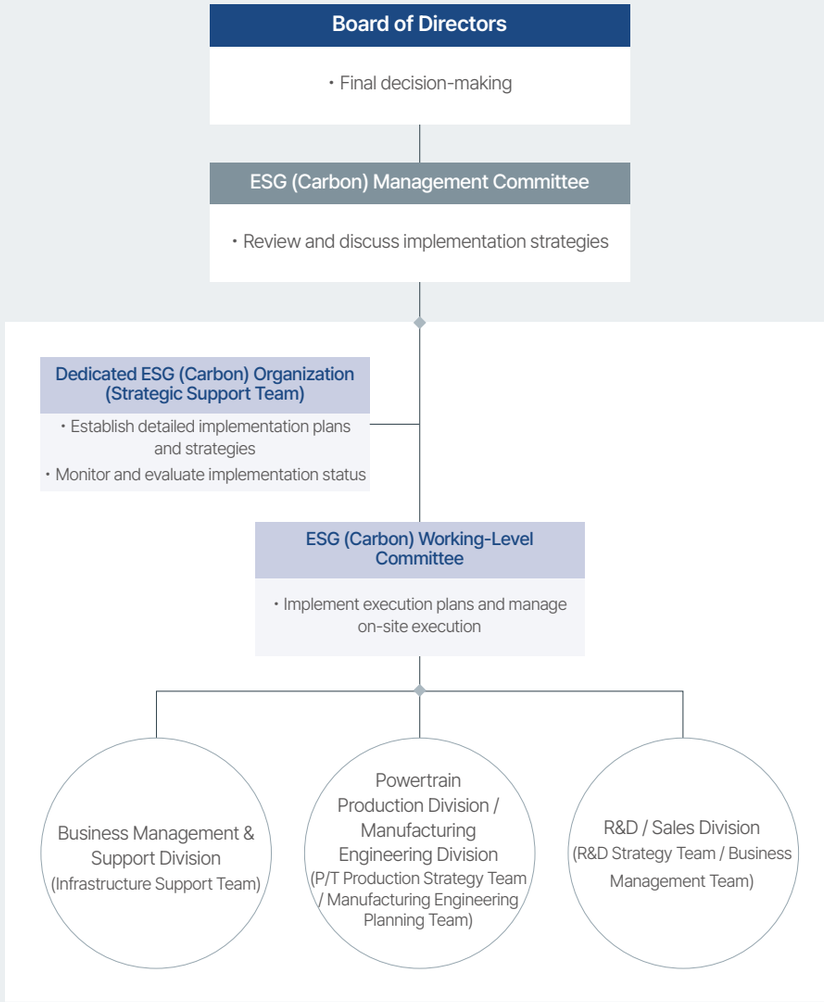
Hyundai Transys operates the Carbon Neutrality Committee to enhance the execution of its climate change response, systematically managing and overseeing the implementation status. The Carbon Neutrality Committee establishes policies for designing and operating GHG reduction plans, oversees the review, reporting, and implementation of these plans, and conducts operational inspections and performance evaluations.

Under the direction and management of the Committee, the Carbon Neutrality Working-Level Committee establishes reduction plans, identifies and implements tasks, coordinates resource allocation through inter-departmental collaboration, and supports performance monitoring and reporting to management and external stakeholders.

Carbon Neutrality Monitoring and Management Performance Evaluation

Hyundai Transys regularly monitors its mid-to-long-term carbon neutrality goals and implementation progress, comprehensively managing these initiatives alongside the budgets and major capital expenditures required for execution. Furthermore, we establish performance metrics for executives and departments responsible for carbon neutrality, integrating mid-to-long-term climate performance targets and implementation progress into executive key performance indicators (KPIs).

When evaluating executive performance, Hyundai Transys considers the results of major domestic and global ESG assessments and the progress of internal ESG improvement tasks, focusing on the implementation status and performance of carbon reduction initiatives.



Hyundai Transys Climate Change Policy

Climate Change Response

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To proactively respond to climate transition risks and realize a sustainable future mobility industry, Hyundai Transys has established three core principles and is advancing the 'Hyundai Transys-style Carbon Neutrality Strategy' based on six strategic pillars. As climate change response accelerates, the mobility industry is rapidly restructuring around electrified vehicles, with the Electrified Powertrain—Hyundai Transys's core business area—at the center of this shift. Accordingly, Hyundai Transys is simultaneously advancing product innovation and carbon reduction strategies across its global production bases, comprehensively strengthening emission reductions in the manufacturing process and energy transition at the product level.

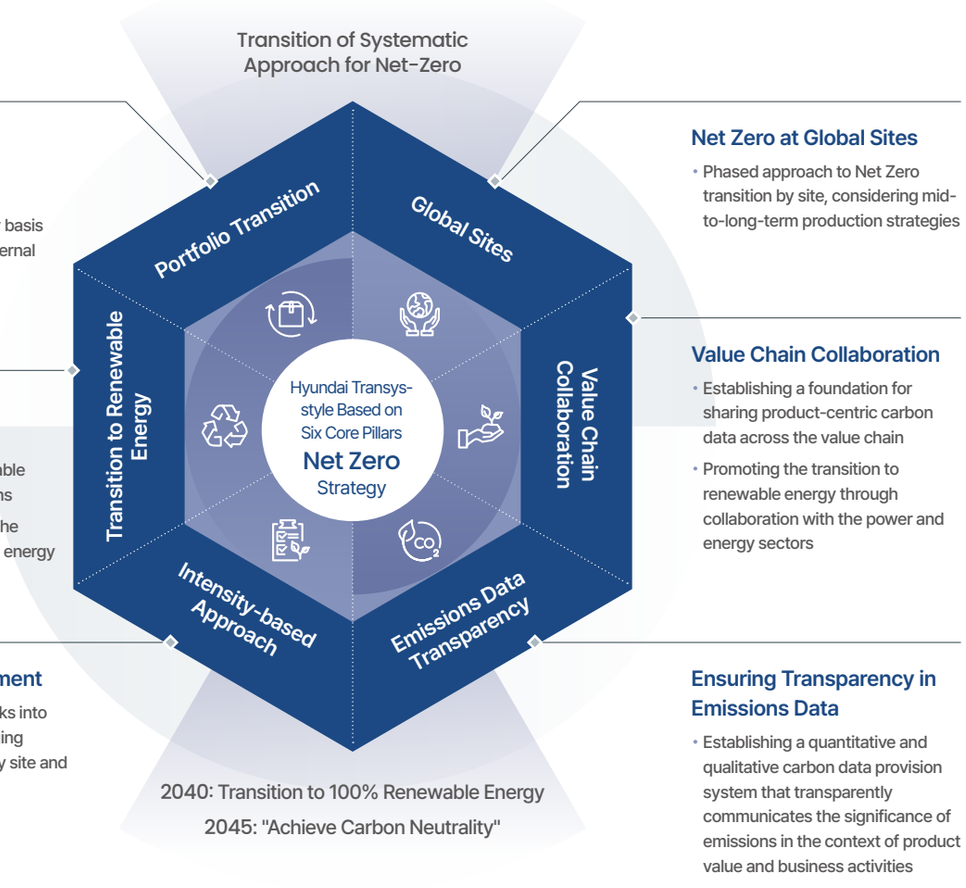
Hyundai Transys' Core Strategic Principles for Carbon Neutrality

Principle 1
Transparent Energy Management
- Provide information and data on energy use in an open and accessible manner to develop strategies and initiatives for minimizing energy consumption.

Principle 2
Product Energy Intensity Improvement
- Set a core goal to simultaneously achieve climate action and cost reduction through energy intensity improvement.

Principle 3
Fuel Conversion through Renewable Energy
- Pursue the transition to renewable energy by combining PPAs, EACs, and self-generation tailored to regional conditions.

Hyundai Transys' Six Core Pillars for Implementing Carbon Neutrality



Increasing the share of electrified vehicles
- Managing manufacturing carbon emissions per unit on an intensity basis (tCO_2eq/vehicle) compared to internal combustion engine vehicles

Renewable Energy-based Electrification
- Fuel conversion based on renewable energy, considering site conditions
- A phased approach considering the economic feasibility of renewable energy adoption

Product Intensity Management
- Internalizing carbon costs and risks into business management by managing energy and emissions intensity by site and product

Net Zero at Global Sites
- Phased approach to Net Zero transition by site, considering mid-to-long-term production strategies

Value Chain Collaboration
- Establishing a foundation for sharing product-centric carbon data across the value chain
- Promoting the transition to renewable energy through collaboration with the power and energy sectors

Ensuring Transparency in Emissions Data
- Establishing a quantitative and qualitative carbon data provision system that transparently communicates the significance of emissions in the context of product value and business activities

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Analysis of Climate Change Risks and Opportunities

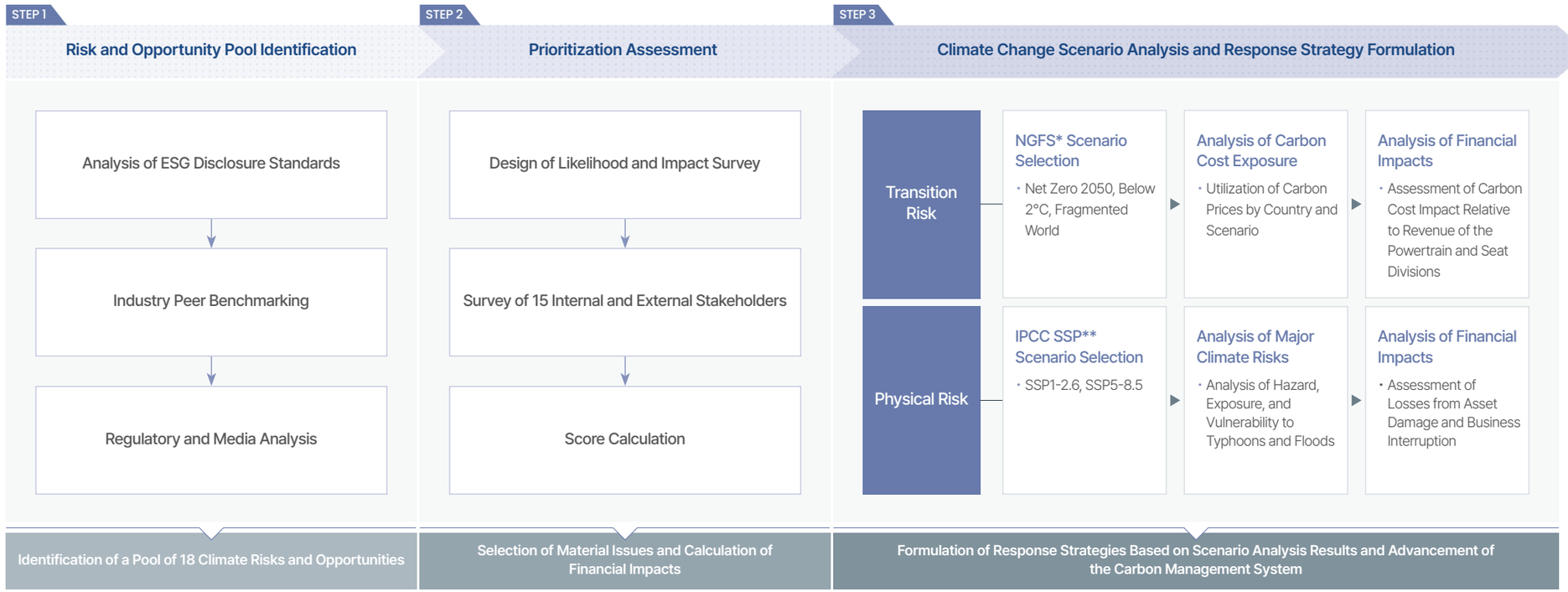
Based on the TCFD framework, Hyundai Transys identifies climate-related risk and opportunity factors and reflects the results of climate change scenario analysis in its climate response strategy and management decision-making.

Climate Change Materiality Assessment

Hyundai Transys implemented a two-step process to systematically identify and assess climate-related risks and opportunities. First, we comprehensively reviewed ESG disclosure standards, long-term climate indicators, peer benchmarks, relevant regulations, and media reports to derive a preliminary list of transition risks, physical risks, and opportunities. Next, we surveyed 15 internal stakeholders and climate experts to evaluate the likelihood and impact of each issue, classifying their materiality based on the results. Finally, we calculated the financial impact of the identified key risks and opportunities on the business.

Climate Change Scenario Analysis and Strategy Integration

Hyundai Transys analyzed the financial impact of transition risks using the NGFS Net Zero 2050, Below 2°C, and Fragmented World scenarios. We also assessed physical risks based on the IPCC SSP1-2.6 and SSP5-8.5 scenarios by comparing relative risk levels from floods and storms across domestic and overseas sites and calculating the financial impact on each location. We utilize these results to establish our GHG reduction roadmap and carbon management strategy, and to support management decision-making.



* Network for Greening the Financial System

** Intergovernmental Panel on Climate Change Shared Socioeconomic Pathways

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Climate Change Risk and Opportunity Pool

Hyundai Transys comprehensively reviewed policy and regulatory trends, technological shifts, and market environments to identify 18 climate-related issues. We evaluated the impact of each issue on our business model and value chain, along with our relevant time horizon (short-, medium-, and long-term). Identified transition risks include stricter global carbon regulations and growing demands for carbon neutrality from automakers. Regarding physical risks, we determined that the increasing frequency of extreme weather events, such as heavy rainfall, heatwaves, and typhoons, could affect operations at domestic and overseas production sites and disrupt the continuity of parts procurement. Meanwhile, we identified the growing demand for electrified components, process energy efficiency improvements, and the transition to renewable energy as key opportunities to enhance our business competitiveness and climate response capabilities.

* Short-term (~2026), Medium-term (2027~2031), Long-term (2032~2050)

No.	Category	Category	Issue	Impact on Business	Time Horizon	Value Chain Impact
1	Policy and Legal	Policy and Legal	Stricter Emissions Trading System (ETS) Regulations	• Increased carbon credit purchasing costs due to an expanded ETS paid allocation ratio	Short-term Mid-term Long-term	Upstream Worksites Downstream
2			Increase in raw material prices and compliance costs due to the implementation of the EU Carbon Border Adjustment Mechanism (CBAM)	• Rise in purchase prices of raw materials, such as steel and aluminum, as domestic steelmakers pass their increased CBAM compliance costs onto production costs	Short-term Mid-term Long-term	Upstream Worksites Downstream
3			Mandatory climate disclosures under KSSB and ISSB	• Costs incurred to establish a disclosure system aligned with the parent company's climate disclosures	Short-term Mid-term Long-term	Upstream Worksites Downstream
4			Risks of strengthened supply chain ESG due diligence and compliance driven by OEMs and regulations	• Financial losses, such as fines, for failing to meet supply chain ESG due diligence obligations	Short-term Mid-term Long-term	Upstream Worksites Downstream
5			Decrease in demand for ICE powertrains and related components due to stricter regulations	• Reduced revenue and profitability of ICE products	Short-term Mid-term Long-term	Upstream Worksites Downstream
6		Techno-logy	Intensified technological competition for EV reducers	• Decline in orders due to new market entrants and OEM internalization	Short-term Mid-term Long-term	Upstream Worksites Downstream
7		Market	Uncertainty in the Pace of EV Transition	• Delayed Return on Investment in EV Components Due to Slowing EV Sales Growth	Short-term Mid-term Long-term	Upstream Worksites Downstream
8		Market / Reputation	Risk of Stricter Requirements for Supply Chain Carbon Emissions and Product Carbon Footprint Management	• Increased Costs for Disclosure and Regulatory Compliance Due to Lack of Raw Material Carbon Footprint Data Management • Damage to Brand Value from Lower Supply Chain Competitiveness and ESG Ratings Due to Absence of a Product-Level Carbon Footprint Calculation System	Short-term Mid-term Long-term	Upstream Worksites Downstream
9	Physical Risks	Acute	Damage to Manufacturing Facilities from Heavy Rain and Flooding	• Plant Flooding and Production Line Suspensions • Equipment Restoration Costs and Client Losses Due to Delayed Deliveries	Short-term Mid-term Long-term	Upstream Worksites Downstream
10			Facility Damage from Typhoons and Strong Winds	• Damage to logistics facilities and material warehouses caused by typhoons and strong winds, resulting in recovery costs	Short-term Mid-term Long-term	Upstream Worksites Downstream
11		Chronic	Impact on Production Lines from Heatwaves and Rising Temperatures	• Increased cooling loads at plants and rising energy costs due to heatwaves	Short-term Mid-term Long-term	Upstream Worksites Downstream
12			Operational Disruptions due to Natural Disasters in the Supply Chain	• Disruptions and suspensions in raw material supply due to natural disasters, leading to production delays and increased alternative procurement costs	Short-term Mid-term Long-term	Upstream Worksites Downstream
13	Oppor-tunities	Products/ Services	Growing Demand for EV Reducers Driven by the Expansion of Electrification	• Increased Demand Across the EV Reducer Product Lineup Driven by the Accelerated Transition to Electrification • Revenue Growth Opportunities Driven by Securing Technological Competitiveness in Core Components Such as Electric Motors and Reducers	Short-term Mid-term Long-term	Upstream Worksites Downstream
14			Development of Lightweight and Eco-friendly Seat Materials	• CO_2 Emission Reductions from the Application of Lightweight Seats • Expansion of Eco-friendly Product Lineup	Short-term Mid-term Long-term	Upstream Worksites Downstream
15		Resource Efficiency	Improving Energy Efficiency in Manufacturing Processes	• Energy Cost Reductions from Transitioning to Smart Factories and High-efficiency Equipment	Short-term Mid-term Long-term	Upstream Worksites Downstream
16		Energy	Transition to Renewable Energy and Implementation of RE100	• Enhancing Competitiveness in Winning OEM Orders by Transitioning to Renewable Energy and Achieving RE100	Short-term Mid-term Long-term	Upstream Worksites Downstream
17		Market	Sales Opportunities from the Expansion of the Asia-Pacific EV Market and Major OEMs	• Opportunities to expand local supply volumes driven by the rapid growth of the Asia-Pacific EV market • Diversification of local customers by utilizing new production bases in countries such as India and Indonesia	Short-term Mid-term Long-term	Upstream Worksites Downstream
18		Products/ Services	Supply Chain Decarbonization Leadership	• Securing leadership in supply chain decarbonization and strengthening long-term business stability to achieve SBTi reduction targets	Short-term Mid-term Long-term	Upstream Worksites Downstream

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Materiality Assessment Results

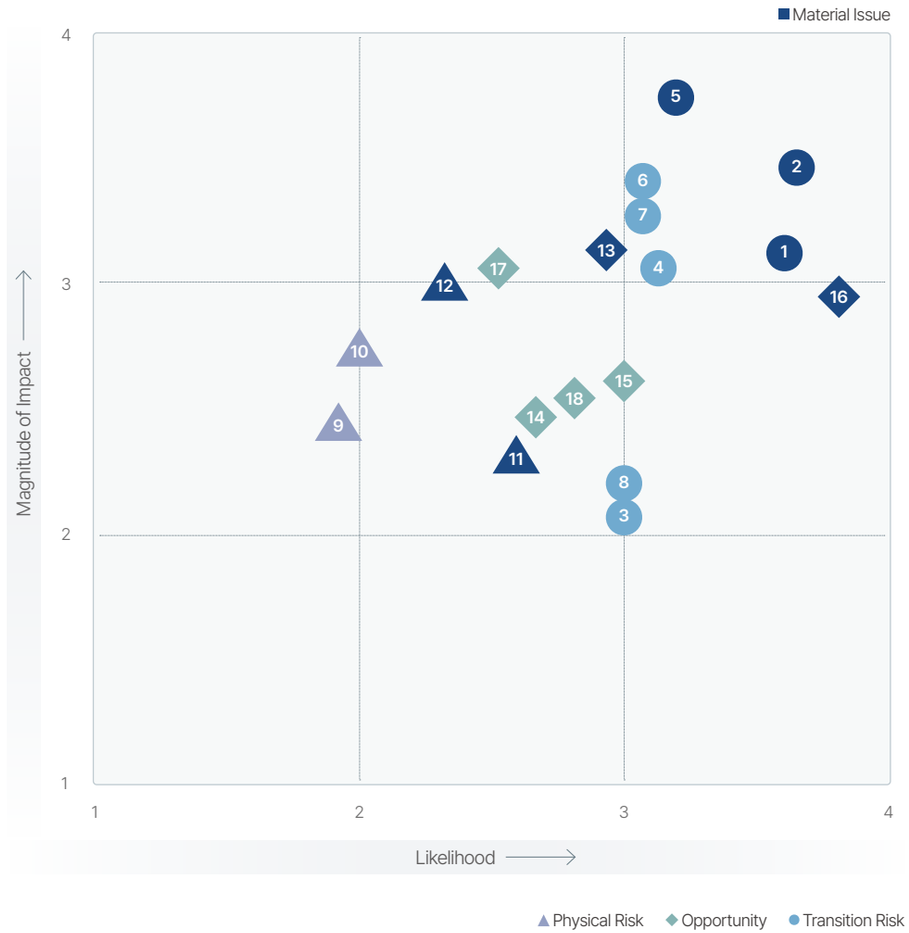
When selecting material issues, Hyundai Transys independently assessed transition risks, physical risks, and opportunity factors, and selected issues with high materiality by risk/opportunity type as material issues. To ensure that assessment results are not skewed toward a specific type, we selected major climate risks and opportunities in a balanced manner from three perspectives.

For the selected major risks and opportunities, we analyzed financial impacts from short-, mid-, and long-term perspectives, and established response strategies by item. Going forward, to strengthen transparency in climate-related management, Hyundai Transys plans to establish key performance indicators (KPIs) to systematically manage climate change response performance, thereby minimizing risks arising from the low-carbon transition and proactively securing new business opportunities.

Material Issue

Type	No.	Category	Material Issue	Financial Impact Calculation
Transition Risk	1	Policy/Legal	• Stricter ETS (Emissions Trading System) Regulations	●
	2	Policy/Legal	• Increase in Raw Material Prices and Response Costs Due to EU CBAM Implementation	-*
	5	Policy/Legal	• Decrease in Demand for ICE Powertrains and Related Components Due to Stricter Regulations	●
Physical Risk	11	Chronic	• Impact of Heatwaves and Rising Temperatures on Production Lines	●
	12	Chronic	• Operational Disruptions Due to Natural Disasters in the Supply Chain	-**
Oppor-tunities	13	Products/ Services	• Growing Demand for EV Reducers Driven by the Expansion of Electrification	●
	16	Energy Sources	• Transition to Renewable Energy and Implementation of RE100	-***

Climate Materiality Assessment Matrix



* Financial impact will be assessed once government policies are finalized, as reliable quantitative assessment is currently limited due to ① the fluid timing of finalizing detailed policies, such as the CBAM certificate pricing method, and ② high price volatility driven by global raw material supply and demand conditions and geopolitical factors.

** Financial impact will be assessed once reliable data becomes available, due to current limitations in securing data on the geographical distribution of suppliers within the supply chain and the frequency and severity of natural disasters.

*** Financial impact of renewable energy procurement costs, such as Green Premium, RECs, and PPAs, will be assessed once renewable energy policies stabilize, due to the high volatility of future renewable energy market prices.

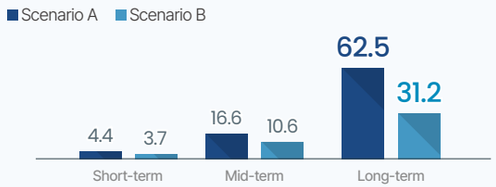
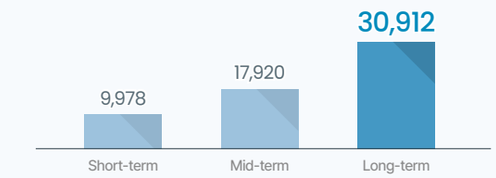
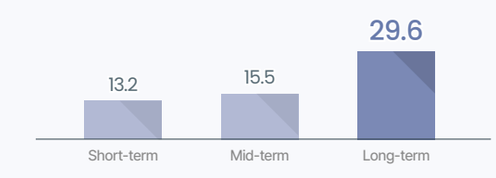
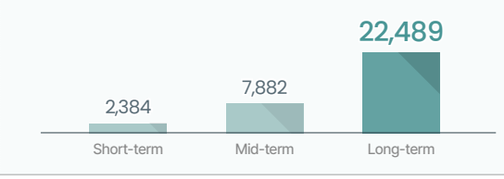
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Financial Impact Assessment of Key Risks and Opportunities

The financial impacts of climate change may vary depending on several factors, including changes in the policy and regulatory environment, energy prices and supply conditions, the pace of low-carbon technology development, and shifts in customer and market demand. In particular, as climate-related data and analytical methodologies are still evolving, discrepancies may arise between the projected results and actual impacts as new information emerges or external conditions change. Therefore, these findings should be viewed as reference material rather than definitive financial forecasts. Hyundai Transys assumes no liability for any costs, losses, or damages resulting from updates to the underlying information or variances between these projections and actual outcomes. Moving forward, Hyundai Transys plans to enhance the reliability of its climate-related financial impact assessments by improving data consistency and continuously refining its analytical methodologies.

Material Topic		Analysis Method	Average Annual Financial Impact[1] (Unit: KRW 100 million)	Response Strategy
Transition Risks	1 K-ETS Emission Liabilities	• Hyundai Transys calculated emission liabilities for the portion exceeding free allocations based on two scenarios, using GHG emissions from five domestic sites subject to K-ETS (Jigok, Seongyeon, Seoul Office, Hwaseong Drivetrain R&D Center, and Dongtan R&D Center). - Scenario A (Strengthened Regulations): 50% free allocation from 2031, applying the carbon price ceiling - Scenario B (Deregulation): 70% free allocation from 2031, applying the base carbon price		• Establish Scope 1 and 2 reduction targets and invest in energy efficiency • Replace with high-efficiency energy sources and expand the application of low-carbon technologies
	5 ICE Decrease in Demand	• Hyundai Transys calculated the revenue decrease driven by the shrinking proportion of ICE products, based on the mid- to long-term business plans of seven Powertrain (PT) sites (Seongyeon, Jigok, Monterrey, Beijing, India AP, Rizhao, and Georgia). (Financial impact calculated before offsets from the EV transition)		• Expand the electrified product portfolio, including EV reducers, and increase new orders • Maintain profitability during the transition period by improving ICE efficiency
Physical Risks	11 Heatwaves/ Temperature Rise	• After reviewing the historical frequency of heatwaves by site, Hyundai Transys calculated the financial impact of rising temperatures for the India site, which recorded the highest frequency of heatwaves. • Working hour losses caused by heatwaves at the India site were classified as a financial impact from reduced productivity rather than asset damage, and the resulting additional labor costs were calculated based on International Labour Organization (ILO) data.		• Improving working conditions through investments in cooling systems, such as installing air conditioners • Establishing adaptation strategies, such as adjusting working hours
Opportunity	13 EV Demand Growth	• Hyundai Transys calculated the financial impact by cumulatively estimating the periodic increase in EV product revenue resulting from the expansion of the electrified new product portfolio at the Seongyeon Plant, reflecting this as an opportunity factor to offset the risk of declining ICE demand.		• Expanding orders for new electrified products, including EV reducers • Strategy to expand market share driven by the EV transition

1) The financial impact calculation excludes Seat division revenue and is limited to the decrease in ICE demand and the increase in EV reducer demand.

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Response Strategies by Material Climate Change Issue

Hyundai Transys analyzed the alignment between the seven material issues identified through its climate materiality assessment and its ongoing strategies for greenhouse gas (GHG) reduction, energy management, and business transition. The analysis indicates that Hyundai Transys is building a foundation to mitigate transition risks—such as stricter K-ETS regulations and the implementation of the EU CBAM—by transitioning to renewable energy, establishing a carbon neutrality roadmap, and managing product emission intensity. Furthermore, we are responding to the declining demand for internal combustion engine powertrains by expanding our share of electrified products and shifting toward an electrified portfolio. To capitalize on climate-related opportunities, such as the growing demand for EV reducers and the implementation of RE100, we are strengthening our mid-to-long-term business competitiveness and climate response capabilities by aligning our electrification business expansion with our renewable energy procurement strategy.

● Transition Risk ● Physical Risks ● Opportunities

Strategic Areas	Key Strategic Directions for Reduction and Management	Transition Risks			Physical Risks		Opportunities	
		Stricter K-ETS Regulations	Implementation of EU CBAM	Declining Demand for ICEs	Heatwaves and Rising Temperatures	Natural Disasters in the Supply Chain	Growth in EV Reducers	RE100 Implementation
Transition to Renewable Energy	Expanding Domestic and Overseas Solar Power Self-Generation (Jigok Plant Target: 12.9 MW by 2030)	●	●					●
	Group Joint PPA and Off-Site PPA (Hyundai Motor Group Joint Long-Term Power Purchase Agreement)	●	●					●
	REC Purchasing (Overseas Subsidiaries) Purchased 100% RECs for subsidiaries in China and India	●						●
GHG Emission Reduction	Established Carbon Neutrality Roadmap 86% reduction by 2035, carbon neutrality by 2045	●	●					●
	Product Intensity Management Internalized energy and emission intensity by site and product	●	●	●				
Energy Efficiency Improvement	Air and Steam Compressor Savings Low-capacity operation during non-production hours and optimized valve shut-off	●	●					●
	Reduced electricity costs through ESS introduction and peak management	●	●					●
	Replaced Old Pump Inverters Improved energy efficiency from 92% to 95%	●	●		●			
Transition to an Electrified Portfolio	Expanding the e-Drivetrain Business and targeting a 74% share of electrified products by 2045			●			●	
	Expanding into the Asia-Pacific EV Market and Increasing Participation in Major OEMs' Electrified Supply Chains						●	
Supply Chain Transparency and Collaboration	Establishing a Value Chain Carbon Information Sharing System and a Quantitative Foundation for Supply Chain Carbon Footprints		●					
	Monitoring Risks of Supply Chain Disruptions Due to Natural Disasters					●		

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Transition Risk Analysis

Hyundai Transys conducted a scenario-based analysis across its 24 global production sites (7 powertrain and 17 seat sites) to quantitatively assess the transition risks associated with stricter climate policies and the shift toward a low-carbon economy. The analysis covers the period from 2025 to 2050 and utilizes three scenarios (Net Zero 2050, Below 2°C, and Fragmented World) based on the NGFS Phase 6.0 GCAM model. The NGFS scenarios, widely used for domestic and global climate risk analysis, financial supervision, and disclosure compliance, were utilized as analytical data to compare and assess changes in carbon prices and their financial impacts.

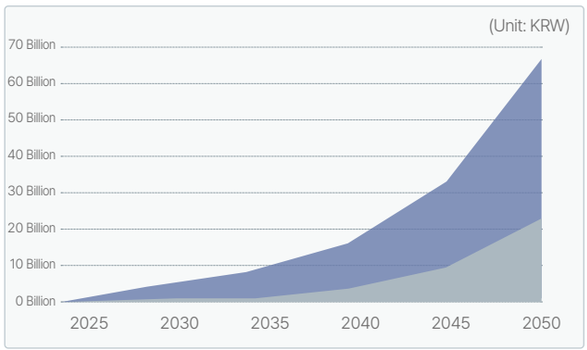
STEP 1	STEP 2	STEP 3	STEP 4
Carbon Price Setting	Calculation of Production Volume and Emission Intensity	Calculation of Carbon Cost Exposure	Revenue Impact Assessment

Carbon Cost Exposure Analysis Results by Scenario

The carbon cost burden varied depending on the transition speed and carbon pricing trajectory of each scenario. Notably, the Net Zero 2050 scenario, which assumes achieving carbon neutrality by 2050, reflects relatively high carbon prices from the outset, resulting in the highest carbon cost exposure.

S1 : Net Zero 2050

- As the most aggressive reduction pathway, it incurs the highest cost burden due to the early imposition of high carbon prices.

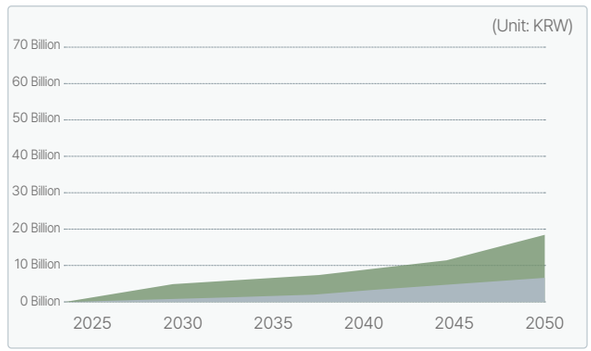


Carbon Cost Analysis Results (Unit: KRW million)

Year	2030	2035	2040	2045	2050
Powertrain (PT)	51,625	89,137	164,656	315,543	660,722
Seat	8,540	18,079	41,254	96,167	230,626

S2 : Below 2°C

- As carbon prices continue to rise moderately, the carbon cost burden gradually increases across all Powertrain and Seat business divisions.

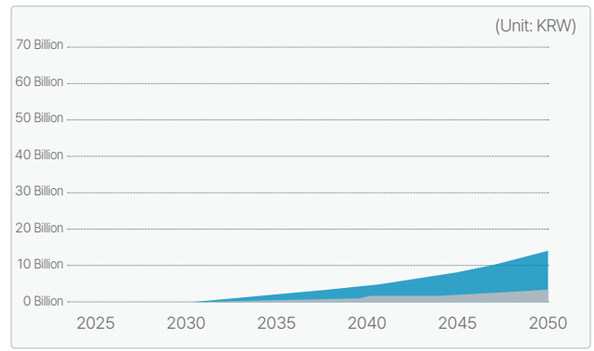


Carbon Cost Analysis Results (Unit: KRW million)

Year	2030	2035	2040	2045	2050
Powertrain (PT)	47,100	59,574	78,547	110,215	174,561
Seat	7,182	12,087	22,511	38,013	63,915

S3 : Fragmented World

- In a scenario of delayed policy implementation across countries, cost burdens will vary depending on national carbon price gaps.



Carbon Cost Analysis Results (Unit: KRW million)

Year	2030	2035	2040	2045	2050
Powertrain (PT)	201	25,510	42,265	79,799	136,813
Seat	44	4,173	11,220	20,250	34,457

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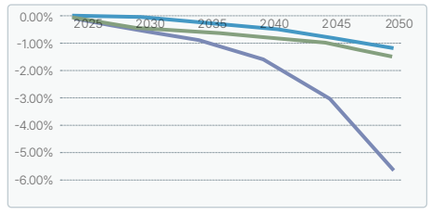
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Revenue Impact Analysis Results by Scenario

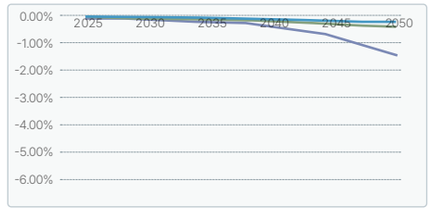
To quantify the financial impact of transition risks, Hyundai Transys established Revenue Impact as a key indicator. This indicator is calculated by multiplying the carbon price forecast for each scenario by the emissions of each production base to derive carbon costs and then dividing this by total revenue. It is an indicator for assessing the degree to which carbon cost exposure acts as a financial burden relative to revenue. As a result of the analysis, the Powertrain (PT) business division showed greater carbon cost exposure than the Seat business division across all scenarios and periods. Based on the most conservative S1 (Net Zero 2050) scenario, the PT Revenue Impact in 2050 was the highest at -5.61%, while the Seat division showed a relatively lower level at -1.37%. In all scenarios, the Revenue Impact showed an expanding trend from the short-term to the long-term, and S1 increased sharply after 2040, showing a pattern of continued acceleration through 2050. On a company-wide combined basis, even in the Worst-case (S1, 2050), the impact was at approximately -3.13% of total revenue. Considering the structural characteristic that the PT business division has a lower EV manufacturing cost intensity compared to ICE, it is determined that carbon cost exposure can be structurally lowered through electrification transition. Hyundai Transys plans to mitigate carbon cost exposure and minimize the financial burden during the low-carbon transition process through the establishment and implementation of SBTi-based reduction targets, renewable energy transition, and energy efficiency improvements.

PT Revenue Impact(%)



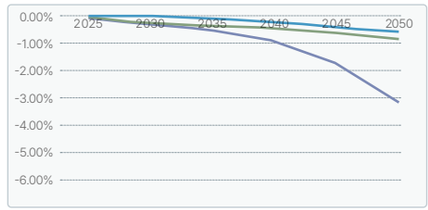
Year	2030	2035	2040	2045	2050
S1: Net Zero 2050	-0.466%	-0.888%	-1.590%	-2.923%	-5.554%
S2: Below 2°C	-0.425%	-0.593%	-0.758%	-1.021%	-1.467%
S3: Fragmented World	-0.002%	-0.214%	-0.408%	-0.739%	-1.150%

Seat Revenue Impact(%)



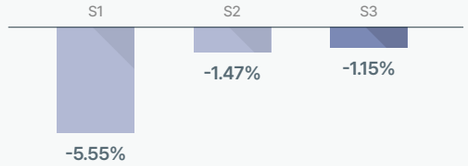
Year	2030	2035	2040	2045	2050
S1: Net Zero 2050	-0.096%	-0.186%	-0.362%	-0.706%	-1.374%
S2: Below 2°C	-0.081%	-0.124%	-0.198%	-0.279%	-0.381%
S3: Fragmented World	0.000%	-0.043%	-0.099%	-0.149%	-0.205%

PT+Seat Revenue Impact(%)

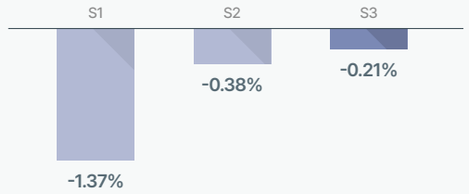


Year	2030	2035	2040	2045	2050
S1: Net Zero 2050	-0.301%	-0.543%	-0.947%	-1.686%	-3.108%
S2: Below 2°C	-0.272%	-0.363%	-0.465%	-0.607%	-0.832%
S3: Fragmented World	-0.001%	-0.130%	-0.246%	-0.410%	-0.597%

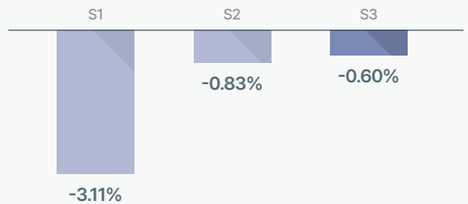
PT Division Revenue Impact in 2050



Seat Division Revenue Impact in 2050



Total Revenue Impact in 2050



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Physical Risk Analysis

Hyundai Transys conducted a scenario-based physical risk analysis across its global production sites to quantitatively evaluate the financial impacts of climate-related physical risks. This analysis applied the SSP scenarios from the IPCC Sixth Assessment Report (AR6). These scenarios reflect various socioeconomic development and temperature rise pathways, ranging from a low-carbon transition to a high-carbon trajectory. It utilized the low-carbon (SSP1-2.6) and high-carbon (SSP5-8.5) pathways to compare and analyze risk sensitivity based on the level of climate policy implementation.

Analysis Methodology

To consistently assess physical risks and their financial impacts across all sites, Hyundai Transys applied a six-step analysis process, ranging from compiling site data to calculating financial impacts. Because physical risks vary depending on a site's location, climate risk exposure, and asset and operational characteristics, we calculated these risks and impacts by integrating site-specific location, asset, and business data with the probability and severity of climate hazards under various SSP scenarios.

Physical Risk Analysis Process

STEP 1	STEP 2	STEP 3	STEP 4
Compiling Site Data	**Scenario Analysis**	**Calculating Physical Risk Scores**	**Calculating Financial Impact**
• Compiling Site Location Data (Latitude and Longitude) • Collecting Tangible Asset and Operating Profit Data by Site	• Selecting Natural Disasters for Analysis • Calculating Regional Typhoon and Flood Risk Change Rates Based on SSP Scenarios • Reflecting Future Risk Changes by Analysis Period (Near-term, Mid-term, Long-term)	• Applying Damage Functions by Climate Disaster Type • Calculating Physical Risk Scores Based on Hazard × Exposure × Vulnerability	• Calculating Financial Impact of Asset Damage and Business Interruption • Calculating Expected Asset Losses by Scenario

Scope of Analysis

Hyundai Transys conducted the physical risk analysis on 24 production sites (7 powertrain and 17 seat plants) across 9 countries.



Hyundai Transys Global Production Sites

Analysis Period

Hyundai Transys analyzed risk trends over time by dividing the analysis period into three horizons: near-term (2025-2026), mid-term (2027-2031), and long-term (2032-2050).

Near-term	Mid-term	Long-term
2025 ~ 2026	2027 ~ 2031	2032 ~ 2050

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Scenario Analysis

To assess physical risks at its production sites, Hyundai Transys reviewed historical natural disaster data and future climate change scenarios. The analysis focused on typhoons and floods due to their high frequency. By applying low- and high-carbon pathways, Hyundai Transys compared changes in risk across different time horizons.

Analyzed Natural Disasters

Hyundai Transys analyzed World Bank data from 1980 to 2024 to assess natural disaster trends across the nine countries where its production sites are located. The analysis evaluated five major climate hazards: storms, floods, heatwaves, droughts, and wildfires. Storms (1,320 incidents) and floods (1,313 incidents) accounted for approximately 87.5% of total occurrences and were therefore selected as the primary focus for the physical risk analysis.

Applied Scenarios

For physical risk analysis, Hyundai Transys applied the SSP scenarios, a representative climate scenario framework utilized in the IPCC Sixth Assessment Report (AR6). The SSP scenarios reflect various socioeconomic development and temperature rise pathways, ranging from low-carbon transitions to high-carbon trajectories.

This analysis compared risk sensitivity based on the level of climate policy implementation using low-carbon (SSP1-2.6) and high-carbon (SSP5-8.5) pathways.

Proportion of Major Climate Disasters (1980-2024)

● High ● Medium ● Low ● Very low

Natural Disasters	Korea	United States	China	Mexico	India	Slovakia	Czech Republic	Indonesia	Brazil
Typhoon	1.8%	20.7%	10.7%	3.8%	5.2%	0.2%	0.4%	0.4%	0.7%
Flood	1.0%	6.3%	10.1%	2.3%	9.2%	0.5%	0.5%	8.5%	5.3%
Heatwave	0.2%	1.0%	0.5%	0.5%	1.8%	0.2%	0.3%	0.0%	0.1%
Wildfire	0.2%	3.3%	0.3%	0.1%	0.1%	0.0%	0.0%	0.4%	0.1%
Drought	0.0%	0.7%	1.2%	0.2%	0.3%	0.0%	0.0%	0.3%	0.6%

High: >5%, Medium: 1~5%, Low: 0.3~1%, Very Low: <0.3%

SSP Scenario Description

Scenario	SSP1-2.6 (Below 2°C)	SSP5-8.5 (Above 4°C)
2100 Temperature Increase	1.8°C	4.4°C
Assumption	Assumes eco-friendly and sustainable economic growth, minimizing fossil fuel use through advancements in renewable energy technologies	Assumes rapid industrial and technological advancement, characterized by high fossil fuel consumption and indiscriminate development

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Physical Risk Score Analysis Results by Site

Hyundai Transys assessed physical risks by comprehensively evaluating the hazard, exposure, and vulnerability associated with typhoons and floods. This assessment utilized CMIP6* climate projection data from the World Bank and IBTrACS*** data from NOAA**, factoring in typhoon damage based on wind speed intensity and flood damage based on inundation depth. To determine the physical risk score for each site, it indexed the highest risk value among the analyzed locations at 100 and calculated the relative risk levels of all other sites accordingly. The analysis revealed that flood risks were generally higher than typhoon risks. Specifically, the Rizhao site in China and the Pune site in India demonstrated high flood risks, while certain production bases in the U.S. also exhibited relatively high risk levels.

● High ● Medium ● Low ● Very low

Site Name	Business Division	Country	SSP 1-2.6						SSP 5-8.5					
			Typhoon (Storm)			Flood			Typhoon (Storm)			Flood		
			Near	Mid	Long	Near	Mid	Long	Near	Mid	Long	Near	Mid	Long
Jigok Plant	PT	Korea	0.33	0.33	0.34	1.12	1.03	1.06	0.34	0.34	0.38	1.09	1.07	1.09
Seongyeon Plant	PT	Korea	0.33	0.33	0.34	1.12	1.03	1.06	0.34	0.34	0.38	1.09	1.07	1.09
Mseat Mecha	Seat	Korea	0.33	0.33	0.34	5.31	5.21	5.35	0.34	0.34	0.38	5.71	5.15	5.48
Mseat Asan	Seat	Korea	0.33	0.33	0.34	1.12	1.03	1.06	0.34	0.34	0.38	1.09	1.07	1.09
Mseat Ulsan	Seat	Korea	0.33	0.33	0.34	5.31	5.21	5.35	0.34	0.34	0.38	5.71	5.15	5.48
Georgia	PT	United States	17.42	17.42	17.74	62.27	61.97	62.43	17.58	17.58	18.86	62.18	62.97	63.32
Georgia	Seat	United States	17.42	17.42	17.74	62.27	61.97	62.43	17.58	17.58	18.86	62.18	62.97	63.32
Alabama	Seat	United States	17.42	17.42	17.74	60.93	62.04	62.05	17.58	17.58	18.86	61.28	62.98	63.13
Arizona	Seat	United States	0.00	0.00	0.00	57.62	59.70	61.29	0.00	0.00	0.00	63.55	60.62	62.09
Illinois	Seat	United States	0.00	0.00	0.00	62.28	61.94	62.69	0.00	0.00	0.00	60.27	61.43	62.17
Savannah	Seat	United States	17.42	17.42	17.74	62.27	61.97	62.43	17.58	17.58	18.86	62.18	62.97	63.32
Beijing	PT	China	0.00	0.00	0.00	1.71	2.01	1.96	0.00	0.00	0.00	2.02	2.02	2.07
Rizhao	PT	China	0.55	0.55	0.58	91.17	100.00	94.92	0.56	0.56	0.68	94.88	94.00	98.68
Beijing	Seat	China	0.00	0.00	0.00	1.71	2.01	1.96	0.00	0.00	0.00	2.02	2.02	2.07
India AP	PT	India	4.61	4.61	4.73	15.45	14.40	14.64	4.67	4.67	5.14	13.86	14.88	14.81
India AP	Seat	India	4.61	4.61	4.73	15.45	14.40	14.64	4.67	4.67	5.14	13.86	14.88	14.81
Chennai	Seat	India	4.61	4.61	4.73	13.45	13.70	14.27	4.67	4.67	5.14	14.98	14.31	14.40
Pune	Seat	India	4.61	4.61	4.73	75.77	72.66	74.94	4.67	4.67	5.14	77.06	73.20	74.62
Monterrey	PT	Mexico	3.47	3.47	3.53	27.34	30.44	31.30	3.50	3.50	3.73	31.24	30.67	31.36
Monterrey	Seat	Mexico	3.47	3.47	3.53	27.34	30.44	31.30	3.50	3.50	3.73	31.24	30.67	31.36
Brazil	Seat	Brazil	0.00	0.00	0.00	60.48	58.52	58.93	0.00	0.00	0.00	55.18	58.43	59.67
Slovakia	Seat	Slovakia	0.00	0.00	0.00	0.12	0.12	0.11	0.00	0.00	0.00	0.12	0.12	0.11
Indonesia	Seat	Indonesia	0.00	0.00	0.00	35.07	33.59	34.50	0.00	0.00	0.00	34.48	35.47	34.67
Czech Republic	Seat	Czech Republic	0.00	0.00	0.00	0.09	0.09	0.09	0.00	0.00	0.00	0.09	0.09	0.09

* Coupled Model Intercomparison Project Phase 6
** National Oceanic and Atmospheric Administration
*** International Best Track Archive for Climate Stewardship

High: 80~100, Medium: 50~79.9, Low: 5~49.9, Very Low: 0~4.9

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Financial Impact Analysis Results by Scenario

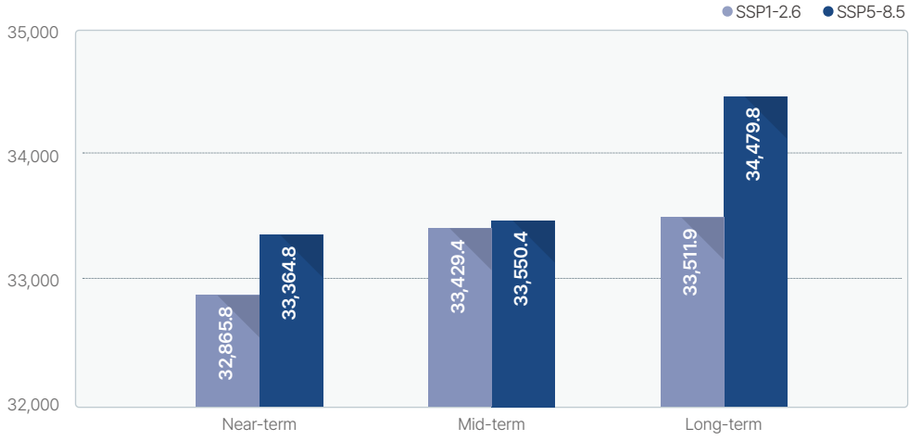
Financial Impact Subtotal by SSP Scenario

To quantitatively assess the potential financial impact of climate-related physical risks, Hyundai Transys calculated these impacts through two distinct pathways: asset damage and business interruption. For asset damage, we estimated cumulative asset losses by applying scenario- and period-specific damage rates to the book value of tangible assets at each business site. For business interruption, we assumed a period of operational suspension caused by climate events and reflected the resulting loss in operating profit as an opportunity cost. Based on this approach, we derived the financial impacts for the short term (up to 2026), medium term (2027–2031), and long term (2032–2050), and analyzed the differences between the SSP1-2.6 and SSP5-8.5 scenarios.

The analysis revealed that while the financial impact under the SSP5-8.5 scenario was slightly higher than under SSP1-2.6, the difference between the scenarios remained limited through 2050. However, due to climate system inertia, differences in climate variables across emission pathways may widen significantly after 2060, requiring continuous monitoring of physical risk trends from a long-term perspective. Additionally, certain overseas production sites exhibited relatively high asset loss rates due to flood risks. Hyundai Transys utilized these results as foundational data to select priority management sites and establish response measures.

(Unit: KRW million)

SSP Scenario	Near-term	Mid-term	Long-term
SSP1-2.6	32,865.79	33,429.40	33,511.89
SSP5-8.5	33,364.76	33,500.44	34,479.82



Average Annual Asset Loss Rate by Site under SSP 5-8.5 Scenario (%)

○ 0% ● 0 to less than 1% ● 1 to less than 2% ● 2% or more

Site Name	Typhoon (Storm)			Flood		
	Near	Mid	Long	Near	Mid	Long
Jigok Plant	●	●	●	●	●	●
Seongyeon Plant	●	●	●	●	●	●
Mseat Mecha	●	●	●	●	●	●
Mseat Asan	●	●	●	●	●	●
Mseat Ulsan	●	●	●	●	●	●
Georgia PT	●	●	●	■	■	■
Georgia Seat	●	●	●	■	■	■
Alabama	●	●	●	■	■	■
Arizona	●	●	●	■	■	■
Illinois	●	●	●	■	■	■
Savannah	●	●	●	■	■	■
Beijing PT	●	●	●	●	●	●
Rizhao	●	●	●	■	■	■
Beijing Seat	●	●	●	●	●	●
India AP PT	●	●	●	●	●	●
India AP Seat	●	●	●	●	●	●
Chennai	●	●	●	●	●	●
Pune	●	●	●	■	■	■
Monterrey PT	●	●	●	●	●	●
Monterrey Seat	●	●	●	●	●	●
Brazil	□	□	□	●	●	●
Slovakia	□	□	□	●	●	●
Indonesia	□	□	□	■	■	■
Czech Republic	□	□	□	●	●	●

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Results of Financial Impact Loss Analysis by Site

An analysis of the estimated financial losses at major business sites under the SSP 5-8.5 (Long-term) climate scenario revealed that the financial impact of climate risks is concentrated in certain overseas production bases. Specifically, the Georgia PT, Rizhao PT, and Savannah Seat plants account for approximately 69% of the total estimated losses, indicating a relatively high level of risk. Hyundai Transys has designated these locations as priority management sites and continuously monitors their vulnerabilities to major physical risks, such as flooding and strong winds. We are also gradually strengthening our response systems by reinforcing facilities, reviewing the coverage limits of our comprehensive property and business interruption insurance, securing emergency power supplies, and conducting simulation drills. Furthermore, we plan to enhance our business continuity and asset protection capabilities by establishing a region-based weather information linkage system, developing waterproofing and barrier measures against heavy rainfall, and creating a priority recovery system for processes susceptible to quality issues during floods.

Site Name	Business Division	Proportion of Financial Impact Loss (%)
Georgia	PT	38.26
Rizhao	PT	15.74
Savannah	Seat	15.40
Alabama	Seat	9.23
Pune	Seat	4.10
Monterrey	Seat	3.97
Georgia	Seat	3.80
Monterrey	PT	3.51
Illinois	Seat	1.22
India AP	Seat	0.99
Jigok Plant	PT	0.82
Indonesia	Seat	0.75
India AP	PT	0.63
Arizona	Seat	0.38
Brazil	Seat	0.34
Seongyeon Plant	PT	0.33
Mseat Mecha	Seat	0.16
Beijing	PT	0.11
Mseat Asan	Seat	0.05
Chennai	Seat	0.04
Mseat Ulsan	Seat	0.03
Beijing	Seat	0.02
Slovakia	Seat	0.003
Czech Republic	Seat	0.002



- Top Priority
- High Risk
- Medium Risk
- Low Risk
- Monitoring

Georgia PT

Financial Impact Loss Proportion: 38.26%
Key Risk: Hurricane
Response Measures: Strengthening wind resistance of facilities, securing emergency power, and establishing a response system linked to hurricane warnings

Savannah Seat

Financial Impact Loss Proportion: 15.40%
Key Risk: Hurricane and Coastal Flooding
Response Measures: Expanding seawalls and drainage facilities, reinforcing coastal flooding prevention facilities, and securing emergency power

Rizhao PT

Financial Impact Loss Proportion: 15.74%
Key Risk: Flood
Response Measures: Expanding stormwater drainage facilities, installing flood prevention facilities, and establishing an early flood warning system

Based on SSP5-8.5 Scenario Long-term: Top Priority (≥10%), High Risk (≥3%), Medium Risk (≥1%), Low Risk (≥0.3%), Monitoring (<0.3%)

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Energy Management

Transition to Renewable Energy

Hyundai Transys is implementing a combination of strategies, including self-generation of solar power, external power procurement, and the purchase of Renewable Energy Certificates (RECs), to expand renewable energy use at its domestic sites.

- In 2025, Hyundai Transys self-consumed approximately 3,745 MWh of electricity through the commercial operation of 2.9 MW rooftop solar power generation facilities at Jigok Plants 1 and 3, recording a renewable energy usage rate of approximately 1% of its total domestic electricity consumption for the year.
- In February 2026, Hyundai Transys will commence commercial operation of approximately 2.4 MW rooftop solar power generation facilities at Jigok Plants 1 and 2, and plan to begin construction for an additional 2.9 MW installation at Plant 4. Furthermore, we plan to purchase renewable energy in phases starting in 2026 by signing long-term Power Purchase Agreements (PPAs), establishing a mid-to-long-term foundation to achieve RE100.

Hyundai Transys is also advancing various initiatives to introduce renewable energy at its overseas sites, accelerating the achievement of its renewable energy targets by expanding usage and purchasing certificates.

- The North American production sites in the U.S. participated in the Hyundai Motor Group joint PPA to purchase a total of 17,842 MWh of renewable energy starting in October 2025, transitioning their electricity consumption to renewable energy. In 2026, Hyundai Transys aims to transition a total of 105,000 MWh to renewable energy.
- The Chennai site in India purchased 349 MWh of renewable energy through a PPA in November 2025, transitioning its electricity consumption to renewable energy. The Beijing P/T and Beijing Seat sites purchased 10,251 MWh of green power in China, while the Rizhao subsidiary and Beijing P/T site transitioned 11,453 MWh of electricity to renewable energy through on-site PPAs.
- The Monterrey P/T (Mexico), Brazil Seat, AP (India), Chennai, Beijing P/T & Seat, and Rizhao sites completed their renewable energy transition by purchasing 141,259 MWh of Renewable Energy Certificates (RECs).



Solar Power Installation at Jigok Plant 1



Solar Power Installation at Jigok Plant 2

RE100 Implementation Status

Category		Renewable Energy Transition Rate (%)	Proportion by Implementation Method (%)			
			Self-generation	On-Site PPA	Off-Site PPA	REC Purchase
Domestic	Jigok Plant	1.3	-	100	-	-
North America	All Production Sites	17.6	-	-	100	-
Mexico	Monterrey P/T	100	-	-	-	100
Brazil	Brazil Seat	100	-	-	-	100
China	Beijing P/T	99	-	2.5	-	97.5
	Beijing Seat	100	-	-	-	100
	Rizhao	100	-	19	-	81
India	India AP	100	-	-	-	100
	Chennai	100	-	-	6.4	93.6



REC at Beijing P/T Subsidiary



REC at Rizhao Subsidiary



REC at Chennai Subsidiary, India

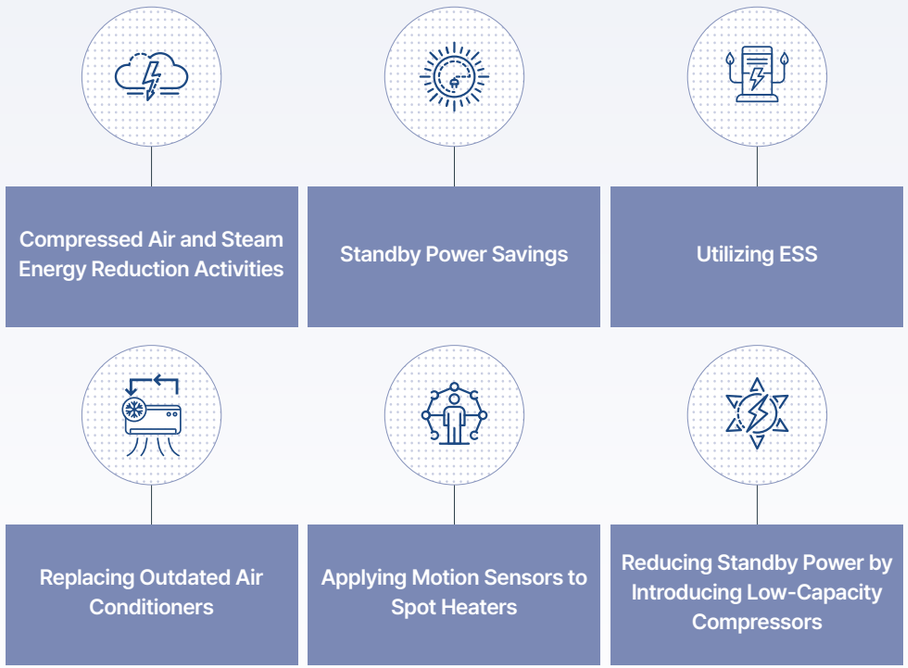
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Energy Efficiency Improvement

Hyundai Transys is advancing various initiatives to improve energy efficiency. Key methods include reducing air and steam energy consumption, saving standby power, lowering energy costs by utilizing an Energy Storage System (ESS), and enhancing equipment efficiency by replacing outdated air conditioners.

Starting in 2026, Hyundai Transys plans to upgrade its energy management system by integrating renewable energy generation monitoring and power equipment control systems into its existing infrastructure. This integrated approach will leverage AI statistical analysis to drive efficient operations and energy reduction initiatives. We will manage our RE100 performance through self-generated renewable energy consumption and external Power Purchase Agreements (PPAs). Furthermore, we will optimize energy supply by correlating operational data from compressors, dryers, cooling towers, and pumps with energy usage, while identifying and eliminating inefficiencies in HVAC systems.



① Air/Steam Energy Reduction Activities

To minimize energy loss during non-production hours in 2025, Hyundai Transys is strengthening reduction activities in key areas such as high-consumption production equipment, compressed air, and steam. For high-consumption production equipment, we are configuring power-saving systems and implementing manual shut-offs, while minimizing energy consumption for compressed air by operating low-capacity equipment. Hyundai Transys optimizes energy use by applying inverters to air conditioners and equip spot heaters with motion sensors to automatically shut off when unattended. Furthermore, we plan to improve the Coefficient of Performance (COP) by gradually enhancing the efficiency of clean room HVAC systems and replacing chiller-heaters with chillers.

② Standby Power Savings

Hyundai Transys saved approximately KRW 80 million in energy costs by strengthening power-saving activities during the 2025 holiday period, exceeding its target by 10%. Key power-saving activities include shutting off power to production and auxiliary equipment, locking air and steam valves, shutting off shoe dryers, and turning off lights. Based on these activities, Hyundai Transys plans to continuously expand its standby power reduction efforts.

Production Equipment

Line Power-off & Power-saving Programs



Air & Steam

Locking Air and Steam Valves



Dust Collectors

Turning Off Dust Collectors (Timer Adjustment)



Shoe Dryers

Turning Off Shoe Dryers



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3 Energy Savings through ESS

Hyundai Transys operates an Energy Storage System (ESS) to improve energy efficiency and reduce costs. By utilizing the ESS, Hyundai Transys stores electricity during off-peak hours when electricity rates are low, and uses the stored electricity during peak hours when rates are high, thereby generating cost savings through the difference in time-of-use rates. In addition, Hyundai Transys achieves basic rate savings by reducing peak power demand through peak management using the ESS. As of 2025, we have saved approximately KRW 350 million in electricity costs through ESS operations, with cumulative savings reaching approximately KRW 4.6 billion.

Category	Before ESS Introduction	After ESS Introduction
Energy Consumption Structure	High cost burden during peak hours	Charging during off-peak hours, discharging during peak hours
Time-of-Use Rates	Fixed rate system (high proportion of peak load charges)	Cost reduction by leveraging time-of-use rate differences
Peak Load Management	Difficulty in managing peak power demand	Peak load and basic rate reduction through ESS discharge
Consideration of Energy Loss	N/A	Net efficiency management reflecting charge/discharge losses
Total Energy Costs	Relatively high	Approx. KRW 370 million saved (as of 2025); cumulative savings of approx. KRW 4.2 billion
Additional Benefits	None	Additional savings on the Electric Power Industry Basis Fund (3.2% of the electricity bill)

4 Energy Efficiency Improvement through Replacement of Outdated HVAC Systems

Hyundai Transys improved energy efficiency by replacing aging air-conditioning and heating systems. High-efficiency inverter-type HVAC units were installed in the research building, offices, training center, and the No. 3 plant office. As a result, equipment power consumption (measured value) decreased from 7.1 kW to 3.9 kW, cutting power consumption by approximately 45%. This is expected to yield annual energy cost savings of about KRW 18 million.

5 Application of Motion Sensors to Local Heaters

Hyundai Transys introduced a system that automatically controls operation in unmanned conditions by applying motion sensors, in order to improve the energy efficiency of localized (spot) heating equipment. As a result, the company achieved approximately 29% savings in LNG consumption, along with confirmed annual energy cost savings of about KRW 10 million. Based on these results, the company is gradually expanding the application to key business sites.

6 Reducing Standby Power by Introducing Low-Capacity Compressors

To improve the operational efficiency of its air compression facilities, Hyundai Transys replaced aging large-capacity equipment with low-capacity, high-efficiency compressors and established an operation system optimized for non-production hours. Through this, we reduced unnecessary power consumption during standby and non-production hours, confirming annual energy cost savings of tens of millions of won, and are advancing equipment operation standardization to drive continuous efficiency improvements.

Energy Management Activities and Implementation Status

Category	Key Initiatives	Details
Self-Consumption of Renewable Energy	• Phase 1: Stabilizing solar power generation operations at Plants 1 and 2 • Phase 2: Expanding solar power generation (from Plants 1 and 2 to Plant 4) • Phase 3: Achieving RE30 and securing carbon credits by purchasing external renewable energy	• Total solar power generation capacity: 8.2 MW
Electrical Facilities	• Stable operation of Energy Storage System (ESS)	• Utilization of low-cost off-peak electricity
	• Application of reactive power compensators	• Power factor improvement
Mechanical Equipment	• Replacement with low-capacity compressors	• Use of high-efficiency, low-capacity equipment
	• Installation of high-efficiency HVAC systems	• Application of inverters
	• Application of motion sensors to local heaters	• Minimization of unmanned operations
Agreement Implementation	• Implementing national energy conservation agreements	• Adopting energy-saving equipment

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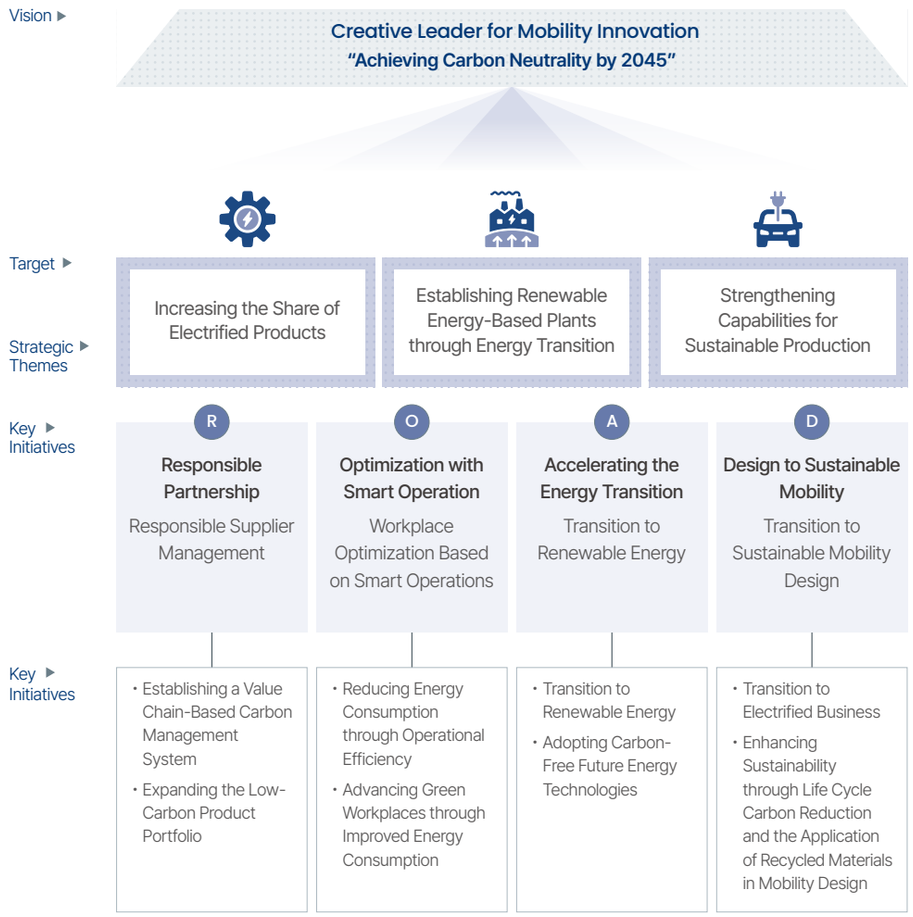
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Metrics & Targets

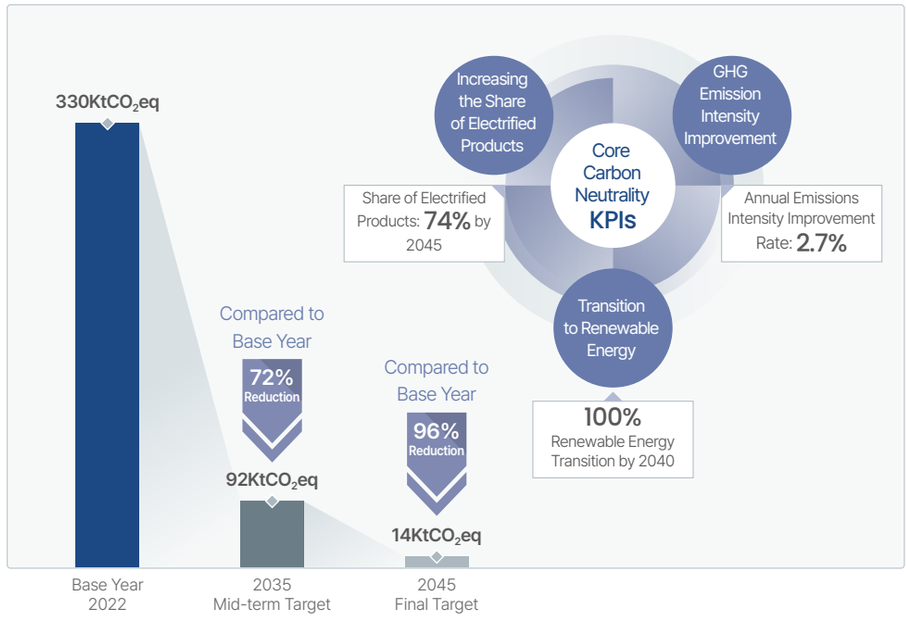
2045 Carbon Neutrality Target

Hyundai Transys is committed to achieving carbon neutrality by 2045. To this end, Hyundai Transys aims to reduce greenhouse gas (GHG) emissions by 72% by 2035 compared to the 2022 baseline, implementing a phased and systematic approach across its global operations. We are accelerating decarbonization by improving energy efficiency and shifting our business focus toward electrified vehicles, with a goal to transition 100% of our electricity consumption to renewable energy by 2040. Ultimately targeting a 96% reduction in emissions against the baseline, Hyundai Transys plans to address residual emissions through carbon offsets and the application of new technologies. Furthermore, we have established a comprehensive carbon neutrality strategy that accounts for potential emission increases from production expansion and new investments, thereby contributing to the development of a global carbon-neutral ecosystem.

Carbon Neutrality Strategy



Carbon Neutrality Target (Based on Scope 1 and 2 Emissions)



Category		Unit	2025	2026 (Target)	2035 (Target)	2045 (Target)
Emissions	Scope 1	tCO_2eq	28,794	20,336	16,884	14,413
	Scope 2		219,202	193,518	75,983	0
Reduction	Scope 1	tCO_2eq	0	0	0	0
	Scope 2		91,671	153,885	269,118	362,750

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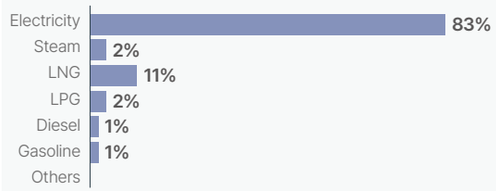
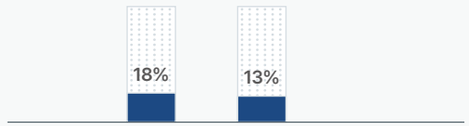
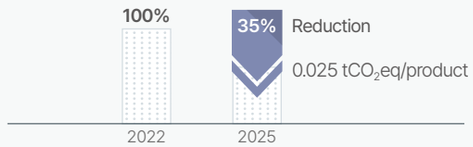
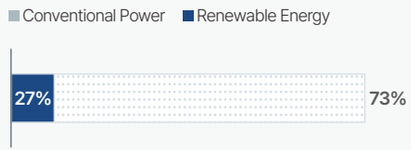
Metrics & Targets

Company-wide Net Zero Implementation Review

Hyundai Transys conducts regular implementation reviews across its global sites to achieve Net Zero by 2045. We are establishing a focused management system for major emission sources by expanding renewable energy adoption and implementing energy efficiency initiatives. In 2025, we transitioned 18% and 13% of our powertrain and seat production, respectively, to electrified products. Furthermore, GHG emission intensity per product improved by 35% compared to the base year, achieving an average annual improvement of approximately 11%.

Carbon Neutrality Strategy Implementation Review

● Target Achievement Rate: Over 100% ● Target Achievement Rate: 75% or Above ● Target Achievement Rate: Under 74%

		2025 Target	2025 Performance	2026 Target
Base Year Energy Consumption Ratio (% of MWh) 	• Verification of domestic/overseas sites to ensure transparency of energy use & GHG emissions data • Improve energy mix via expanded renewable adoption & emissions monitoring at global sites	Verification of FY25 domestic & overseas energy use and Scope 1, 2 emissions completed (incl. subsidiaries)	Verification of FY25 domestic & overseas energy use and Scope 1, 2, 3 emissions completed (incl. subsidiaries); On-site audit of Scope 1, 2 emissions at North American sites ●	Verification of FY26 domestic & overseas energy use and Scope 1, 2, 3 emissions completed (SBTi enrollment & validation); On-site audit of Scope 1, 2 emissions at Chinese sites
2025 Electrified Product Production Performance 	• 18% of powertrain & 13% of seat products produced for electrified vehicles (as of 2025) • Plan to expand electrified product portfolio	18% of powertrain & 13% of seat products for electrified vehicles; portfolio expansion planned	Powertrain: 18% Seat: 13% ●	Powertrain: 20% Seat: 15%
GHG Emissions Intensity Reduction Rate (100%=Base Year) 	• Target set at 3% intensity reduction; achieved approx. 35% reduction in 2025	0.031 (tCO_2eq/product)	0.025 (tCO_2eq/product) ●	0.023 (tCO_2eq/product)
2025 Renewable Energy Electricity Usage Ratio* 	• Achieved RE27 in 2025 via On-Site PPA & Renewable Energy Certificates	RE25	RE27 ●	RE45

* Jigok, Beijing, and Rizhao Sites

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Metrics & Targets

Inspection of Key Overseas Sites (On-Site Verification of Scope 1 and 2 Emissions)

Among its overseas business sites, Hyundai Transys conducted on-site verification of the GHG emissions calculation system and data management status at its North American sites, which have the highest Scope 1, 2 emissions. Through this site-focused review, the company is enhancing the accuracy and consistency of Scope 1, 2 emissions information and strengthening the reliability of the carbon management system at its overseas business sites.

Starting next year, on-site verification will be carried out in the following order: China → India → Europe → other regions.

Overseas On-Site Verification Sites



Overseas On-Site Verification Process



Overseas On-Site Verification Plan

FY25	FY26	FY27	FY28	FY29
North America	China	India	Europe	Other Regions

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Climate Change Response Metrics

To achieve its carbon neutrality goals, Hyundai Transys is advancing various reduction initiatives, including transitioning to renewable energy, utilizing Energy Storage Systems (ESS), and improving energy efficiency. As a result, Hyundai Transys reduced its greenhouse gas (GHG) emissions by 26% in 2025 compared to the base year. Moving forward, we will continue our efforts to expand the transition to renewable energy and improve energy efficiency, while establishing and systematically managing targets to improve product GHG emission intensity.

GHG Management Metrics

Data Scope: All domestic and global sites (including subsidiaries)

Category	Unit	2022 (Base Year)	2023	2024	2025	2026 (Target)
Annual Carbon Reduction (Compared to Base Year)	tCO_2eq	0	10,534	56,968	86,059	102,876
Cumulative Carbon Reduction (Cumulative from Base Year)	tCO_2eq	0	10,534	67,502	153,561	256,437
GHG Emission Intensity by Product	tCO_2eq/ KRW 100 million	3.256	2.766	2.120	1.660	1.651
Renewable Energy Usage Rate[1)]	%	-	-	15	27	45

1) Jigok, Beijing, and Rizhao Sites

Renewable Energy Transition Targets by Site

Category	Unit	2024	2025	2026 (Target)	2030 (Target)	2045 (Target)
Domestic Powertrain Sites (Seongyeon, Jigok)	MWh	986	3,745	5,624	133,069	321,451
Domestic Seat Sites (Subsidiary)		0	0	0	1910	14,218
Overseas Sites (Powertrain, Seat)		149,324	173,664	294,257	300,692	311,980
Global R&D Centers/ Offices		0	0	0	125	23,582

Internal Carbon Pricing

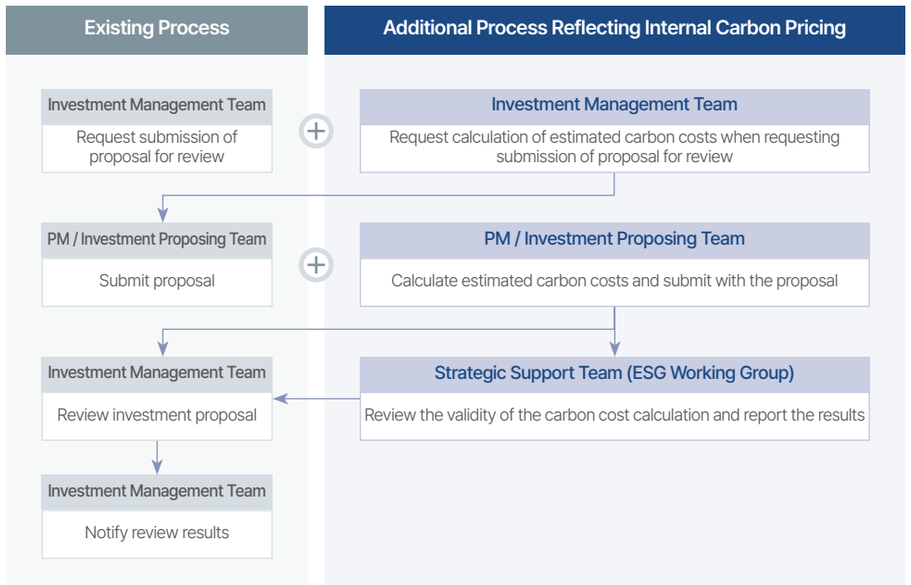
Hyundai Transys has established an Internal Carbon Pricing (ICP) system and integrates it into its investment review process to align with the global climate change response and the transition to a low-carbon society. This practical measure embodies its ESG management philosophy of managing carbon emissions and securing future competitiveness.

The ICP serves as a standard for comprehensively evaluating the economic feasibility of investments by assigning an "investment value" to carbon reduction initiatives and a "cost" to investments that increase carbon emissions.

Internal Carbon Pricing Details

Hyundai Transys calculates its annual internal carbon price by comprehensively considering future carbon price change scenarios for achieving the Paris Agreement targets, the operational status of internal carbon pricing among domestic and global companies, forecasts by the Hyundai Motor Group Economic Research Institute, and regional differences in carbon credit prices.

Hyundai Transys periodically updates its internal carbon price, reflecting various carbon price forecasts from the Group's Economic Research Institute and external specialized agencies, as well as the latest carbon pricing standards and analysis techniques. The established internal carbon price is applied to major ordinary investment proposals expected to impact Scope 1 and 2 emissions, in accordance with Hyundai Transys' internal standards.



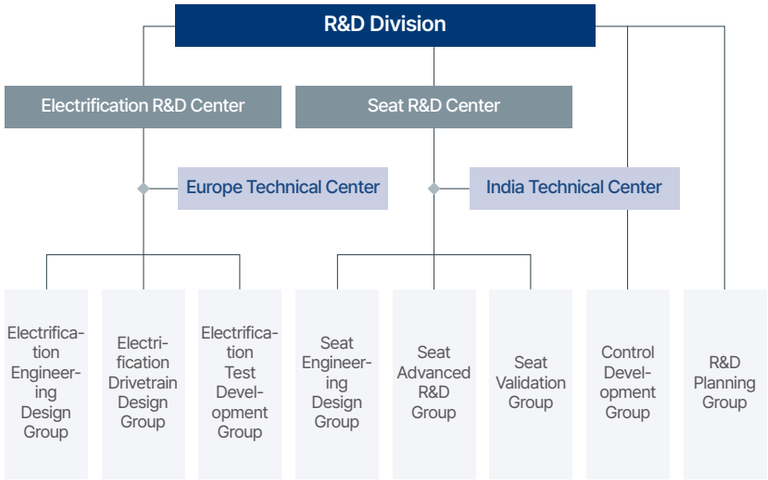
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Governance

As global carbon neutrality regulations tighten, the automotive industry is accelerating its transition to low- and zero-carbon vehicles. To respond to this growing trend of electrification, Hyundai Transys has established a mid- to long-term strategy aligned with the technological directions of global automakers. Based on this strategy, Hyundai Transys is advancing its business portfolio and product transition strategies. The Electrification R&D Center and the Seat R&D Center lead product development, systematically executing the entire process from R&D strategic planning to design, verification, and patent application. Furthermore, Hyundai Transys is strengthening its enterprise-wide governance to achieve its eco-friendly technology development goals based on sustainability management.

Led by a dedicated ESG organization, Hyundai Transys has established a collaborative system across key departments—including R&D, Procurement, Quality, and Production—to comprehensively manage eco-friendly material development projects. To accelerate decision-making and execution, we formed a group-level Carbon Neutrality Technology Committee that conducts regular project review meetings with working-level staff from each department. We are also expanding partnerships with external research institutions to rapidly integrate the latest technological trends and ensure reliability. Additionally, we are evaluating the feasibility of applying resource circulation technologies and bio-materials. At the corporate level, we mitigate environmental impacts and strengthen proactive response capabilities across the entire supply chain by enhancing suppliers' ability to comply with hazardous substance regulations.



Strategy

Hyundai Transys is advancing R&D based on future growth strategies across its business divisions while fostering a creative research culture and strengthening technological competitiveness. We expand our R&D achievements externally by rewarding outstanding research papers and securing external technology certifications and awards. Alongside strengthening its lineup of electrified products, we focus on developing sustainable seat technologies that utilize natural and recycled materials. The Powertrain division established three core themes for its strategic direction: transitioning to electrified vehicles, utilizing low-carbon materials, and recycling metals. For seat component materials, we set the following five core themes as our strategic focus. Specifically, we established a mid-to-long-term advanced technology roadmap for these five seat themes, advancing them in phases with target milestones for 2028 and 2032.

Implementation Details and Application Cases by Three Strategic Powertrain Themes

Strategic Themes	Key Initiatives and Application Cases
1. Transition to Electrification	• Development of High-Efficiency and High-Reliability EVs and HEVs
2. Use of Low-Carbon Materials	• Reviewing the gradual implementation of carbon reduction by transitioning to low-carbon materials for components
3. Metal Recycling	• Contributing to establishing and promoting Hyundai Motor Group's circular economy by utilizing recycled aluminum and machining chips

Implementation Details and Application Cases by Five Strategic Seat Themes

Strategic Themes	Key Initiatives and Application Cases
1. Replacement and Reduction of Hazardous Substances	• Advancing the application of PolyKeton (PK) as an alternative to Polyoxymethylene (POM), alongside training on compliance with hazardous substance regulations
2. Satisfying the Five Senses	• Considering the enhancement of sensory qualities (e.g., tactile, olfactory, and visual properties) during material development
3. Expanding the Use of Natural Materials	• Applying castor oil-based bio-polyol to slab foam • Transitioning to bio-based covering adhesives
4. Resource Circulation	• Developing PCR foam pads utilizing end-of-life vehicle resources • Developing recycled artificial leather
5. Lightweighting	• Optimizing artificial leather weight → Annual CO_2 reduction of approximately 13 tons per vehicle • Developing low-specific-gravity lightweight materials

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Risk Management

Supply chain and quality risk management in the eco-friendly product development process

Hyundai Transys is advancing product R&D in the Powertrain and Seat divisions under the themes of 'Zero Emission' and 'Human- and Nature-Friendly Seats,' respectively. In the early stages of development, Hyundai Transys establishes clear project directions through feasibility reviews and systematically manages risks throughout the implementation process via GATE checks and quarterly progress evaluations. In particular, the greatest risk when expanding the application of eco-friendly new materials is the supply stability of recycled raw materials. Post-Consumer Recycled (PCR) and Post-Industrial Recycled (PIR) materials lack quality standardization and exhibit high supplier and price volatility, which can constrain long-term production planning. Accordingly, Hyundai Transys has established the following risk response system.

- **Supply Chain Diversification**: Hyundai Transys is strengthening strategic collaborations with startups affiliated with Hyundai Motor Group, such as MORETHAN (an end-of-life vehicle leather upcycling company). Furthermore, we are securing supply stability through partnerships with various domestic and international recycled material suppliers, including PUCore and KPX Chemical.
- **Hazardous Substance Regulation Response and Quality Management:** To proactively respond to global hazardous substance regulations, Hyundai Transys is establishing a monitoring and quality tracking system, and integrating material data management based on the IMDS (International Material Data System). Furthermore, we collaborate with Hyundai Motor Company's regulatory response organization to monitor global regulatory trends in real time.
- **Material Transition and Supplier Capability Assessment:** Based on internal monitoring and supplier surveys, Hyundai Transys is steadily transitioning to materials with lower environmental compliance risks. Simultaneously, we are evaluating supplier capabilities to build a stable supply chain for low-carbon, low-risk materials.
- **Design for Improved Recyclability (TPU Headrest):** Hyundai Transys is applying a design that improves the ease of dismantling for recycling by converting headrests, which were previously difficult to dismantle due to their foam pad and covering structure, into a single-material (TPU) structure, thereby eliminating the dismantling process.

Product Life Cycle Assessment (LCA)

Life Cycle Assessment (LCA) Overview

Life Cycle Assessment (LCA) quantitatively evaluates a product's environmental impact across all stages, from raw material extraction to production, use, and disposal. While previous efforts focused on operational emissions, attention has recently shifted toward environmental impacts across the entire value chain. In collaboration with its supply chain, Hyundai Transys quantifies product-level inputs and outputs to compare environmental performance across products and drive improvement initiatives.

Product Life Cycle Assessment (LCA) Calculation Process

Hyundai Transys conducted a Life Cycle Assessment (LCA) for its EV drive components, specifically reducers and seats, in accordance with ISO 14040/44. To calculate product carbon emissions, we selected Global Warming Potential (GWP) as the environmental impact category. The assessment scope was defined as a cradle-to-gate boundary, encompassing raw material extraction and production, component production, product manufacturing, and transportation to customers. We collected data at each stage to calculate emissions, ultimately determining the Carbon Footprint ($kgCO_2eq$) per product unit.

Hyundai Transys Product Life Cycle Assessment (LCA) Calculation Process



Raw Material Mining and Production	Component Production	Product Manufacturing	Transportation
• Hyundai Transys collected raw material data for each component to identify the raw materials constituting the reducer. We utilized the LCI DB to calculate carbon emissions from the mining to the production of each raw material.	• Hyundai Transys calculated carbon emissions by applying emission factors based on the weight and raw material ratio of each reducer component, along with input and output data from the supply chain stages.	• Reducers are manufactured at the Hyundai Transys Seongyeon Plant, which uses electricity as its primary energy source. As with the component manufacturing stage, we calculated carbon emissions using annual energy consumption and emission factors.	• Hyundai Transys divided transportation into two stages: from the supply chain to the Seongyeon Plant, and from the Seongyeon Plant to domestic customers. Carbon emissions for each stage were calculated by applying the fuel efficiency, travel distance, fuel heating value, and emission factors of each transportation mode.

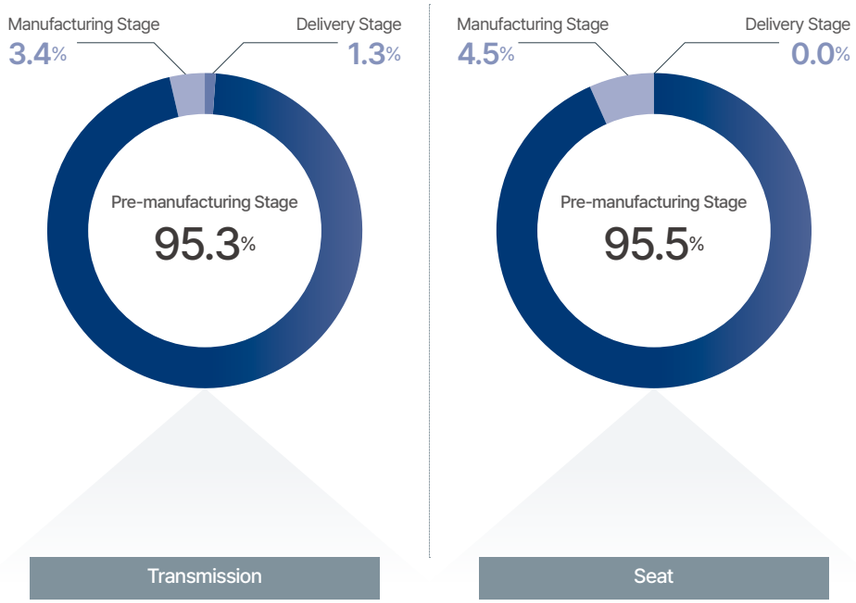
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Hyundai Transys Product Carbon Emission Calculation Results

Hyundai Transys conducted a Life Cycle Assessment (LCA) on its powertrain and seat products, revealing that pre-manufacturing stages—such as raw material extraction, material production, and parts processing—account for the vast majority of total carbon emissions. This indicates that process improvements within business sites alone are insufficient to reduce emissions across the entire product life cycle, making it a key priority to lower carbon intensity at the raw material and parts stages. Based on these LCA results, Hyundai Transys plans to implement carbon reduction strategies tailored to the characteristics of each product. First, Hyundai Transys will focus on reducing emissions at the raw material and parts stages by expanding the development of technologies and products that reduce environmental impact, increasing the procurement of low-carbon raw materials with high recycled material content, and strengthening carbon data management for major suppliers. Furthermore, while the manufacturing stage accounts for a relatively low proportion of carbon emissions, it remains an area under its direct control. As such, we plan to continuously expand actionable reduction initiatives, such as transitioning to renewable energy, optimizing process operations, and introducing high-efficiency equipment. Through these efforts, we aim to establish a comprehensive carbon reduction system encompassing both the supply chain and our business sites, simultaneously achieving product carbon neutrality and enhancing competitiveness.

Life Cycle Assessment Results



Plan to Establish the Hyundai Transys Product Life Cycle Assessment Process

Hyundai Transys plans to establish a Life Cycle Assessment (LCA) system for each product to strengthen its LCA-based environmental management. The first step is to collect accurate data and ensure its consistency. Given its diverse product portfolio, conducting an LCA for each product requires securing extensive data across the entire supply chain, as well as from internal manufacturing processes.

Primary Data	Secondary Data
• Operational data by process from Hyundai Transys worksites and suppliers	• Information on the raw material stage, emission factors, etc. ⊕ To be obtained through national and global LCI databases

In the next phase, Hyundai Transys plans to leverage the collected data to establish life cycle boundaries (e.g., Cradle to Gate) tailored to product characteristics and enhance its assessment system to accommodate various component and process structures. Through these efforts, we will expand the application of Life Cycle Assessment (LCA), focusing on global strategic products such as core EV components, and establish a versatile system that ensures comparability. Furthermore, by developing and implementing environmental impact reduction strategies for each stage based on LCA results, we will lead the development of low-carbon products and the operation of a sustainable supply chain, thereby securing our environmental competitiveness in the global automotive parts market.

STEP 1	STEP 2	STEP 3	STEP 4	
Data Establishment	Advancement of Evaluation System	Expansion of Evaluated Products	Utilization of Evaluation Results	Leading the Development of Low-Carbon Products and Securing Product Competitiveness by Establishing a Life Cycle Assessment Process
• Business Site & Supply Chain Data • LCI DB • Gradual Primary Data Collection	• Supply Chain Review • Setting Life Cycle Categories to Fit Product Characteristics	• Electrification & Core Products	• Environmental Assessment • Establishing Strategies to Reduce Environmental Impact	

Hyundai Transys Life Cycle Assessment Roadmap

Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
EV (FWD) Reducer Product Assessment	EV (RWD) Reducer and Seat Product Assessment	DCT and Seat Product Assessment	Assessment of 50% of New Mass-Produced Models	Assessment of 100% of New Mass-Produced Models
2023	2024	2025	2026~2030	2031~2035

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Metrics & Targets

The Hyundai Transys R&D Division has established qualitative and quantitative goals to develop products that incorporate environmental considerations, and is implementing phased action plans to achieve them.

Product-Specific Implementation Plans for the Transition to Eco-friendly Products

Powertrain



- **Use of Low-Carbon Materials**: Hyundai Transys contributes to reducing carbon emissions by collaborating with Hyundai Motor Company and Hyundai Steel to develop and expand the use of low-carbon powertrain materials, such as low-carbon cast aluminum and low-carbon special steel.
- **Metal Recycling:** Hyundai Transys is gradually expanding the use of recycled metals by utilizing recycled aluminum and developing materials and parts from aluminum machining chips.

Seat



- **Reduction of Hazardous Substances**: Hyundai Transys measures the reduction in formaldehyde emissions achieved by transitioning to PolyKeton (PK) as an alternative to Polyoxymethylene (POM), and manages this as a key performance indicator.
- **Five Sensory Satisfaction**: Hyundai Transys aims to improve functional factors, such as enhancing the premium feel and comfort, as well as improving wrinkle resistance and ventilation.
- **Resource Circulation**: Based on a short-term goal of achieving a 1.2% application rate of recycled materials in foam pads, in the mid-to-long term, we aim to achieve an application rate of over 10%.
- **Lightweighting**: Hyundai Transys achieved a carbon emission reduction of approximately 13,020 kg per vehicle by applying lightweight PU artificial leather, and are gradually expanding its annual cumulative reductions through the development of lightweight materials.

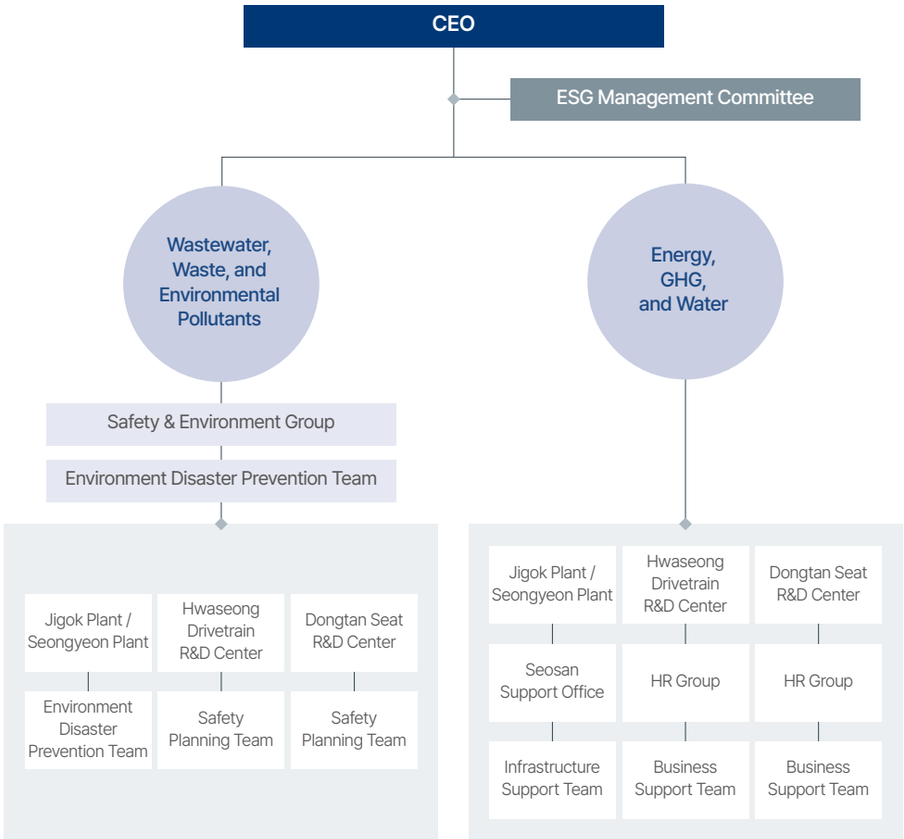
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Governance

Hyundai Transys's environmental management governance is led by the ESG Management Committee, which includes the CEO, and a dedicated environmental organization. Company-wide strategies and major decisions regarding environmental management are reviewed and discussed by the ESG Management Committee and finalized after reporting to the CEO.

The management oversees key decision-making, risk management, and performance related to environmental management, while the dedicated team executes site-oriented environmental management, monitors environmental pollutant emissions, and identifies and mitigates environmental risks. Based on this governance framework, Hyundai Transys fulfills its company-wide environmental responsibilities and realizes ESG-centric sustainable management.



Strategy

Strategic Direction for Environmental Management

Hyundai Transys recognizes climate change response and the mitigation of environmental impacts across its business operations as core priorities. Accordingly, Hyundai Transys oversees environmental management from an integrated perspective, with a dedicated organization establishing and executing key environmental initiatives. The top decision-making committee and the ESG Management Committee review major environmental performance and risk response strategies to drive effective implementation.

Establishing Eco-friendly Worksites

Proactive Response to Domestic and Global Regulations and Issues

- Establishing an Energy and GHG Management System
- Strengthening the Chemical Monitoring System
- Assessing Regulatory Compliance and Preemptively Responding to New Environmental Regulations

Minimizing Environmental Pollutant Emissions

- Signing Voluntary Agreements and Implementing Fine Dust Reductions
- Advancing Resource Circulation Activities
- Reducing Environmental Pollutant Emissions at Worksites and Surrounding Areas

Climate Change Response

- GHG Emissions Management
- Transition to Renewable Energy
- Energy Efficiency Management

Environmental Policy

Hyundai Transys transparently discloses its Environmental Management Policy for key stakeholders, including employees and suppliers, on its website to ensure easy public access. The policy applies to the entire supply chain, including all suppliers and business partners, and clearly defines the scope, implementation plans, and basic principles of environmental management. It outlines core principles for key management areas, such as raw and subsidiary materials, energy, water resources, greenhouse gases (GHG), hazardous substances, and local communities. By also detailing the environmental management implementation framework and supply chain compliance recommendations, the policy serves as a foundation for expanding Hyundai Transys's commitment to environmental responsibility across its entire supply chain.

Environmental Management

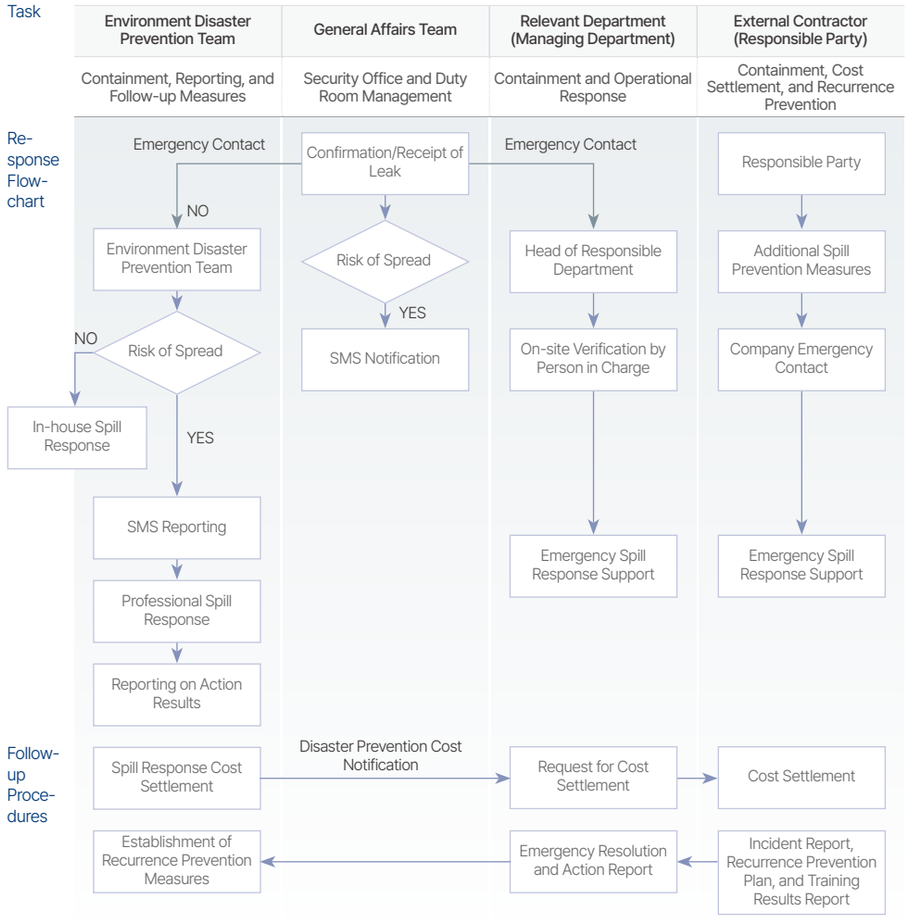
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Risk Management

Environmental Risk Response System

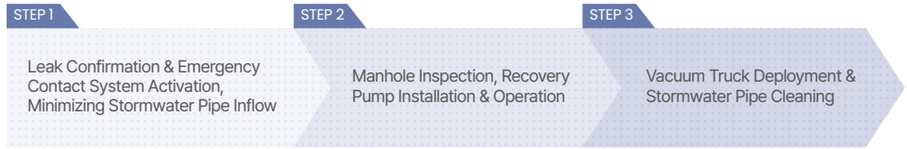
In the event of accidents involving environmental pollutants, hazardous chemicals, or waste, Hyundai Transys takes swift action in accordance with its environmental and safety emergency response process. Following an immediate response and containment of the situation, Hyundai Transys investigates the root cause, establishes measures to prevent recurrence, and reports these to the Board of Directors. Furthermore, we continuously drive improvements through a follow-up management system.

Environmental Accident Response Flowchart



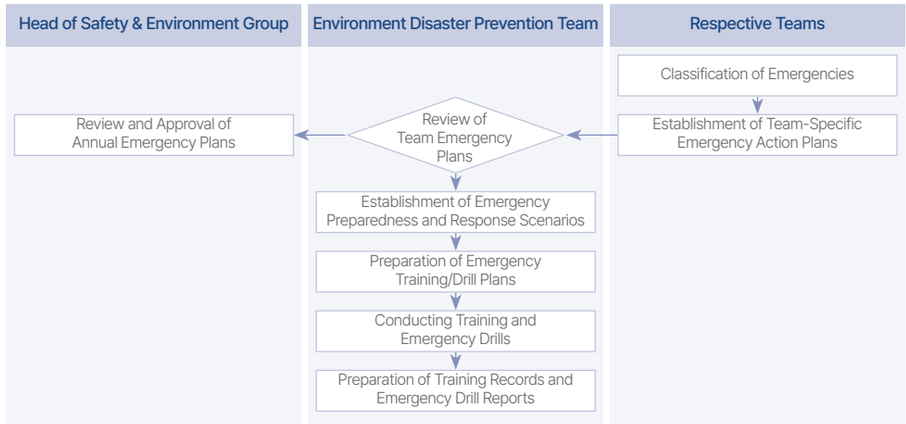
Emergency Response Drill

To strengthen environmental accident response capabilities, Hyundai Transys' Jigok and Seongyeon Plants conducted oil spill response drills in the first and second halves of 2025, based on the wastewater spill response plan. The drills consisted of the following three stages:



Through emergency response drills, Hyundai Transys trains employees on response manuals tailored to specific accident types. In addition, relevant departments, including the Environment Disaster Prevention Team, collaborate closely to continuously enhance capabilities for preventing and responding to environmental accidents.

Spill Incident Management System





Jigok Plant Oil Spill Response Drill





Seongyeon Plant Oil Spill Response Drill

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Environmental Management Training for Employees

To strengthen its environmental management system, Hyundai Transys systematically implements legally mandated training in accordance with environmental laws and regulations, while updating its environmental training curriculum annually to reflect company-wide environmental goals and best practices. Environmental training is integrated into the training management system and emergency response drills in accordance with ISO 14001. We share environmental accident cases company-wide, and the corresponding training records and key contents are reviewed during the ISO audit process. Additionally, we conduct environmental training for new hires and transferred employees alongside health and safety training to raise early awareness of site-specific environmental risks. Furthermore, we continuously provide specialized training to strengthen the practical capabilities of environmental personnel, thereby enhancing the execution of environmental management.

Air Pollutant Management

Hyundai Transys systematically reduces air pollutants, such as dust, volatile organic compounds (VOCs), and heavy metals, emitted during its business activities by operating air pollution control facilities, including dust collectors and adsorption equipment. We conduct daily and semi-annual inspections of our emissions and control facilities, minimizing environmental risks through immediate corrective actions when issues arise.

Emission Facilities	Emitted Substances	Pollution Control Facilities
Shot Blasting and Shot Peening Machines	Metallic Dust (Dust, Chromium Compounds, etc.)	Cartridge Filter Dust Collector
Boilers, Chiller-Heaters	Nitrogen Oxides	Combustion Control Facility (Low-NOx Burner)
Degreasing Facility	THC (Total Hydrocarbons)	Adsorption Facility (A/C Tower)

Environmental Management System Certification

Hyundai Transys has acquired ISO 14001 (Environmental Management System) certification across its domestic and overseas sites to systematically implement and manage environmental practices at a global standard. Under this certification framework, all domestic and overseas sites adhere to uniform policies and guidelines. Currently, 100% of the four domestic sites are certified. Among overseas operations, 17 out of 22 applicable sites have completed certification, while the Indonesia and U.S. Savannah subsidiaries plan to obtain certification in 2026.


Certificate of Registration
환경경영시스템 인증서
현대트랜시스(주)
적용표준
KS I ISO 14001:2015 / ISO 14001:2015
인증범위
자동차용 변속기, 액슬, 시트 및 철도차량의 구동장치, 군용차량의 변속기에 대한 설계, 개발 및 생산
2023년 12월 8일
인증승인일자 : 2023. 12. 8.
인증유효일자 : 2026. 12. 7.
(주)한국경영인증원

Odor Management

Hyundai Transys proactively manages potential odors around the wastewater treatment facilities at its Jigok and Seongyeon Plants. To protect the living environment of local communities, we conduct monthly odor measurements and take immediate corrective actions when necessary based on the results. In particular, we systematically prevent odor-related complaints by minimizing emissions through facility-based reduction measures, such as installing water tank covers and operating dust collectors.

Environmental Management

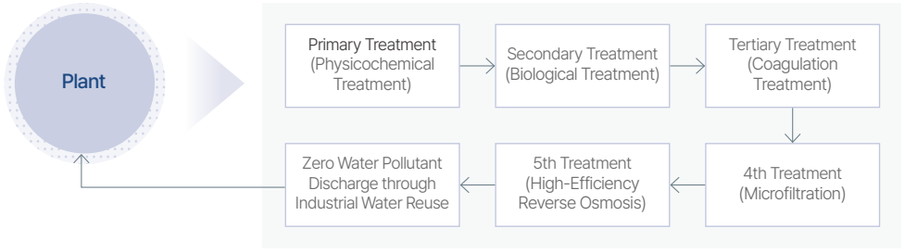
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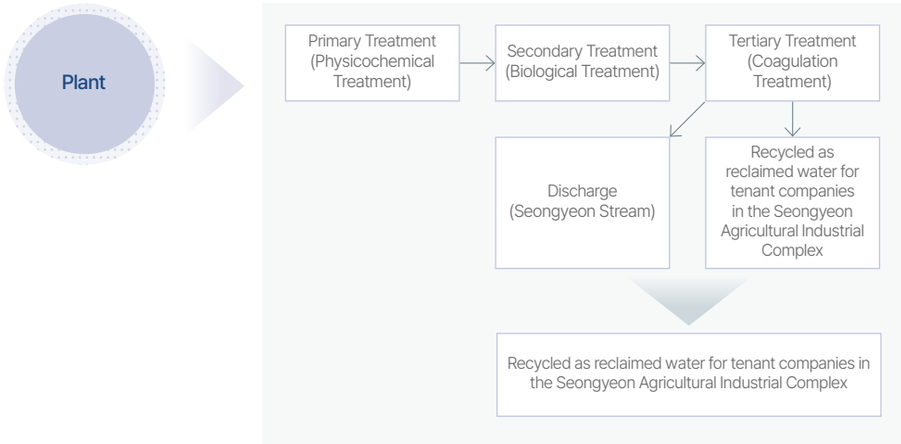
Water Pollutant Management

Hyundai Transys maintains water pollutant levels at below 50% of the legal limits across all domestic and overseas sites. The Jigok Plant treats its wastewater through internal facilities and recycles it as industrial water, fundamentally preventing the external discharge of water pollutants. Additionally, the Seongyeon Plant treats its wastewater internally before discharging it into the Seongyeon Stream, with a portion supplied as reclaimed water to tenant companies in the Seongyeon Agricultural and Industrial Complex.

Jigok Plant Wastewater Treatment Flowchart



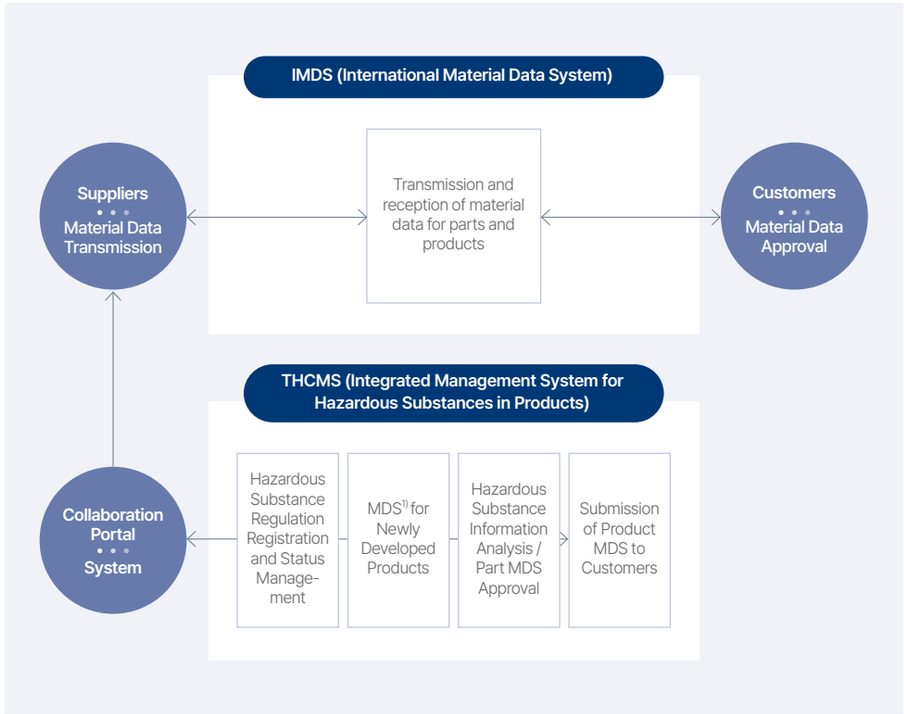
Seongyeon Plant Wastewater Treatment Flowchart



Product Hazardous Substance Management System

Hyundai Transys prioritizes reducing hazardous substance emissions and preventing chemical accidents. To this end, Hyundai Transys operates an integrated management system that incorporates legal regulations and customer requirements throughout the entire product development process. Specifically, we use the Transys Hazardous Chemical Management System (THCMS) to systematically register and manage substance data from product development to final approval. By registering parts and product data in the IMDS (International Material Data System) based on information received from suppliers and transparently sharing this with customers, we strengthen our proactive response system for hazardous substances.

Hazardous Substance Management System



* Upon detecting the use of restricted hazardous substances, a committee is immediately formed to develop and apply alternative materials.

1) A component list used as an input unit to describe the actual materials.

Environmental Management

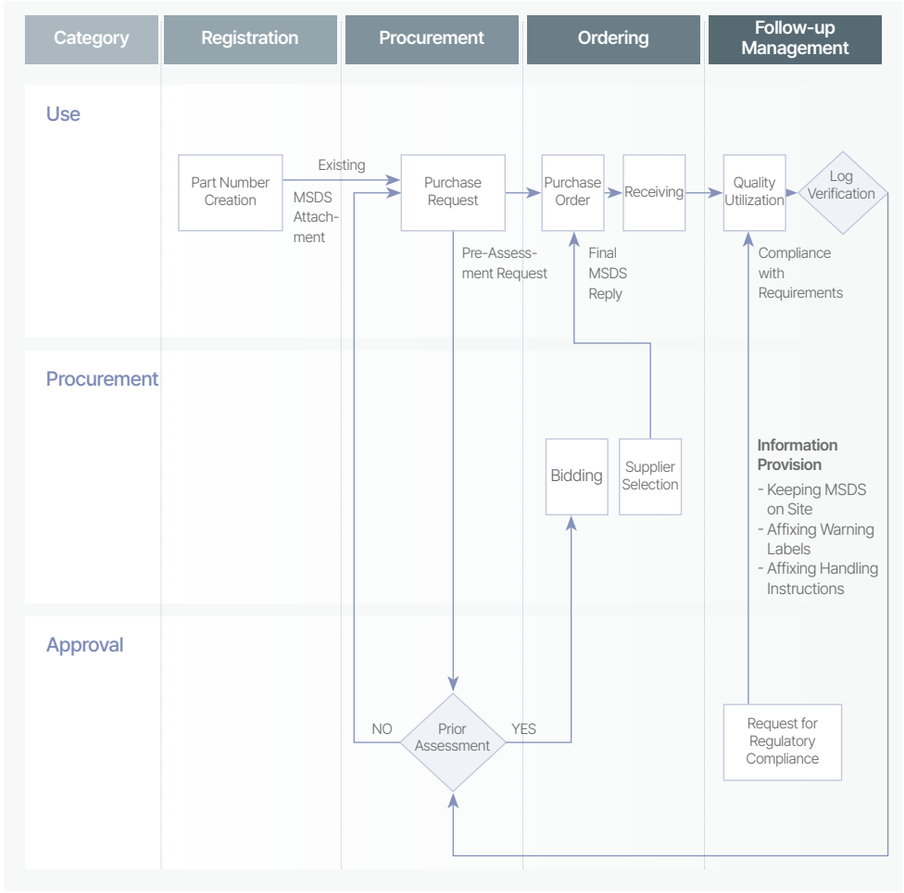
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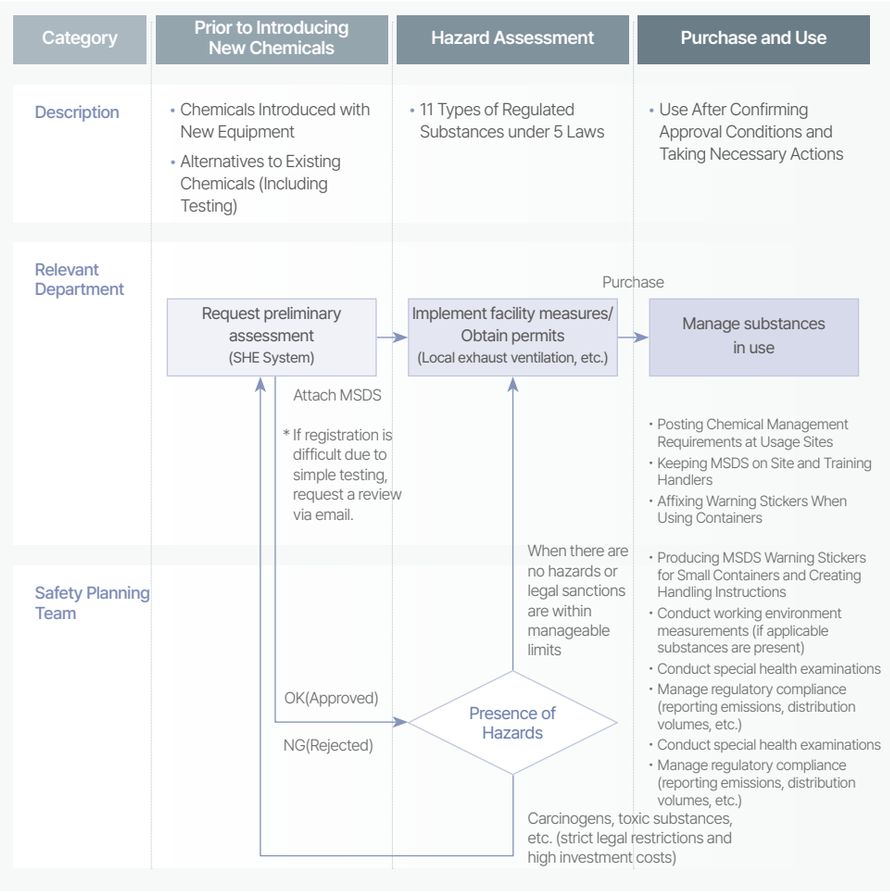
Workplace Hazardous Substance Management System

Upon the initial purchase of domestic chemical products, Hyundai Transys monitors environmental, health, and safety (EHS) regulations through the T-SHE (Transys Safety Health Environment System). For regulated products, Hyundai Transys provides guidance on legal handling procedures, such as substituting substances or complying with regulatory standards. We assign tracking numbers to approved chemical products and manage their history by updating Material Safety Data Sheets (MSDS), regularly checking for changes in suppliers or product compositions. Additionally, we conduct annual departmental surveys on chemical handling to cross-check unclassified or unrecorded chemicals in the system, ensuring thorough oversight. Moving forward, we plan to upgrade the system to trigger alerts when chemical inventory data changes. We will also add a feature that automatically updates MSDS renewal dates to ensure chemicals are re-evaluated after a specified period.

Chemical Management Process



New Chemical Assessment Procedure



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Financial Impact Assessment Process for Environmental Issues

STEP 1 Risk Identification and Scenario-based Analysis

- Hyundai Transys identifies risks arising from environmental factors, such as water resource depletion, stricter waste regulations, and restrictions on hazardous substances, and develop scenarios to assess their business impact.
- Example of Scenario



* Hyundai Transys identifies the potential for production disruptions, cost increases, and legal sanctions under each scenario, analyzing them in relation to financial indicators such as revenue, costs, and investment plans.

STEP 2 Establishment of Impact Assessment Criteria

- Hyundai Transys established a quantitative evaluation model and systematized the assessment criteria and formulas to objectively measure the impact of environmental issues on financial performance.
- Example of Financial Impact Calculation

Water Resources
- Operating cost savings = Water rate x Volume of recycled water
- Sales volume of flagship products x Damage rate (%) x Unit price of products

Waste
- Material cost savings = (Unit price of conventional materials - Unit price of recycled materials) x (Annual input volume of recycled materials)
- Revenue from waste-to-resource conversion = (Unit price of waste such as metal scrap) x (Annual volume of recycled waste)

* Hyundai Transys quantifies the impact of each factor to establish criteria that can be incorporated into future profit and loss forecasts and budget plans.

STEP 3 Utilization of Analysis Results and Decision-Making

- Hyundai Transys shares the analysis results with the ESG Management Committee and relevant departments to establish a company-wide proactive risk response system.
- Example of Future Implementation Plans

1. Reporting to Management
2. Reprioritizing Business Strategies and Action Plans
3. Establishing Proactive Regulatory Response Plans
4. Company-wide KPI Management
5. Reviewing Inclusion in Long-term Investment Plans (e.g., recycling facilities, securing alternative raw materials)

Financial Impact Assessment Results for Environmental Issues

Category	Impacts of Environmental Issues	Hyundai Transys' Response	Scope of Impact	Factors	Financial Impact	
Waste	• Potential increase in cost burden due to higher waste disposal costs if seat scrap generation increases or recycling is restricted	• **Natural Leather Seat Scrap**: Exploring the potential to enhance resource circularity through composite technologies that utilize shredded and bonded leather scrap	Entire Value Chain	Opportunities	Profit and Loss Structure Improvement (Cost Reduction)	• Hyundai Transys expects to achieve a 15–25% cost reduction compared to natural leather by using recycled leather.
	• Potential decline in resource efficiency and negative impact on the profit and loss structure if metal scrap recycling conditions deteriorate	• **Metal Scrap**: Pursuing improved resource efficiency and additional revenue generation by recycling metal scrap, such as aluminum and steel, generated during the production process	Worksites	Opportunities	Profit and Loss Structure Improvement (Increased Other Income)	• Hyundai Transys prevents resource waste by recycling 10,483 tons of metal waste and generates additional revenue by selling this waste.
Water	• Risk of increased operating costs and reduced process efficiency if water reuse is restricted or wastewater treatment burdens increase	• **Water Management**: Pursuing operating cost reductions and improved water resource efficiency by internally treating wastewater generated at the Jigok Plant and recycling it as industrial water	Worksites	Opportunities	Cash Flow Improvement (Reduced Water Costs)	• Based on 2025 data for the Jigok Plant, Hyundai Transys is saving approximately KRW 257 million in operating costs by recycling 317,752 tons of water. * Calculation method: 317,752 tons/year × KRW 810/m^3 = approximately KRW 257 million
	• High Water Risk Areas: Potential production disruptions and revenue declines if water supply is restricted due to droughts or stricter regulations	• **High Water Risk Areas**: Identifying water risks in highly water-dependent regions and reviewing response measures to manage future impacts	Worksites	Risk	Deterioration of profitability (revenue decline)	• If production at subsidiaries in countries such as India and China is suspended in 2025 due to water-related risks such as droughts, it could result in daily losses of approximately KRW 10.4 billion. * Calculation method: Daily revenue of Asian subsidiaries (excluding Korea) = 2025 revenue / Annual operating days = KRW 2,493.9 billion / 240 days = Approx. KRW 10.4 billion/day

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Metrics & Targets

Hyundai Transys quantitatively evaluates its emission reduction performance through annual environmental impact management. Specifically, Hyundai Transys has established the intensity of highly business-relevant air and water pollutants as Key Performance Indicators (KPIs). For air pollutants, major facilities conduct quarterly analyses—exceeding the statutory annual requirement—and manage emissions using internal standards that are 30% stricter than legal limits. This approach establishes a proactive environmental management system that goes beyond mere legal compliance. Although water pollutant intensity has increased, we will continue our improvement efforts to maintain stable levels by strengthening future management. Notably, the Seongyeon Plant operates a wastewater treatment system that simultaneously reduces water consumption and operating costs. The plant manages the quality of its reused water to remain below 50% of the legal limits for key indicators, including BOD, TOC, and TSS. We aim to mitigate environmental risks and strengthen regulatory response capabilities at our business sites through periodic KPI management and practical initiatives, such as improving processes, applying in-process pollutant control technologies, and optimizing wastewater treatment.

Environmental Impact Management Indicators

Pollutant Emissions

Data Scope: Domestic Sites

Category	Unit	2023	2024	2025
Water Pollutant Discharge Intensity	kg/KRW 10 billion	0.1291	0.1332	0.0378
Air Pollutant Emission Intensity	Tons/KRW 10 billion	0.0395	0.0408	0.0193

Environmental Management System (ISO 14001) Certification[1]

Data Scope: Domestic and Overseas Sites

Category	Unit	2023	2024	2025
Number of Sites Subject to Certification[2]	Sites	32	34	31
Number of Certified Sites	Sites	27	29	26
Certification Rate	%	84	85	84

1) Past data recalculated due to expanded data collection scope

2) Domestic Production Plants and R&D Centers, Overseas Production Plants

Environmental Training for Relevant Personnel

Data Scope: Domestic Sites

Category	Unit	2023	2024	2025
Number of Employees Completing Environmental Training	Persons	2	3	1
Total Training Hours	Hours	40	120	40
Training Hours per Employee	Hours/ Employee	20	40	40

Violations of Environmental Laws and Regulations[1]

Data Scope: Domestic Sites

Category		Unit	2023	2024	2025
Total Number of Violations		Cases	0	0	0
Total Number of Violations		KRW million	0	0	0
Amount of Damages		KRW million	0	0	0
Stakeholder Complaints/ Grievances	Number of Complaints Received	Cases	0	0	0
	Resolution Rate	%	0	0	0
	Financial Compensation	KRW million	0	0	0

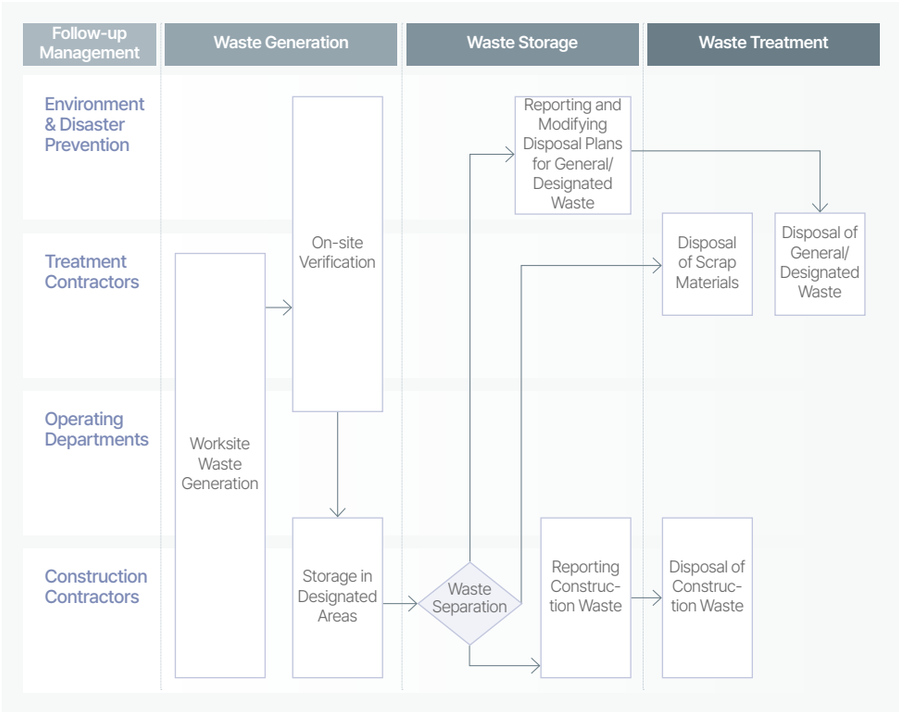
1) KRW 10 million or more

Resource Circulation and Waste

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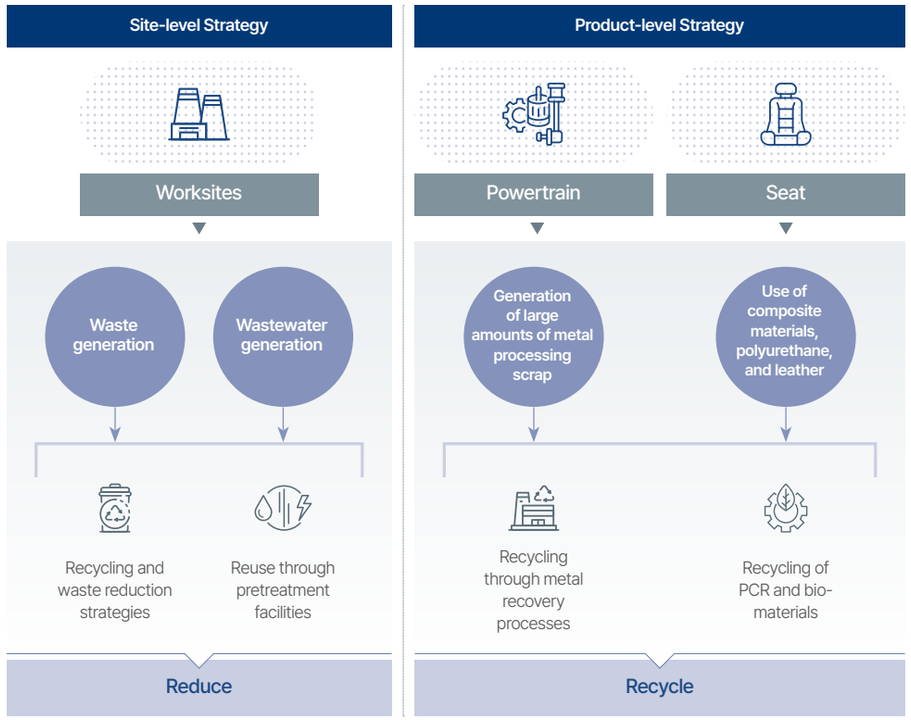
Hyundai Transys processes waste in compliance with the environmental laws and waste regulations of all countries where it operates. We categorize all waste generated at our sites by type and property, and manage it in accordance with our Environmental Policy and Waste Management Guidelines. At domestic sites, waste synthetic resins—classified as general waste—are transferred to licensed recycling facilities. We are also continuously implementing measures to reduce the incineration volume of designated waste. Furthermore, we utilize the Ministry of Environment's Allbaro System to quantitatively monitor monthly waste generation and treatment volumes, ensuring that all recycling activities are legally conducted through contracts with licensed vendors.



Strategy

Hyundai Transys is systematically implementing a resource circulation strategy centered on reducing waste generation and expanding recycling, in alignment with national resource circulation targets. Waste generated during business operations is managed throughout the entire process of discharge, transportation, storage, and treatment in accordance with the Environmental Policy and Waste Management Guidelines. To enhance the effectiveness of this management system, Hyundai Transys is continuously advancing site-based infrastructure by establishing a management system for recycling bins and carts, expanding storage facilities, and investing in equipment.

Furthermore, through its Environmental Policy, Hyundai Transys establishes the systematic measurement of waste, waste reduction, and the expansion of resource circulation as core principles. In particular, we view resource circulation as more than simple waste management, recognizing it as a strategic initiative to simultaneously improve resource efficiency and reduce costs across the entire manufacturing life cycle. Moving forward, we will strengthen our implementation of the circular economy throughout our internal and external operations by focusing on increasing recycling rates, reducing waste generation, and minimizing landfill waste. Through these efforts, we will establish a sustainable operating system that considers both environmental performance and economic viability.



Resource Circulation and Waste

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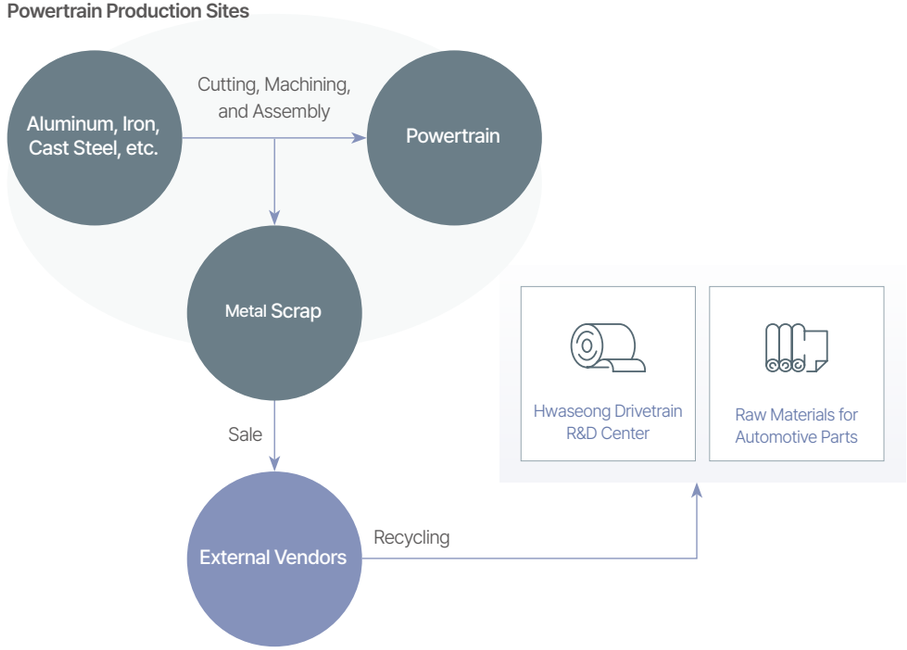
Metal Scrap Recycling

Hyundai Transys treats metal scrap generated during powertrain production—including aluminum, iron, heat-resistant alloys, cemented carbides, high-speed steel, and collected scrap—as a valuable resource rather than mere waste, strengthening its resource circulation activities through systematic sorting and sales. These efforts indirectly reduce raw material consumption while helping to build a resource circulation ecosystem across the manufacturing industry. As part of its strategy to transition to a circular economy, Hyundai Transys plans to further expand its resource circulation activities by continuously identifying systematic resource recovery methods for process by-products and waste materials.

Recycling Performance at Domestic Sites

Category	Corporation/Plant	Metal	Amount Generated (tons)
Korea	Jigok Plant, Seongyeon Plant	Aluminum	3,351
		Iron	7,133
		Other	115

Powertrain Production Sites



Seat Production Using Recycled Materials

Hyundai Transys contributes to building a resource circular economy through high value-added waste recycling technologies. The company developed recycled leather from scraps generated during the leather cutting process, earning the Global Recycled Standard (GRS) certification. Partnering with external companies, it is also carrying out the national R&D project "Development of End-of-Life Vehicle-Based Leather Material Applications," advancing the commercialization of circular material technologies and building a resource circulation foundation for end-of-use products.

Using Post-Consumer Recycled (PCR) resources recovered from end-of-life vehicles, Hyundai Transys is developing recycled foam pads and artificial leather for automotive seats. By applying recycled polyurethane from seats and headliners as foam pad material, it replaces virgin urethane while ensuring both environmental performance and functionality. It also applies recycled artificial leather—with durability comparable to virgin materials—as a seat surface material, proactively meeting global environmental regulations (ELV) and strengthening product competitiveness.

To reduce petroleum-based materials, the company uses silicone extracted from quartz, a natural mineral, as an alternative, achieving a CO_2 reduction of up to 18.4 kg per vehicle. This technology is applied to the silicone artificial leather seats of the G90 and Grandeur (GN7).



These efforts extend beyond environmental protection to reflect customers' values of ethical consumption and sustainability, serving as a key pillar of Hyundai Transys' circular economy-centered Eco-design strategy and LCA-based product development system.

Metrics & Targets

In alignment with national resource circulation goals, Hyundai Transys has established a core strategy to minimize waste generation and increase recycling rates across its sites. To achieve this, we manage waste generation intensity and recycling rates as key performance indicators (KPIs) and systematically monitor our progress. Under our Waste Management Guidelines, we operate an integrated system covering the entire waste lifecycle—from generation and transport to storage and disposal. We continuously strengthen our resource circulation infrastructure by improving waste segregation systems, expanding storage facilities, and investing in relevant equipment. Moving forward, we will contribute to a circular economy by gradually expanding the scope of recyclable materials and extending these practices across our operations.

Waste Management Indicators

Data Scope: Domestic Sites

Category	Unit	2023	2024	2025
Waste Recycling Rate	%	68	70	68

Natural Capital Management

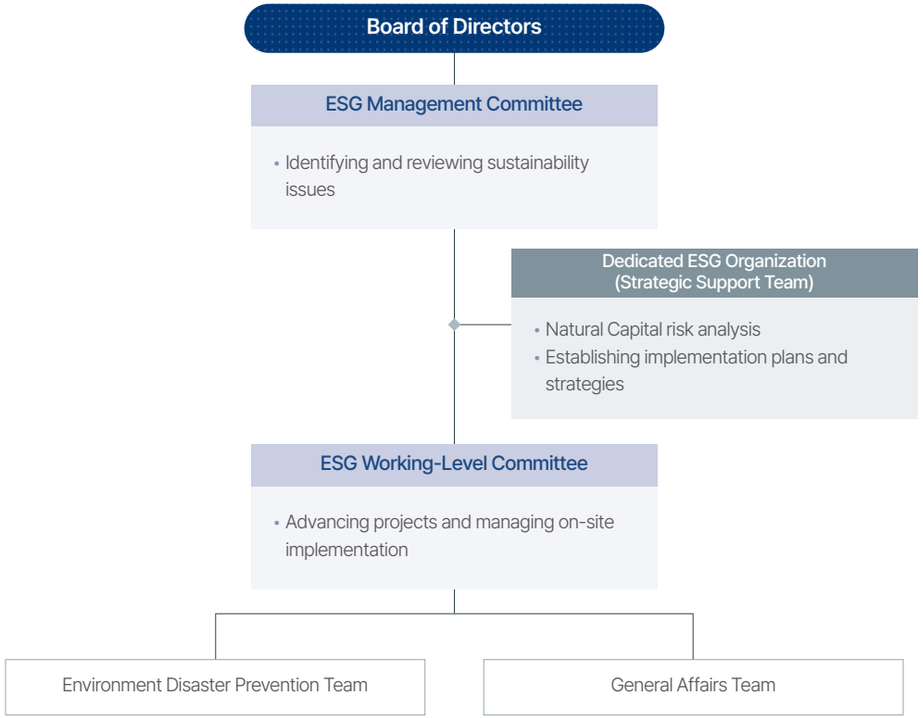
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Governance

Hyundai Transys has established an integrated governance system to effectively manage natural capital risks. The Board of Directors, the highest decision-making body, regularly reviews key natural capital issues and risks and reflects them in strategic decision-making, while the ESG Management Council manages implementation progress through collaboration with each department and supports the Board's oversight function. In addition, the dedicated ESG organization and relevant departments within the working-level council carry out practical natural capital management activities in cooperation with local communities and external stakeholders.

Furthermore, to identify and respond to natural capital risks across business sites and supply chains, the company operates a risk management process based on the LEAP approach of the TNFD (Taskforce on Nature-related Financial Disclosures). When significant management changes occur—such as the opening of a new business site, changes in the supply chain, or amendments to environmental laws and regulations—the company reassesses risks and updates related policies and action plans, thereby continuously enhancing the level of natural capital management.

Natural Capital Governance



Strategy

Establishment of Biodiversity Policy

Hyundai Transys has established and systematically implements a strategic direction for biodiversity conservation across its operations. To ensure sustainable auto parts manufacturing and supply chain operations, we enacted the Biodiversity Protection Policy in 2025 to proactively prevent biodiversity risks that may arise during business activities. This policy aligns with the principles of global initiatives, including the Convention on Biological Diversity (CBD), the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), and the Taskforce on Nature-related Financial Disclosures (TNFD), and applies across all of Hyundai Transys's domestic and overseas sites, subsidiaries, and suppliers.

Hyundai Transys prevents the degradation and loss of biodiversity across all business operations, including raw material procurement, manufacturing, and sales, and refrains from launching new projects in protected biodiversity areas. We also collaborate with governments, local communities, and specialized institutions to advance conservation and restoration activities near our business sites. To identify and manage protected biodiversity areas, we comply with local regulations and the International Union for Conservation of Nature (IUCN) Protected Area Management Categories I through IV. We also evaluate avoidance, mitigation, and restoration measures based on its proximity to sensitive areas. Furthermore, we contribute to ecosystem protection through various initiatives, including afforestation near business sites, reducing waste, and reusing water resources. We are also advancing employee awareness by incorporating biodiversity topics into our ESG training programs. We transparently disclose our biodiversity conservation activities and performance to internal and external stakeholders through our Sustainability Report and other channels.

Natural Capital Management

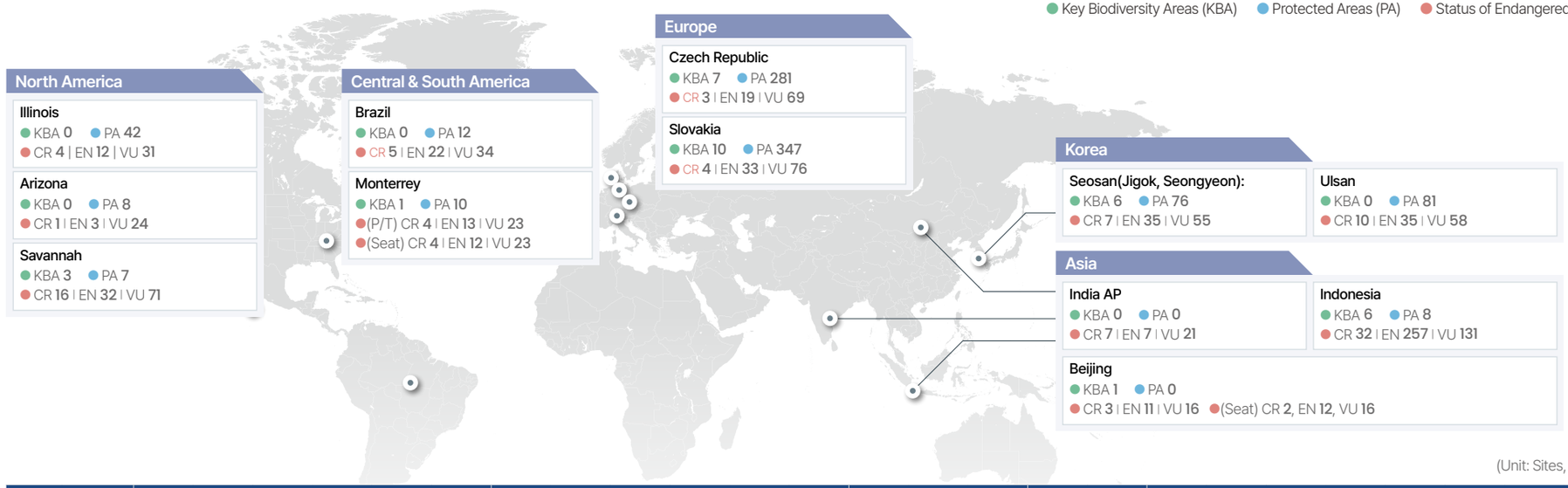
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Risk Management

Locate (Interface with Nature) › Evaluate › Assess › Prepare

In accordance with the TNFD recommendations, Hyundai Transys used the Integrated Biodiversity Assessment Tool (IBAT) to identify sensitive locations across 25 major sites, comprising 6 domestic and 19 overseas facilities. We reviewed the status of Key Biodiversity Areas (KBAs) and Protected Areas (PAs) within a 10km radius of each site, and analyzed endangered species by classifying them into Critically Endangered (CR), Endangered (EN), and Vulnerable (VU) categories according to the IUCN Red List criteria. Based on these findings, we plan to identify biodiversity risks at each domestic and overseas site and integrate them into our management system.

Key Biodiversity Areas (KBA) · Protected Areas (PA) · Status of Endangered Species



(Unit: Sites, Species)

Category		Korea						North America						Latin America			Europe		Asia							
		Seosan		Hyundai Mseat		TRANIX		Georgia P/T Subsidiary	Georgia Seat Subsidiary	Alabama Branch	Illinois Branch	Arizona Branch	Savannah Seat Subsidiary	Brazil Subsidiary	Monterrey P/T Subsidiary	Monterrey Seat Subsidiary	Czech Subsidiary	Slovakia Subsidiary	India Chennai Subsidiary	Pune Branch	India AP P/T Subsidiary	India AP Seat Subsidiary	Indonesia Subsidiary	Beijing Seat Subsidiary	Beijing P/T Subsidiary	Rizhao Subsidiary
		Seongyeon	Jigok	SCM Plant	Ulsan	Seongyeon	Jigok																		
Key Biodiversity Areas (KBA)		6	6	0	0	6	6	1	1	0	0	0	3	0	1	1	7	10	1	3	0	0	6	1	0	1
Protected Areas (PA)		67	76	80	81	67	75	51	52	21	42	8	79	12	10	10	281	347	2	0	0	0	8	0	0	0
IUCN Status of Endangered Species	Critically Endangered (CR)	7	7	10	10	7	7	4	4	8	4	1	16	5	4	4	3	4	30	13	7	7	32	2	3	12
	Endangered (EN)	35	35	35	35	35	35	12	12	18	12	3	32	22	13	12	19	33	47	27	7	7	257	12	11	37
	Vulnerable (VU)	55	55	58	58	55	55	22	22	26	31	24	71	34	23	23	69	76	75	40	21	21	131	16	16	54

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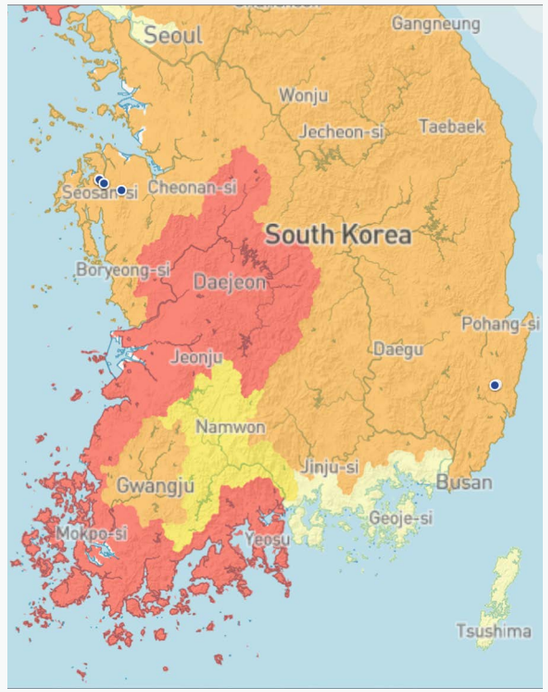
Hyundai Transys recognizes the potential impact of water resource risks on its operations and is committed to proactively managing them. We conducted water risk assessments across our major domestic and overseas sites using the World Resources Institute (WRI) Aqueduct Water Risk Atlas. Focusing on the water stress indicator, we analyzed current (2025) risks alongside mid-to-long-term projections for 2030 and 2050. The assessment revealed that major production hubs, including the Seosan Seongyeon and Jigok Plants, the Ulsan Plant, and the U.S. Georgia and Czech subsidiaries, are projected to face sustained "Medium-High" (20–40%) water stress over the mid-to-long term. This underscores the need for continuous management to prepare for external variables such as climate change.

Conversely, certain overseas sites—including Arizona in the U.S., Chennai and Pune in India, and Beijing and Rizhao in China—are projected to face "Extremely High (>80%)" water stress both currently and in the mid-to-long term. Meanwhile, the region near Alabama in the southeastern U.S. may experience increased localized precipitation due to higher atmospheric water vapor driven by global warming. While this mitigates water scarcity risks, the variability in precipitation requires comprehensive water resource management. Hyundai Transys will continuously strengthen its capacity to respond to physical climate risks and ensure operational stability by regularly monitoring water usage, water quality, and local regulatory changes, particularly at high-risk sites.

Water Resources Risk Analysis

Worksites	Water Stress Analysis Results		
	2025	BAU 2030	BAU 2050
Seosan Seongyeon	Medium - High(20-40%)		
Seosan Jigok	Medium - High(20-40%)		
Hyundai Mseat SCM Plant	Medium - High(20-40%)		
Hyundai Mseat Ulsan Plant	Medium - High(20-40%)		
TRANIX Seongyeon Plant	Medium - High(20-40%)		
TRANIX Jigok Plant	Medium - High(20-40%)		
Georgia P/T Subsidiary	Medium - High(20-40%)		
Georgia Seat Subsidiary	Medium - High(20-40%)		
Alabama Branch	Medium - High(20-40%)	Low-medium(10-20%)	
Illinois Branch	Low - Medium(10-20%)		
Arizona Branch	Extremely High(>80%)		
Savannah Seat Subsidiary	Medium - High(20-40%)		
Brazil Subsidiary	Low - Medium(10-20%)		
Monterrey P/T Subsidiary	High(40-80%)		
Monterrey Seat Subsidiary	High(40-80%)		
Czech Subsidiary	Medium - High(20-40%)		
Slovakia Subsidiary	Low - Medium(10-20%)		
India Chennai Subsidiary	Extremely High(>80%)		
Pune Branch	Extremely High(>80%)		
India AP P/T Subsidiary	Extremely High(>80%)		
India AP Seat Subsidiary	Extremely High(>80%)		
Indonesia Subsidiary	High(40-80%)		
Beijing Seat Subsidiary	Extremely High(>80%)		
Beijing P/T Subsidiary	Extremely High(>80%)		
Rizhao Subsidiary	Extremely High(>80%)		

Low (<10%)	**Low-Medium** (10~20%)	**Medium-High**(20~40%)	**High** (40~80%)	**Extremely High** (>80%)



- **Low** Minimal water risk, sufficient supply relative to demand, low probability of floods or droughts
- **Low-Medium** Minor water risk, some competition or water stress, potential pressure during specific seasons
- **Medium-High** Significant water risk, intensified competition among users, potential impact on business operations
- **High** Severe water risk, direct threat to business and supply chains from water shortages or floods
- **Extremely High** Extreme water risk (highest warning level), potential business interruption, immediate response required

※ Source: WRI Aqueduct Water Risk Atlas – Business as usual 2030

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Risk Management

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

Hyundai Transys uses the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure)[1] tool to analyze its dependencies and impacts on natural capital across its business operations. For this analysis, Hyundai Transys selected 'auto parts and accessories manufacturing' as its representative business model to comprehensively evaluate its relationship with natural capital. The analysis revealed a Very Low (VL) to Medium (M) dependency on key ecosystem regulating services,[2] such as water supply, flow regulation, water purification, and flood and storm mitigation.[3] While operations do not heavily rely on specific natural capital functions, the long-term degradation of these services poses potential financial risks, including reduced production stability, increased operating costs, and higher capital expenditures.

The environmental impact analysis identified low (L) to medium (M) impacts associated with chemical use, mixture discharges, greenhouse gas (GHG) emissions, and soil and water pollution. In particular, chemical-based substances generated during the manufacturing process—such as paint residues, lubricants, and refrigerants—are linked to hazardous pollutant and mixture emissions, and were identified as areas requiring relatively strict environmental management. Based on these findings, Hyundai Transys systematically manages natural capital risks, focusing on areas with identified environmental impacts, and is continuously strengthening its environmental risk response capabilities across all business operations.

Key Dependency and Impact Assessment Results by Economic Activity

Very Low (1.0~1.8)	Low (1.8~2.6)	Medium (2.6~3.4)	High (3.4~4.2)	Very High (4.2~5.0)

Dependency Analysis | Impact Analysis | Identified Priority Impacts

Hyundai Transys Core Businesses	Economic Activity Classification	Ecosystem Service Dependency													Impacts							
		Provisioning	Regulation and Maintenance																			
		Water	Global Climate	Rainfall Patterns	Local Climate	Air Filtration	Soil and Sediment	Solid Waste Remediation	Water Purification	Water Flow	Flood	Storms	Noise	Atmosphere/ Ecosystem Dilution	Sensory Impact Mitigation (Excluding Noise)	Disturbance (Noise and Light Pollution)	GHG Emissions	Air Pollutant Emissions	Solid Waste	Land	Hazardous Pollutants	Water Consumption
Seats, Powertrains, Electrified Parts	Automotive Parts and Accessories Manufacturing	L	VL	VL	L	VL	M	L	M	M	M	M	VL	L	VL	M	VL	L	L	L	M	L

1) ENCORE: A tool that supports the analysis of how corporate business activities impact natural capital (e.g., water, soil, biodiversity) and how changes in natural capital can pose risks to business management

2) Regulating services: Services through which the ecosystem 'manages and stabilizes' our environment, including climate regulation, water purification, flood control, and soil erosion prevention

3) Significance is classified on a five-point scale, determined by quantitative metrics and qualitative expert assessments. Very High: The relevant natural element is critical to economic activities, or the activities have a highly significant impact on nature / High: Dependencies or impacts are significant and require careful consideration / Medium: Dependencies or impacts exist but are relatively moderate / Low: Impacts or dependencies on natural capital are minor / Very Low: Negligible relevance to natural capital.

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

Based on the results of the ENCORE-based analysis of natural capital dependencies and impacts, Hyundai Transys identified natural capital factors of relatively high importance across its overall business, consolidated them into manageable units, and identified key risks. As a result, four issues—water resource management, ecosystem regulating services, ecosystem disturbance, and chemical substance and pollution management—were derived as the main natural capital factors. Focusing on domestic production sites, the company analyzed how each issue is connected to Hyundai Transys' business activities and operational structure. Building on this, it comprehensively reviewed the risk factors, business opportunities, potential financial impacts, and current response status for each key issue.

Key Natural Capital Risks	Identified Impacts	Business Relevance	Risks		Opportunities	Financial Impact		Response Status
Water Resource Management	• Water Purification • Water Flow	• High reliance on water across manufacturing processes makes changes in water availability a key operational risk that can directly disrupt major operations.	Physical Risk	• Risk of production disruptions due to the suspension of key machining and cleaning processes if industrial water supply becomes unstable or water quality degrades during the manufacturing of electrified parts and internal combustion engine powertrains • Potential decline in the stability of material processing and quality control if water resources management fails during the automotive seat manufacturing process	• Reducing manufacturing costs and ensuring production stability by reusing water and reducing consumption tailored to process characteristics • Enhancing the long-term operational sustainability of core businesses, including electrified parts, by strengthening water resources management capabilities	+	• Reducing mid- to long-term water costs and stabilizing the operating cost structure by improving water use efficiency	• Operating a water quality management system that maintains water pollutants at below 50% of legal standards • Managing water resource operational risks by regularly monitoring water usage and effluent quality and complying with legal standards across all manufacturing sites for electrified parts, internal combustion engine powertrains, and car seats • Maintaining water resource management stability by operating an emergency response system for water quality changes and abnormal situations.
			Transition Risk	• Potential increase in operational burdens and management costs, primarily at domestic sites, due to stricter standards for industrial water use and water quality management • Potential deterioration of the manufacturing cost structure and expansion of operational risks if improvements in water use efficiency are delayed		-	• Potential revenue decline and operational losses due to the suspension of core manufacturing processes in the event of water supply disruptions or usage restrictions • Failure to operate the reuse system may incur additional water usage costs of approximately KRW 257 million* annually. * Calculation method: 317,752 tons/year × KRW 810/m^3 = approximately KRW 257 million	
Ecosystem Regulating Services	• Floods • Storms • Soil and Sediment	• Due to the nature of the manufacturing industry, which relies on large-scale facilities and continuous processes, manufacturing sites for electrified parts, powertrains, and seats have locational characteristics that make facility operations and production stability directly vulnerable to climate and natural environmental changes, such as floods, heavy rains, and storms.	Physical Risk	• Potential production disruptions due to facility flooding and damage at manufacturing sites for electrified parts and powertrains in the event of an increase in extreme weather events, such as heavy rains and floods • Potential increase in the risk of core manufacturing process interruptions due to reduced resilience in the event of disasters caused by accumulated natural environmental degradation	• Minimizing the risk of production interruptions in core manufacturing processes, such as electrified parts and powertrains, through flood-prevention site structures and disaster-prevention-focused site management that considers site locations and process characteristics	+	• Potential to reduce equipment repair and restoration costs and minimize operational losses by preventing flood damage from natural disasters through the establishment of flood-prevention infrastructure and early warning systems.	• Maintaining an operation management system focused on site management and equipment protection against potential natural disasters, such as heavy rain and typhoons, considering the site's operating environment. • Minimizing equipment damage during disasters by managing site infrastructure with flood-prevention designs and adequate drainage systems to address weather risks like flooding. • Mitigating production disruptions and operational risks by operating an early detection and emergency response system for rapid response to natural disasters
			Transition Risk	• Potential decline in mid-to-long-term manufacturing operational stability if site location conditions deteriorate due to climate and natural environmental changes		-	• Potential for increased restoration costs for core manufacturing equipment and decreased revenue due to production disruptions in the event of a natural disaster. • Based on 2025 domestic revenue, potential damages of approximately KRW 40.8 billion per day may occur if production is suspended at domestic sites due to climate disasters. * Calculation method: Daily revenue of domestic sites = 2025 domestic site revenue / Annual operating days = KRW 9,768.1 billion / 240 days = Approximately KRW 40.8 billion / day	

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

Key Natural Capital Risks	Identified Impacts	Business Relevance	Risks		Opportunities	Financial Impact		Response Status
Ecosystem Disturbance	• Disturbances (Noise and Light Pollution)	• As Hyundai Transys primarily operates within industrial complexes, its operational structure—which involves running large-scale equipment, continuous movement of logistics vehicles, and nighttime operations—poses a risk of localized ecosystem disturbances, such as noise and light pollution.	Physical Risk	• If disturbance factors such as noise and light pollution accumulate near worksites, the resulting decline in local environmental acceptability may constrain worksite operations or facility modifications.	• Mitigating conflicts with the surrounding environment and preventing long-term operational risks by proactively managing potential localized ecosystem disturbances arising from manufacturing operations.	+	• Strengthening the proactive management of disturbance factors mitigates the risks of unplanned costs and operational disruptions.	• Hyundai Transys operates a management system in accordance with relevant legal standards to address local ecosystem disturbance factors, such as noise and pollution, that may arise during business operations. • Hyundai Transys applies the TNFD LEAP approach to identify risks to natural capital around its business sites and analyze the impact factors of ecosystem disturbances caused by its business activities. • Hyundai Transys plans to implement the prickly water lily restoration project in 2026, strengthening the foundation for preserving the natural environment near its business sites and cooperating with the local community by signing a tripartite MOU with relevant organizations and conducting ecological restoration education and promotional activities for citizens.
			Transition Risk	• Stricter environmental management standards or increased local community demands regarding noise, lighting, and land use may lead to additional operational burdens and process adjustment costs. • Inadequate management of ecosystem disturbances may lead to an increase in civil complaints, thereby compromising operational stability and exacerbating external risks.		-	• Stricter biodiversity regulations may incur restoration and conservation operating costs.	
Chemicals and Pollution Management	• Hazardous Pollutants	• Powertrain and seat manufacturing processes—including surface treatment, machining, painting, and bonding—inevitably involve the use of chemicals and generate air emissions and substance discharges.	Physical Risk	• Inadequate management of ecosystem disturbances may lead to an increase in civil complaints, thereby compromising operational stability and exacerbating external risks. • Increased air pollutant emissions may degrade the environment near worksites, potentially increasing operational management burdens.	• Ensuring stable regulatory compliance and improving the environmental management cost structure by advancing the management system for chemical use and pollutant emissions by process. • Enhancing business continuity and long-term risk management capabilities by strengthening pollution reduction facilities and management capabilities.	+	• Stabilizing mid-to-long-term environmental response costs and mitigating operational risks by reducing pollutant emissions and strengthening the chemical management system	• Reducing the use of hazardous substances by minimizing the addition of flame retardants during the product design stage, and managing hazardous substance emissions at the source throughout the manufacturing and use phases • Systematically managing chemical usage at worksites and preemptively controlling hazardous substance risks by operating the integrated management system (THCMS) to register and manage chemical information • Cross-checking unclassified or unregistered chemical products in the system based on annual departmental surveys of chemical handling, and minimizing management blind spots • Managing the environmental impacts of chemicals and pollutants by operating an environmental management system for pollution factors arising from wastewater, waste, and air emissions
			Transition Risk	• Stricter environmental regulations on air pollutants and hazardous chemicals may lead to increased investment and operating costs for pollution control facilities. • Non-compliance with chemical management standards or delays in responding to stricter regulations may escalate business operation risks, including operational suspensions and fines.		-	• Potential increase in costs for fuel and process efficiency improvements, as well as investment and operating costs for pollution control facilities, due to stricter environmental regulations and higher management standards • Potential financial losses from fines and operational suspensions due to inadequate chemical and pollution management	

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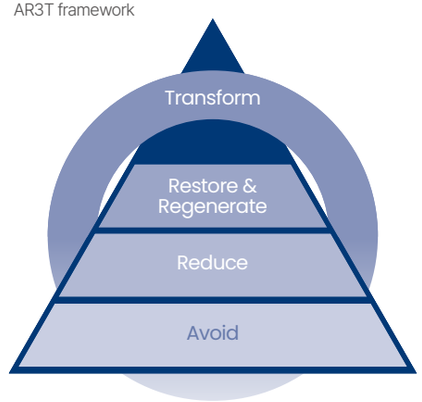
Risk Management

Locate → Evaluate → Assess → **Prepare (Respond and Disclose)**

Based on the results of the TNFD LEAP (Locate, Evaluate, Assess, Prepare) analysis, Hyundai Transys applies the AR3T (Avoid, Reduce, Restore and Regenerate, Transform) framework to systematically manage its dependencies and impacts on natural capital across all business operations. While continuing ongoing initiatives to address risks related to ecosystem services and natural capital, Hyundai Transys plans to gradually expand and strengthen its restoration and regeneration activities with a focus on ecosystem restoration(Restore and Regenerate).

SBTN's[1] AR3T Framework[2]

- Establish response measures in accordance with SBTN's AR3T framework



Avoid	Prevent potential negative impacts
Reduce	Minimizing Negative Impacts
Restore & Regenerate	Restore ecosystems
Transform	Fundamental Systemic Change

Hyundai Transys's Response Strategy

AR3T Framework		Response Strategy
Avoid (Prevent potential negative impacts)	**Avoiding Sensitive Areas**	• Avoid location risks by using IBAT analysis to proactively identify sensitive ecosystems, such as Protected Areas (PAs) and Key Biodiversity Areas (KBAs), in and around new or expanded business sites.
	Integrating into Decision-Making	• Incorporate preliminary analysis results into decision-making to prioritize avoiding potential negative impacts, including determining project feasibility, adjusting project scopes, and reviewing alternative sites or processes.
Reduce (Minimizing Negative Impacts)	**Water Quality and Resource Management**	• Focusing on its domestic production sites, Hyundai Transys manages water pollutants at levels below 50% of legal standards and reduce operational risks through on-site wastewater treatment and industrial water reuse.
	Hazardous Substance Reduction	• Minimize hazardous substance emissions during the product development stage (e.g., slab foam with reduced VOC emissions) and provide training to seat component suppliers to strengthen their hazardous substance management capabilities.
Restore & Regenerate (Restore ecosystems)	**Advancing Ecosystem Restoration**	• Plan and implement protection and restoration activities for key ecological areas near business sites, and gradually advance ecosystem restoration and regeneration activities focusing on priority species, including endangered species (prickly water lily).
Transform (Transition)	**Expanding the Scope of Analysis**	• Enhance natural capital risk analysis and expand its scope to overseas sites and the supply chain to drive the transition to a structural risk management system.
	Preparing the Management System	• Review application standards and methodologies, and prepare for a phased introduction to utilize green purchasing and Life Cycle Assessment (LCA) for future environmental impact management.

1) SBTN (Science Based Targets Network): An international network that enables companies to protect and restore nature by setting science-based targets

2) The AR3T (Avoid, Reduce, Restore & Regenerate, Transform) framework is a target-setting preparation methodology developed by SBTN, and TNFD recommends referring to SBTN's AR3T approach during the LEAP PREPARE phase

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Metrics & Targets

As of 2025, a natural capital risk analysis was conducted focusing on domestic production sites, with its scope gradually expanding to include overseas sites. Moving forward, Hyundai Transys plans to further extend this analysis to its major supply chain. Additionally, as part of protection and restoration activities for key ecological areas near the Seosan Plant, Hyundai Transys is planning and implementing a restoration project for the endangered prickly water lily. Through this initiative, we aim to maintain the ecological functions of the surrounding natural environment and contribute to biodiversity conservation.

Water Resources Management Status

Category	Unit	2023	2024	2025
Recycled Water Volume[1)]	Tons	350,188	317,752	384,054
Water Risk Monitoring Sites[2)]	Sites	13	27	27

1) Scope: Domestic Sites

2) Scope: Domestic and Overseas Sites

Natural Capital Management Goals

Ecological Restoration Activities	
Metric	• Number of Restored Endangered Species Individuals
Target	• **Prickly Water Lily Restoration**: Restore 200 individuals (area of 300-400m²) by 2026 and support the establishment of a stable colony by 2028
Implementation Plan and Status	• **August 2026**: Sow seeds and plant 200 prickly water lilies in Seosan Lake Park • Plan to sign a tripartite MOU among Seosan City Hall, Geumgang Basin Environmental Office, and Hyundai Transys • Operate an educational and promotional booth on prickly water lily restoration for citizens in collaboration with Chollipo Arboretum
Detailed Strategies to Achieve Goals	• **Establish a collaborative system with specialized institutions and local governments**: Build a professional cooperation network with the local government (Forestry and Parks Division of Seosan City Hall), environmental agencies, and arboretums. • **Strengthen follow-up management**: Avoid one-off ecological restoration and promote colony stabilization through continuous monitoring and management from 2027 to 2028. • Consider expanding the scope of support beyond the lake park to include other rare and endemic plants in the region, such as those in Buchunsan Mountain.



Prickly Water Lily (Scientific name: Euryale ferox Salisb): Class II Endangered Wild Plant



Prickly Water Lily Restoration Project Area - Seosan Lake Park

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076 Supply Chain Management Material Issue
083 Consumer Safety and Quality Material Issue
089 Human Rights Management
092 Employee Working Conditions
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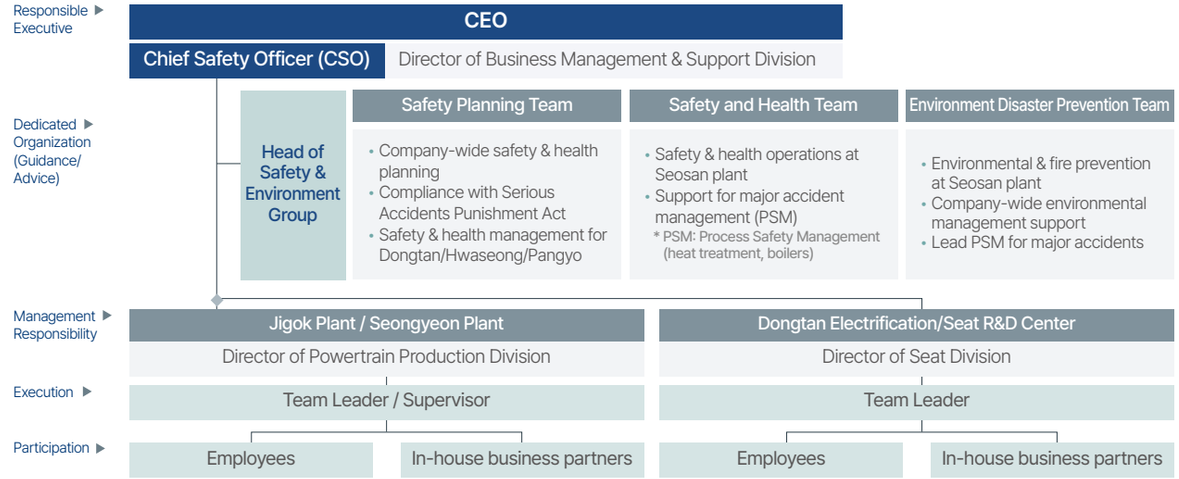
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Governance

Dedicated Health and Safety Management Organization

Growing awareness of occupational health and safety and stricter regulations, such as the Serious Accidents Punishment Act, have heightened corporate responsibility for employee safety. In response, Hyundai Transys established and implements health and safety management policies and strategies to build safe workplaces. We set annual health and safety goals, systematically monitor performance, and advance initiatives to manage safety risks and embed a company-wide safety culture. The scope of this health and safety management extends beyond domestic and overseas operations to include suppliers. Led by the Chief Safety Officer (CSO), Hyundai Transys established a specialized organizational structure to oversee company-wide and on-site safety. Through this structure, we ensure rigorous safety management, raise employee safety awareness, and conduct health and safety risk assessments.

Health and Safety Management Organization Chart



Strategy

Health and Safety Management Policies

Hyundai Transys has established a Health and Safety Management Framework reflecting top management's commitment to a safety-first approach. The policy aims to protect employees' lives and health while achieving a "zero-accident, eco-friendly workplace" through an embedded safety culture. To this end, we strictly comply with relevant laws and regulations and operate a prevention-oriented safety management system across all worksites, while continuing to enhance site-based safety activities, expand employee participation, and advance ESG-based sustainable management.

Safety, Health, and Environment Management System Diagram



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Strategy

Occupational Health and Safety Management System

Hyundai Transys obtained ISO 45001 certification, the international standard for occupational health and safety management systems, covering 100% of domestic sites (four locations) and 84% of global sites (26 of 31, with the Indonesia and Savannah branches scheduled for sequential certification). In line with ISO 45001, Hyundai Transys applies a unified system to all employees and value chain workers.

ISO 45001 Certification[1)] Data Scope: Domestic and Overseas Sites

Category	Unit	2023	2024	2025
Number of Sites Subject to Certification[2)]	Sites	32	34	31
Number of Certified Sites	Sites	27	29	26
Certification Rate	%	84	85	84

1) Past data recalculated due to expanded data collection scope
2) Domestic Production Plants and R&D Centers, Overseas Production Plants



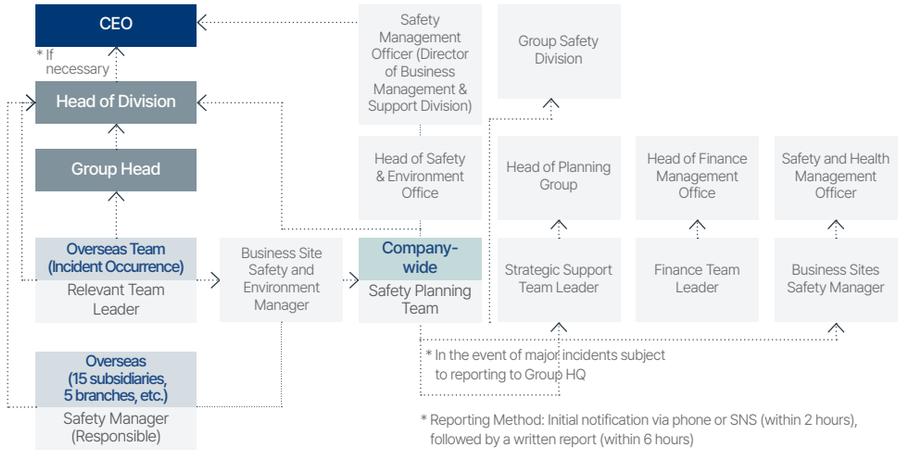
Occupational Health and Safety Management System Certificate

Risk Management

Safety Incident Reporting Process

Hyundai Transys has established a process for immediate response to safety incidents. When an incident occurs, the team leader reports it to the site safety manager, Safety Planning Team, and management, and escalates it to the CEO in line with reporting standards.

Major Disaster Response System



Risk Management

Management Safety Inspections and Meetings

Hyundai Transys prevents accidents through weekly safety inspections led by the CEO and management, mitigating risk factors based on mutual cooperation between labor and management. In particular, we hold CEO Safety Meetings to increase management's involvement in health and safety and to prevent serious accidents. These meetings facilitate the company-wide sharing of timely safety issues and the development of improvement measures, which are then implemented through collaboration among relevant departments. These activities solidify a health and safety system that engages all employees, while raising safety awareness and expanding information sharing.



Logistics Safety Improvements

Hyundai Transys is implementing various improvement activities to prevent logistics safety accidents at its sites. To prevent collisions involving internal transport vehicles, we installed safety lights on 177 vehicles at the Seosan Plant (Jigok and Seongyeon). We also equipped all logistics vehicles—including forklifts, reach trucks, tow trucks, golf carts, and utility vehicles—with speed limiters to prevent speeding. In addition, we installed and continuously operate smart sensor-based hazard warning systems at 37 locations within the Seosan Plant to prevent accidents in blind spots. To restrict access to hazardous logistics areas, we have implemented measures such as designating Orange Zones, painting pedestrian walkways, establishing core safety rules, and posting safety signs.





Worker Safety

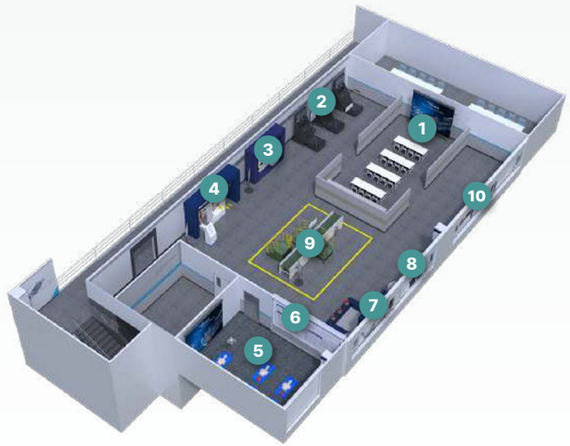
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Risk Management

Operation of the SHE Training Center

The 10 safety experience programs established at the Jigok Plant enable employees to indirectly experience major industrial accidents and recognize associated risks. Through stable operation, these programs are delivering practical training outcomes. As a result, 78% of Seosan Plant employees completed the training, with technical staff achieving a cumulative participation rate of 94%. A satisfaction survey also recorded an average score of 4.8 out of 5.0, reflecting high quality across facilities, content, and instructors. This experiential training strengthens employee safety awareness and compliance with on-site rules, contributing to reduced workplace accidents. Hyundai Transys plans to further expand the program to subsidiaries, including TRANIX.

SHE Training Center



❶ Theoretical Training	❸ Personal Protective Equipment (PPE)	❺ Health Zone	❼ Fire Extinguisher Experience	❾ Conveyor Entanglement
❷ VR Accident Simulation	❹ PPE Impact Experience	❻ Health and Safety Signs	❽ Three Hazard Points Experience	❿ Environmental Accident Information

Category	Training Content	
Ongoing	• Cumulative training completion rate: 78% (1,760 out of 2,240 employees at the Seosan Plant)	• Approximately 9-10 employees per session (90 minutes/session)
For new hires	• Separate sessions held as needed	• Integrated with onboarding training for general and research employees

Health and Safety Management System Operation Consulting

Hyundai Transys is conducting expert consulting on the operation of its health and safety management system in response to the Serious Accidents Punishment Act, reviewing and improving the organization, roles, procedures, and implementation required by law. Through this consulting, we review key requirements—including health and safety policies and objectives, roles and responsibilities of dedicated organizations and supervisors, hazard and risk management, emergency response, and employee feedback procedures—and reflect the results in internal regulations and procedures, strengthening safety management capabilities and enhancing on-site execution through clearer roles and collaboration.

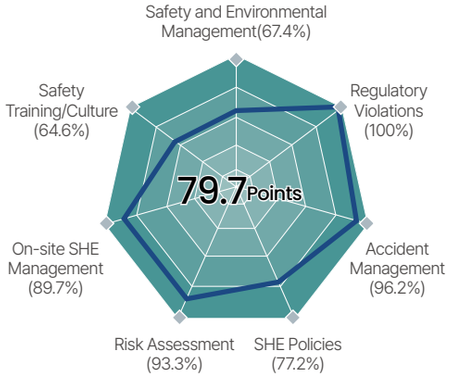
T-SCLA (Transys-Safety Culture Level Assessment) Program

Hyundai Transys operates T-SCLA, an in-house safety culture assessment program, to establish a leading indicator-based safety management framework beyond result-based evaluations. We have expanded the scope to include production and quality operations, and revised the assessment criteria to reflect practical factors such as inspections, training, and risk improvement activities. We also link the results directly to safety KPIs through graded scoring, ensuring each organization's safety culture is reflected in performance evaluation. Through these efforts, we strengthen safety management execution and promote a preventive, site-focused safety culture.



2025 Best Safety Culture Team Award

Rating by Category



Overall Rating



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Enhancing Safety KPIs

In response to the Serious Accidents Punishment Act, Hyundai Transys is transitioning its safety KPI system from lagging to leading indicators to better manage health and safety responsibilities of managers and supervisors. Based on consulting outcomes, T-SCLA results and legal duty evaluations are incorporated into KPIs to drive changes in safety awareness and management behavior. By allocating 2 of 10 KPI points to leading indicators, proactive safety activities and legal compliance are directly reflected, shifting the focus from post-incident results to prevention and strengthening on-site safety management.

ESG Management Committee			Leading/Lagging Indicators				
Injury Rate	Absenteeism Rate	Serious Accidents	T-SCLA (Transys-Safety Culture Level Assessment)	Statutory Job Evaluation	Injury Rate	Absenteeism Rate	Serious Accidents



Joint Labor-Management Safety Declaration Ceremony



Safety Mascot ZERO&BAEK

Enhancing Safety Support for Suppliers

Hyundai Transys strengthens the safety management of external asset and equipment partners by conducting inspections based on specialized consulting while providing financial support for safety improvements. Through external expert consulting, we review partners' response to the Serious Accidents Punishment Act and the status of their health and safety management systems, and link identified vulnerabilities to improvement tasks. Based on the results, we support high-impact prevention measures—such as safety railings, fences, and interlock and emergency stop systems—thereby reducing cost burdens and driving on-site risk improvement.

Safety Training for New Managers

Hyundai Transys provides safety training for new managers covering supervisory roles and responsibilities, on-site health and safety measures, and accident reporting and major disaster response procedures, strengthening their ability to fulfill their responsibilities and comply with legal requirements.

Labor-Management Safety Declaration and Safety Branding

Hyundai Transys held a Labor-Management Safety Declaration Ceremony at the Jigok Plant in May 2026 to build consensus on a safety-first culture and reinforce a safe workplace, with participation from management, the labor union, and government officials confirming shared responsibility and commitment through a declaration reading and signing ceremony.

In conjunction with the event, we introduced a safety brand, slogan, and mascot to promote a participatory safety culture, with the "ZERO & BAEK" brand representing zero accidents and 100% safety practice and delivering messages on risk prevention and compliance with safety rules.

Risk Assessment

Hyundai Transys conducts regular risk assessments twice a year to identify hazard and risk factors across plants and R&D centers and continuously reduce risks to improve safety levels. In the second half of 2025, assessments were completed across all domestic plants and R&D centers, identifying a total of 8,550 hazard and risk factors, including 293 high-risk cases requiring permits, with improvements completed for the majority of cases.

For identified hazard and risk factors, we establish response plans by short-, mid-, and long-term measures and regularly monitor implementation, verifying effectiveness through reassessment. The results are shared with all employees to raise safety awareness, while continuous, participation-based improvement activities are promoted to create a safer and healthier working environment.

Category	Assessed Hazards	Risk Level 1 - 8 points	Risk Level 9+ points	Improvement Progress			
				Completed	In Progress	Improvement Rate	Improvement Deadline
Jigok Plant	2,436	2,236	200	190	10	95%	2026 Q2
Seongyeon Plant	634	597	37	37	0	100%	
Hwaseong Drivetrain R&D Center	4,099	4,051	48	47	1	97%	
Dongtan R&D Center	1,381	1,373	8	4	4	50%	
Total	8,550	8,257	293	278	15	94%	

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Potential Hazard Identification

Hyundai Transys operates the T-SHE (Transys Safety, Health, and Environment) system to continuously collect employee feedback on hazard and risk factors and systematically promote hazard identification activities. Through the T-SHE mobile system, we acquire on-site information in real time and encourage participation by deploying QR code posters at key locations, enabling proactive management of risks.



QR Code Sign for Potential Hazard Identification

Health and Safety Grievance Handling System

Hyundai Transys operates various channels, including grievance handling systems, to systematically collect and promptly address health and safety-related concerns from employees and contractors. We operate an Occupational Health and Safety Committee on a quarterly basis, expanding employee participation in health and safety decision-making and strengthening the protection of workers' rights. We also identify on-site hazards through employee feedback, deriving 58 improvement tasks, of which 56 (97%) have been completed, with the remainder scheduled for completion in 2026.

Hyundai Transys actively manages and improves health and safety concerns for all employees, including contractors, through reporting channels, internal consultative bodies, and joint inspections. As a result, 223 (94%) of 238 identified improvement tasks have been completed, with the remaining tasks under implementation. We will continue to strengthen a safe working environment by proactively identifying on-site risks and carrying out systematic improvements based on continuous communication with employees and contractors.

Operation of the Occupational Health and Safety Committee

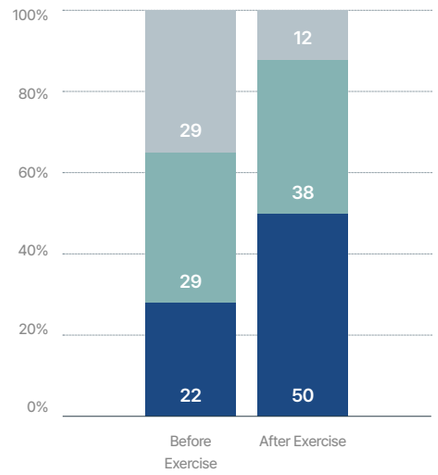
Frequency	Quarterly
Employer Representatives	• Chief Health and Safety Manager, Safety Executives/Team Leaders, etc.
Employee Representatives	• Labor Union Branch President/Vice President, Director of Occupational Health and Safety, etc.
Key Agenda Items	• Implementing Locks and Access Restrictions at the Plant 1 Rear-Wheel Shipping Area

Employee Health Management Program

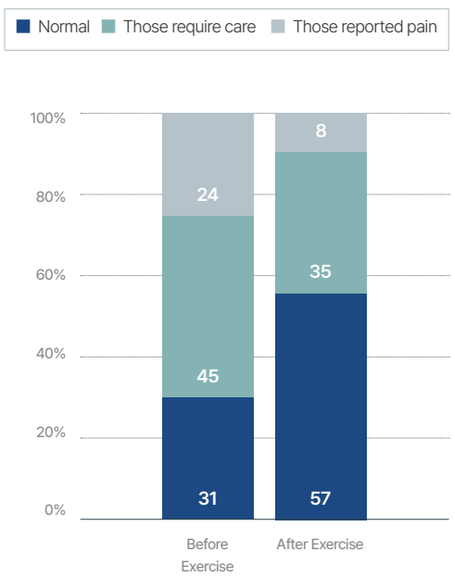
① Musculoskeletal Disorder Prevention Exercise Program

Hyundai Transys operates an exercise program to prevent musculoskeletal disorders and promote employee health recovery. The program consists of three categories—on-demand counseling, regular exercise, and intensive care—targeting employees experiencing pain during work, those with mild conditions requiring regular care, and those with severe conditions needing rehabilitation. Through this initiative, Hyundai Transys provided 7,113 customized care and exercise sessions to a total of 1,298 employees. The program successfully demonstrated the effectiveness of prevention-focused health management across both worksites.

Jigok Plant



Seongyeon Plant



Worker Safety

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Risk Management

② Smoking Cessation Program

Hyundai Transys operates a 1:1 smoking cessation clinic to promote a smoke-free culture and healthy working environment across its sites. Conducted twice a year at the Jigok and Seongyeon plants, this 100-day program monitors participants' smoking status while providing cessation aids and counseling as needed. Continued abstinence is verified, and incentives are offered to encourage participation. In 2025, 36 employees participated, with 16 successfully quitting, resulting in a 45% success rate.

③ Cerebrovascular and Cardiovascular Disease Prevention Campaign

Hyundai Transys operates prevention and follow-up programs for high-risk groups to raise awareness of cerebrovascular and cardiovascular diseases and promote continuous health management. Employees assess vascular health through basic indicators such as blood pressure and blood sugar, and receive personalized plans based on 1:1 counseling and health records. Education on lifestyle, nutrition, and prevention guidelines is provided, with monthly monitoring to track health changes. These efforts help prevent disease onset and progression among high-risk groups while enhancing overall workplace health management.



Publishing Health Handbooks for Cerebrovascular and Cardiovascular Diseases

Metrics & Targets

Hyundai Transys establishes annual occupational health and safety goals, implements related initiatives, and monitors performance. To reduce injury and absenteeism rates by 10% year-on-year, we strengthen safety management by managing major incidents, ensuring regulatory compliance, minimizing hazards, and sharing performance results. In particular, we have enhanced our safety metric system by adding TRIR and OIFR to LTIFR, enabling more systematic accident prevention through monitoring of these three key indicators. Additionally, we are strengthening the operation of safety KPIs to drive further improvements.

Key Changes

2023	2024~2025
5% decrease in injury and absence rates year-on-year	10% decrease in injury and absence rates year-on-year

Expanded ESG Safety Metrics	• From 2024, expand safety KPIs from LTIFR to include TRIR and OIFR • Move beyond incident frequency to also assess severity and organizational safety levels
Increase in CSO Safety Evaluation Weight	• From 2024, increase the weighting of CSO (Chief Safety Officer) safety evaluations from 5% to 10%
Introduction of T-SCLA Indicators	• Reflect T-SCLA (Transys Safety Culture Level Assessment) results in KPIs • Strengthen the assessment system, including checklist revisions, and continue operation from 2025

Key Safety Management Indicators

Data Scope: Domestic Sites

Category		2025 Performance	2026 Target
Serious Accidents	Fatalities (Employees)	0	0
	Fatalities (Suppliers)	0	0
Safety Incidents	Accident Rate	59.99‰	53.99‰
	Absence Rate	8.35‰	7.51‰

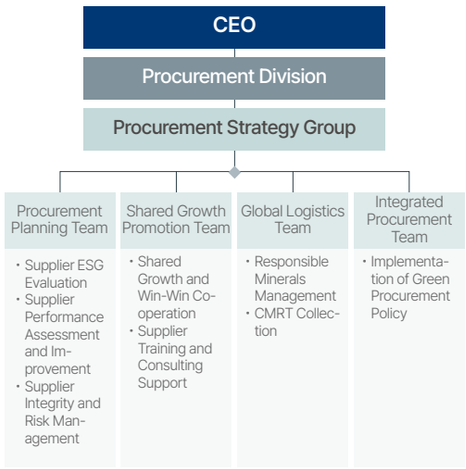
Supply Chain Management

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Governance

Hyundai Transys operates a company-wide supply chain management system to ensure the stable supply of powertrain and seat components to domestic and overseas OEM plants, focusing on mid- to long-term strategies, response to supply chain issues, supply chain ESG management, and win-win cooperation with suppliers, thereby establishing a sustainable supply chain framework.

In response to increasingly stringent global supply chain regulations, we are strengthening our supply chain ESG management system, led by the procurement organization. ESG performance and key issues are regularly reported to management to enhance company-wide decision-making. In addition, we promote shared growth through supplier training and support programs, while the Global Logistics Team operates responsible sourcing processes to monitor supplier-related issues. We also implement green procurement policies and require recurrence prevention pledges to ensure responsible supply chain management.



Strategy

Hyundai Transys has established supply chain ESG strategies to strengthen sustainable supply chains through responsible sourcing, enhancement of ESG capabilities, and promotion of shared growth. We select key suppliers based on transaction scale, core technology, and growth potential, and prioritize ESG improvement activities and collaboration with these partners.

As of 2026, Hyundai Transys engages with 759 domestic suppliers, of which 32 core partners are prioritized for ESG management and improvement activities, with the scope of engagement gradually expanding.

Supplier Code of Conduct

Hyundai Transys has established a Supplier Code of Conduct covering key ESG elements—including ethics, environment, labor and human rights, and health and safety—to define suppliers' responsibilities and provide guidance on supply chain standards. The Code was revised in 2024, with a second revision planned for 2026 to expand mineral management and reflect domestic regulations.

The Code is publicly disclosed and used to regularly review suppliers' ESG implementation, with follow-up improvements carried out in collaboration where needed.

Supply Chain ESG Strategy

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 • Establish green procurement policies • Expand green procurement **Responsible Minerals Policy** • Manage suppliers' conflict minerals • Declare compliance with responsible sourcing	**Providing ESG education for partner companies** • Supplier Code of Conduct • ESG training programs for suppliers **ESG assessment system for partner companies** • Expand ESG assessments globally • Conduct ethics and safety evaluations for new suppliers	**Expanding shared growth policies** • Implement Shared Growth Program (3C-Growth) • Strengthen communication channels **Supporting enhanced business partner competitiveness** • Provide opportunities for market expansion and sales growth • Implement safety and technical support programs

Ethics			Health and Safety		
• Transparency and anti-corruption • Prevention of conflicts of interest • Prevention of unfair trade	• Prevention of bribery • Compliance with export controls and economic sanctions	• Information security • Protection of intellectual property • Responsible sourcing	• Establishment of health and safety management systems • Machinery and equipment safety management • Emergency response	• Accident management • Safety inspection • Health management	• Contractor health and safety
Environment			**Management System**		
• Environmental management systems • Energy use and GHG emissions • Water management	• Air emissions management • Waste and hazardous substances management • Chemical substance management	• Biodiversity protection and no deforestation	• Corporate disclosure • Appointment of responsible personnel • Risk assessment and monitoring • Training and communication	• Information management • Grievance handling systems • Supplier management (including subcontractors)	• Compliance
Energy use and GHG emissions			**Supply Chain Due Diligence**		
• Prohibition of child labor • Prohibition of forced labor • Non-discrimination	• Wages and benefits • Labor relations • Humane treatment	• Freedom of association • Ethical recruitment	• Identification and assessment of supply chain ESG risks • Monitoring of high-risk suppliers • OECD due diligence processes		

Hyundai Transys Supplier Code of Conduct

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Strategy

Supplier GHG Emissions

Hyundai Transys collects greenhouse gas (GHG) emissions data from suppliers to strengthen its supplier emissions management system. The data is systematically aggregated through a process of distributing collection templates, reviewing submissions, requesting revisions, and finalizing results. Through this initiative, emissions data for 165 out of 166 target suppliers has been successfully completed, establishing a foundation for managing supplier emissions. In 2026, Hyundai Transys plans to expand the data collection scope from a single representative site per supplier to all supplier sites, while also providing emissions verification support for selected suppliers. In the mid- to long term, we will establish supplier emissions reduction targets and incorporate them into relevant policies. We will also continue to enhance our management system by introducing a supply chain carbon emissions management system to improve data integrity.

* One supplier did not provide data in accordance with its corporate policy.

Shared Growth

Hyundai Transys recognizes suppliers as key partners in realizing a shared vision as a global leader in the automotive components industry and pursues shared growth as a core management value based on fair trade and compliance. We operate a management system covering the entire transaction process—including fair supplier selection and registration, clear contract standards, systematic compliance with document issuance and retention requirements, and internal review procedures—to enhance fairness and transparency in subcontracting and strengthen a sustainable, trust-based partnership with suppliers.

Establishing Fair Trade Practices	Fair Subcontracting Practices	Shared Growth with Suppliers

Recognition as a Leading Company in Shared Growth

Hyundai Transys has been recognized as a leading company in shared growth, achieving the highest rating for 11 consecutive years in the Shared Growth Index assessment conducted by the Korea Commission for Corporate Partnership—the first in the automotive components industry. Hyundai Transys has also maintained its status as a "Most Honorable Company" for eight consecutive years, an honor awarded to companies that achieve the highest rating for three consecutive years. These achievements reflect our continued efforts to enhance transparency in subcontracting and foster shared growth with suppliers. We will continue to promote shared growth initiatives to create sustainable value.

Training for Procurement Staff

Hyundai Transys provides training for procurement staff to strengthen sustainable supply chain management capabilities. In 2025, training focused on preventing unfair trade and promoting responsible sourcing in transactions with suppliers, enabling staff to incorporate supply chain risk management and responsible decision-making from a sustainability perspective into their operations. As of 2025, over 90% of all procurement personnel completed the training.

2025 Procurement Personnel Training Performance

Education Program	• Procurement Division Transparency and Ethics Training (4 Sessions)
Target Participants	• Procurement Planning Team, Integrated Procurement Team, and other procurement staff
Completion Rate	• 100%

3C-Growth Program

Hyundai Transys operates the "3C-Growth" program, a customized shared growth program for suppliers, to build a sustainable future mobility ecosystem. The program is structured around three core pillars—Collaboration, Coexistence, and Community—to support the growth of suppliers and strengthen a resilient and sustainable supply chain.

Under Collaboration, we support stable business operations through financial, training, safety, and welfare programs. Under Coexistence, we enhance suppliers' competitiveness through global expansion support, R&D, and consulting. Under Community, we strengthen trust-based partnerships by operating communication programs and performance-sharing initiatives. Through these efforts, we improve the consistency and effectiveness of supplier support while expanding the foundation for suppliers' capability enhancement and value creation through close collaboration.

3C-Growth Program



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Strategy

Strengthening Collaboration

Hyundai Transys operates various financial support programs to support suppliers' stable business operations and supply chain management. To improve liquidity, we operate a shared growth fund of KRW 79 billion, and provide full cash payments for deliveries from small and medium-sized suppliers with annual sales of less than KRW 100 billion. We also reduce financial burdens through early payments of delivery fees and development costs during peak periods, and support stable cash flow for lower-tier suppliers through a shared payment system. Through these efforts, we enhance suppliers' financial stability and strengthen the foundation for stable supply chain operations.

Sustainable Growth (Coexistence)

Hyundai Transys operates various support programs to strengthen suppliers' sustainable growth by covering global market expansion, management capability building, and safety and technology protection. We support new business opportunities and overseas expansion through online sourcing consultations and meetings with overseas buyers, enabling 35 suppliers to enter overseas markets in 2025. We also enhance suppliers' capabilities through ESG and occupational safety consulting, as well as industry-specific technical support. In addition, we reinforce safety management foundations and technology protection systems by supporting the establishment of health and safety management systems and operating technology escrow and patent protection programs.



Hungary Market Exploration Team

Strengthening Communication (Community)

Hyundai Transys operates various communication programs to enhance mutual understanding with suppliers and strengthen trust-based partnerships. Through its "on-site service" program, which involves visiting about 250 suppliers each year, we listen to suppliers' concerns and develop practical solutions to build trust. In addition, we hold an annual Partners Day to share shared growth strategies and key initiatives with supplier management and discuss cooperation plans. In 2025, 112 supplier representatives participated, further strengthening the shared growth partnership through the sharing of future strategies and recognition of outstanding suppliers. We will continue to foster a sustainable supply chain ecosystem through diverse communication channels.





2025 Partners Day

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Risk Management

Supplier Evaluation and Selection

Hyundai Transys identifies and manages ethical and ESG risks that may arise throughout transactions with suppliers in advance to promote responsible business practices. To this end, we assess suppliers' ethical and compliance levels—such as corruption and bribery risks—during the supplier registration process, reflecting the results in our operations to continuously enhance integrity management and establish a fair and transparent transaction culture. Based on assessment results, suppliers within the lowest 20% are classified as "fail" and required to undergo re-evaluation for registration. Since 2023, ESG assessment results have also been incorporated into procurement policies, restricting bidding for suppliers identified as high-risk for two consecutive years, thereby strengthening risk-based supplier management. Through this evaluation and management system, we regularly monitor key ethical compliance and ESG risks of suppliers and will continue to advance fair and transparent supplier selection and responsible supply chain management.

Key Evaluation Criteria

Environmental

Environmental Management Practices
- Environmental management Climate Change
- Climate change response
- GHG emissions and energy management

Pollution
- Water (freshwater) management
- Chemical management
- Air emissions

Water and Marine Resources
- Marine and coastal resources

Biodiversity and Ecosystems
- Biodiversity
- Endangered species

Resource Use and Circular Economy
- Waste management

Social

Human Rights Management
- Human rights and discrimination
- Child labor
- Working conditions and labor rights
- Living wages

Supply Chain
- Supply chain management
- Raw material sourcing

Health and Safety Management
- Health and safety
- Employee welfare support

Governance

Ethical Management
- Corporate ethics
- Anti-corruption
- Information security

Expanding the Scope of Supplier ESG Evaluations

Hyundai Transys conducts supply chain ESG evaluations targeting key suppliers that operate domestic production facilities and maintain a certain level of transaction volume, to enhance the effectiveness of supply chain ESG risk management.

Prior to the evaluations, we provide ESG and carbon neutrality training, along with an overview of the assessment framework, via the third-party verification body, KMBridge Foundation, to support suppliers' understanding and participation.

Supply chain ESG evaluations have been gradually expanded since their pilot introduction in 2021 with 15 suppliers, and in 2025 the scope was extended to 166 suppliers, continuously broadening the coverage each year.

Category	Unit	2023	2024	2025
Document-based assessment	No. of companies	182	165	166
On-site audit (high-risk suppliers)	No. of companies	36	15	9

Hyundai Transys is gradually expanding the scope of supply chain ESG management to overseas operations in line with the expanding pool of evaluated suppliers. Following the expansion of ESG assessments to European entities in 2024, we extended the scope to North America in 2025 by providing ESG training to U.S.-based powertrain and seat entities and conducting pilot assessments for local suppliers.

In 2026, we plan to further expand the evaluation scope by initiating pilot assessments in Mexico and will continue to enhance supply chain ESG risk management across the entire value chain.

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Supplier ESG Evaluation Process

Hyundai Transys manages supplier ESG risks through a structured evaluation process consisting of self-assessments, high-risk supplier identification, on-site audits, and corrective actions. The process enables the systematic identification and assessment of supplier ESG risks while supporting continuous improvement in key risk areas.

On-site audits are conducted by an independent third-party organization, the KMBridge Foundation, with procurement representatives accompanying audits for selected suppliers. The Procurement Planning Team subsequently monitors the implementation of corrective actions based on the evaluation results.

Additionally, Hyundai Transys provides on-site training to selected suppliers requiring improvement support to improve understanding of key ESG requirements and areas for improvement, thereby strengthening ESG management capabilities.

Document-Based Assessment	• Suppliers submit questionnaires and supporting documents through an online system covering Ethics, Environment, Labor & Human Rights, Health & Safety, and Supply Chain
High-Risk Supplier Identification	• Conduct document-based evaluations based on submitted responses and supporting evidence • Identify high-risk suppliers in accordance with internal criteria
On-site Audit	• Conduct on-site audits through an independent third-party organization (the KMBridge Foundation) and review results • Provide ESG-related training • Share best practices and assign short-term corrective actions
Monitoring & Corrective Actions	• Monitor the implementation of corrective actions to enhance supplier ESG capabilities • Share ESG regulations, trends, company ESG policies, and support programs
Corrective Action Verification	• Verify the completion of short-term corrective actions based on third-party evaluation results

Details of Improvement Measures

Hyundai Transys implements improvement activities that reflect ESG-related regulations and trends, as well as its ESG policies, focusing on high-risk suppliers identified through supplier ESG assessments. Improvement support is prioritized based on assessment results, and implementation progress is continuously monitored to strengthen suppliers' ESG capabilities.

In 2025, improvement measures were carried out for high-risk suppliers, resulting in an improvement rate of approximately 80%, thereby contributing to the mitigation of ESG risks across the supply chain.

Category	Overall Average Score	High-Risk Supplier Average Score		
		Before Improvement	After Improvement	Improvement Rate
2023	67.6	30.4	47.0	55%
2024	59.5	20.3	36.1	78%
2025	62.8	24.4	44.0	80%

In 2025, key ESG risk and improvement areas were identified across major domains such as human rights and the environment. Key improvement areas included labor-hour management systems and greenhouse gas emissions management. Hyundai Transys supported suppliers in improving their actual implementation levels through activities such as requirement sharing, guidance on management criteria, best practice sharing, training, and short-term action plans.

Vulnerable Areas	Current Status	Actions Taken
Human Rights	• Inadequate labor-hour management system • Lack of overtime-related policies	• Provided Best Practice Guide by Assessment Item - Area-specific management policies and procedures - Current activities and management practices - Improvement and corrective action cases • Delivered Improvement Point Training - Short- and medium-term improvement opportunities by indicator - Reference materials and relevant websites
Supply Chain	• No supplier code of conduct • ESG assessment results not reflected in procurement policies	
Ethics	• Inadequate management of ethics reporting channels	
Safety	• Insufficient industrial accident prevention activities	
Environment	• Inadequate GHG emissions management and monitoring • No waste management policy or management plan	

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Risk Management

Responsible Minerals Management

Responsible Minerals Management System

Hyundai Transys recognizes responsible minerals management as a key element of supply chain risk management and operates a due diligence system in line with international standards and regulations.

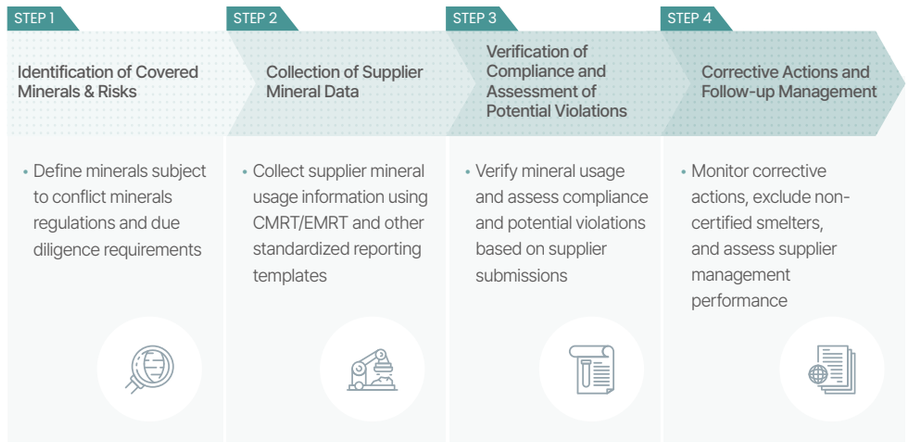
We identify and manage responsible minerals-related risks across the supply chain to promote responsible sourcing and mitigate associated environmental and human rights risks.

The system is supported by cross-functional collaboration, including the Procurement Planning Team and Global Logistics Team, and covers supply chain risk identification, supplier due diligence, and internal management processes.

In accordance with the OECD Due Diligence Guidance, we conduct regular due diligence to mitigate risks associated with conflict-affected and high-risk areas (CAHRAs), such as the Democratic Republic of the Congo (DRC).

The scope of managed minerals includes tin, tantalum, tungsten, gold (3TG), cobalt, and mica. To meet the requirements of the Responsible Minerals Initiative (RMI), we utilize the latest reporting templates to enhance responsible minerals management practices.

Responsible Minerals Supply Chain Risk Management Process



* CMRT(Conflict Minerals Reporting Template): A standard reporting template to verify the use of conflict minerals (tin, tantalum, tungsten, and gold) EMRT(Extended Minerals Reporting Template): A standard reporting template to verify the use of extended minerals such as cobalt and mica

Responsible Minerals Process

Hyundai Transys operates a responsible minerals risk management process to prevent the use of minerals sourced from conflict-affected and high-risk areas (CAHRAs) and ensure responsible supply chain management. Each year, we request suppliers to disclose the origin and sourcing information of responsible minerals through standardized reporting templates, including CMRT, EMRT, and AMRT. In 2025, reporting requests were issued to 69 suppliers identified as having potential responsible minerals risks, and responses were received from all requested suppliers.

Based on submitted data, we review suppliers' mineral sourcing practices and assess potential regulatory violations, including the use of minerals from high-risk areas. We utilize RMI reporting templates to enhance transparency and support effective due diligence across the supply chain.

Based on the assessment results, we conduct document reviews and risk analyses and link identified risks to on-site assessments and corrective actions where necessary. When supply chain risks are identified, we require suppliers to implement corrective measures and commit to recurrence prevention, while repeated violations may result in restrictions on future business transactions, including bidding restrictions.

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Metrics & Targets

Hyundai Transys establishes key performance indicators (KPIs) and targets for supplier ESG management and tracks performance accordingly. These metrics and targets are established based on past performance, including supplier ESG evaluation results and the status of assessed suppliers.

Hyundai Transys discloses performance and targets for each metric to ensure that suppliers clearly understand our ESG management direction and expected standards. We plan to continuously enhance supply chain ESG risk management across the value chain by expanding the assessment scope, including a pilot supply chain ESG assessment in Mexico in 2026.

Supplier Management Metrics

Category	Unit	2023[4]	2024[4]	2025		2026 Target	
				Domestic	Overseas[5]	Domestic	Overseas[6]
Supplier ESG Inspection Rate[1]	%	100	100	100	100	100	100
Supplier ESG Audit Rate[2]	%	100	100	100	100	100	100
Supplier ESG Improvement Rate[3]	%	100	100	100	100	100	100

1) Percentage of selected suppliers that underwent ESG assessment
2) Percentage of high-risk suppliers that underwent on-site ESG audits
3) Percentage of high-risk suppliers that implemented corrective actions
4) Scope: Domestic suppliers only
5) Overseas ESG assessment scope: Europe (Czechia, Slovakia)
6) Overseas ESG audit scope: Europe (Czechia, Slovakia), and the U.S. (Georgia Powertrain, Seat)

Supplier Code of Conduct Signatory Rate

Data Scope: Tier 1 domestic suppliers

Category	Unit	2025	2026 Target
Supplier Signatory Rate	%	95	98

Responsible Minerals Management Performance

Data Scope: Domestic Sites

Category	Unit	2023	2024	2025
CMRT Inspection Rate	%	100	100	100
No. of Suppliers Assessed	Companies	161	166	69[1]

1) Decrease in the number of assessed suppliers due to changes in supplier selection criteria

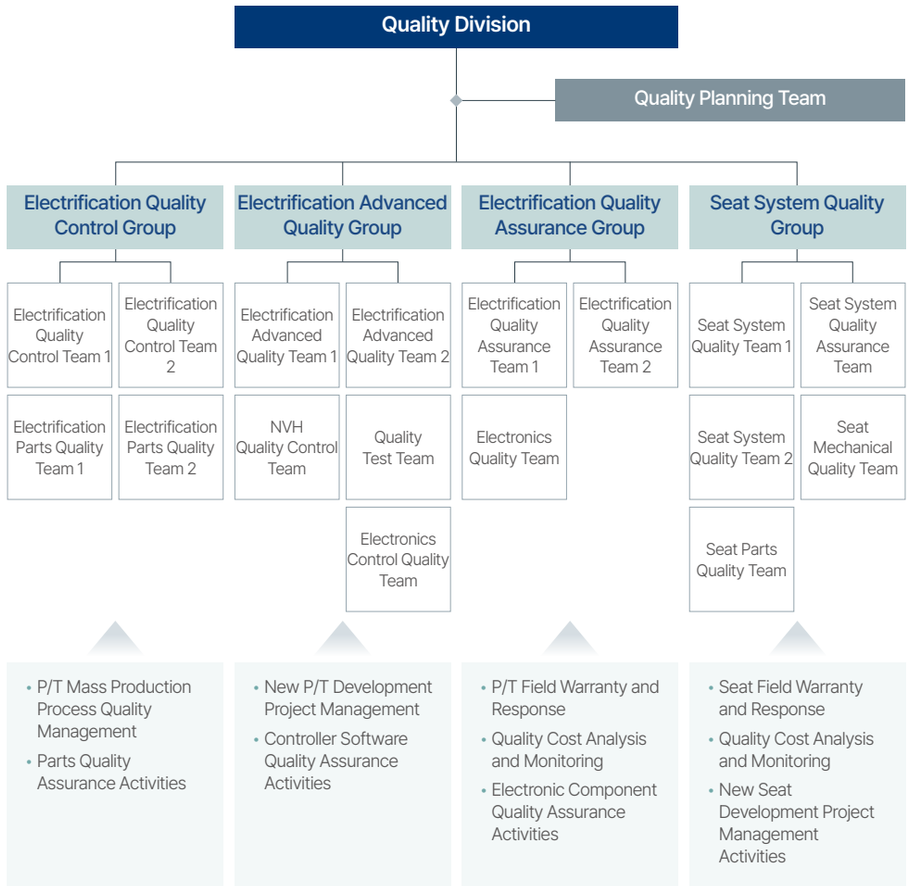
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Governance

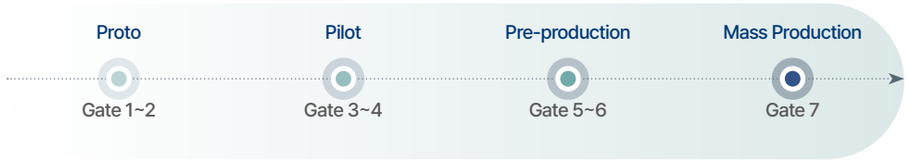
Hyundai Transys operates a process-based quality management system under the leadership of the Quality Division. The Quality Planning Team oversees company-wide quality strategy and management activities, while dedicated organizations manage quality throughout the product lifecycle, from development to production and field operations. We ensure cross-functional collaboration across all project stages to establish and operate a company-wide quality management system from product development to after-sales support.

Quality Division Organization Chart



Hyundai Transys operates a structured product safety and regulatory compliance verification process at each development gate. During the planning and design stages, we review regulatory requirements and incorporate lessons learned from past issues. During the prototype and testing stages, we verify component specifications through parts inspections, error-proofing, and validation of measurement systems. In addition, we establish and manage quality targets across all development stages, including products, software, manufacturing processes, and supply chains. Through these efforts, we proactively mitigate safety and regulatory risks throughout product development while ensuring product quality and reliability.

Product Safety Management Process



Proto Phase	• Selection of safety and regulatory special characteristics • Review of improvements based on issues from previous models • Parts inspection to prevent safety and regulatory issues
Pilot Phase	• Implementation of error-proofing in processes for safety and regulatory items • Verification of measurement systems for special characteristics • Verification of safety and regulatory compliance for parts and finished products
Pre-production	• Final verification of drawings, work standards, and processes • Re-inspection of safety and quality at major suppliers - Ensuring quality requirements and variation control for critical product and process characteristics

Consumer Safety and Quality

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Strategy

Hyundai Transys established its 2026 operational policy, "Prevention First, Cost Down, Global Trust," and prioritizes proactive, prevention-based quality activities to ensure the successful mass production and early stabilization of new projects and products while minimizing quality costs and strengthening competitiveness by embedding a prevention-oriented quality culture across all business sites and expanding company-wide participation, and further securing future growth through strengthened verification of electrified systems and controllers as well as DX-based quality improvement activities.

Quality Division Strategy and Goals

Prevention First, Cost Down, Global Trust

Proactive Global Quality Leadership	Focus on Quality Cost Reduction	Securing Future Growth Momentum
• Strengthen Pre-verification for New Projects • Ensure Successful Mass Production and Early Stabilization • Establish Overseas Quality Risk Mitigation System	• Company-wide Quality Cost Improvement • Secure Mass Production Quality to Enhance Customer Trust (TMED-II) • Strengthen Supplier Quality Level-up Activities	• Strengthen Verification for Electrified Systems and Controllers • Enhance Efficiency of DX-based Quality Improvement • Creating Change Together, One Team

Securing Quality Built on Integrity, Trust, and Accountability and Eliminating Quality Cost Risks

Hyundai Transys aims to ensure product safety by establishing safety internalization from the design stage as a core principle and systematically applying it across R&D and quality management.

STEP 1

Establishing a Design-Centered Safety Assurance System

- Reflecting functional safety requirements in design standards from the early stages of product development, and preemptively preventing product defects through prior risk assessment and design verification (DVP: Design Verification Plan)

STEP 2

Enhancing Simulation-Based Safety Verification

- Establishing a repeated verification system using crash, fatigue, and durability simulations to identify potential risks early and reflect them in design improvements through a proactive response system

STEP 3

Strengthening Internal Standards Based on Regulations and Technology Trends

- Continuously updating internal standards and test protocols by monitoring domestic and global safety regulations and customer certification requirements, and analyzing past accident cases and recall issues

Risk Management

Hyundai Transys performs systematic risk management activities to proactively prevent safety risks throughout the entire product lifecycle—from development and mass production to field operation—and conducts preemptive risk assessments based on FMEA to identify potential risks in advance, select critical characteristics, and carry out step-by-step quality verification across designs, processes, parts, and finished products; additionally, we minimize quality risks by strengthening preventive quality activities in mass production, specialized inspections of safety and security parts at suppliers, and support for improving supplier functional safety capabilities, while rapidly detecting and responding to safety and quality issues through field monitoring systems and part-to-vehicle lot traceability systems to ensure customer safety and product reliability.

Consumer Safety and Quality

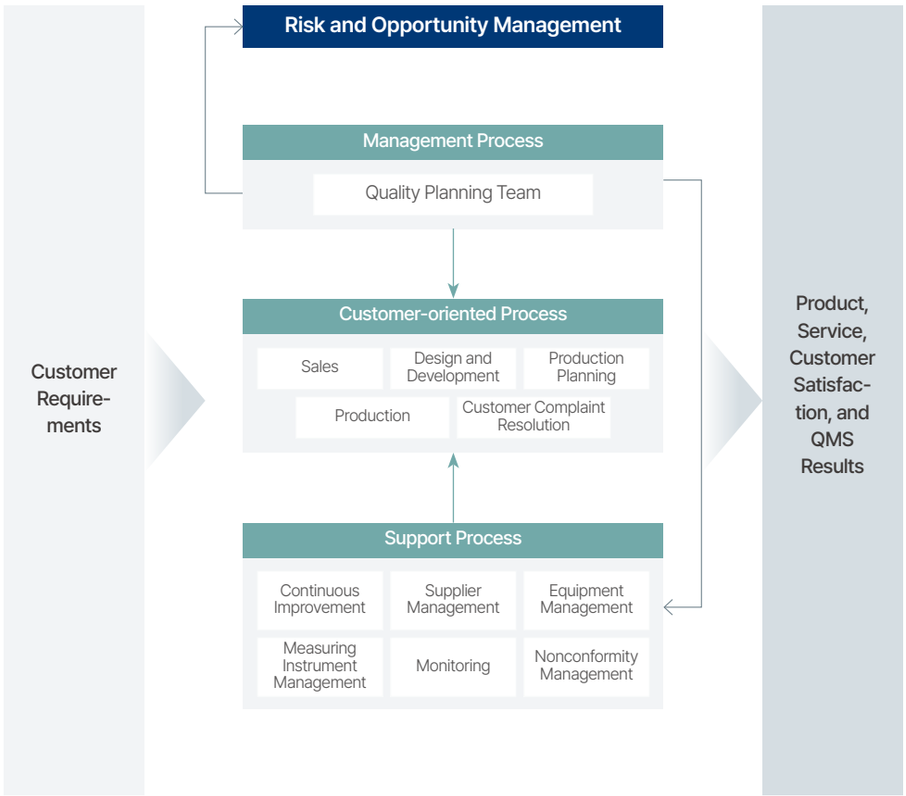
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Risk Management

Quality Management System

Hyundai Transys operates a process-oriented Quality Management System based on customer requirements. Upon receiving these requirements, Hyundai Transys establishes strategies and plans through the Management Process (MP), and executes key activities—such as sales, design and development, production planning, production, and customer complaint handling—through the Customer Oriented Process (COP). The Support Process (SP) supports the effective execution of the COP, generating outcomes including product and service quality, customer satisfaction, and QMS performance, which are then linked to the MP to drive continuous improvement.

Quality Management System



Quality Management System Certification

Hyundai Transys has established a global quality management system based on international standards across its global sites and continuously advances quality control capabilities, maintaining IATF 16949 certification at 5 domestic and 15 overseas sites as of 2025, with plans to expand certification to additional U.S. sites in 2026, while operating a VDA 6.3-based global quality system to meet European automaker requirements and integrating international standards and customer-specific requirements into its quality management processes to strengthen quality consistency and reliability across global production sites and achieve world-class quality competitiveness.

Category	Site	Certification Body	Expiration Date
Powertrain	Seongyeon Plant	KFQ	Jun 2028
	Jigok Plant	KFQ	Jun 2028
	Georgia P/T Subsidiary	BSI	Jul 2027
	Beijing P/T Subsidiary	SGS	Aug 2028
	Rizhao Subsidiary	SGS	Feb 2029
	Monterrey P/T Subsidiary	SGS	Jul 2028
	India AP P/T Subsidiary	TUV	Feb 2028
Seat	Asan Plant (Hyundai Mseat)	KFQ	Feb 2029
	Ulsan Plant (Hyundai Mseat)	KFQ	Feb 2029
	SCM Plant (Hyundai Mseat)	KFQ	Feb 2029
	Beijing Seat Subsidiary	TUV	Jun 2027
	India AP Subsidiary Seat Plant	TUV	Feb 2028
	India Chennai Subsidiary	DNV	Nov 2027
	Czech Subsidiary	SGS	May 2027
	Slovakia Subsidiary	SGS	Dec 2026
	Georgia Seat Subsidiary	UTAC	Dec 2027
	Illinois Branch	UTAC	Mar 2027
	Alabama Branch	BSI	Aug 2028
	Monterrey Subsidiary Seat Plant	DQS	Mar 2028
	Brazil Subsidiary	ABS	Nov 2027

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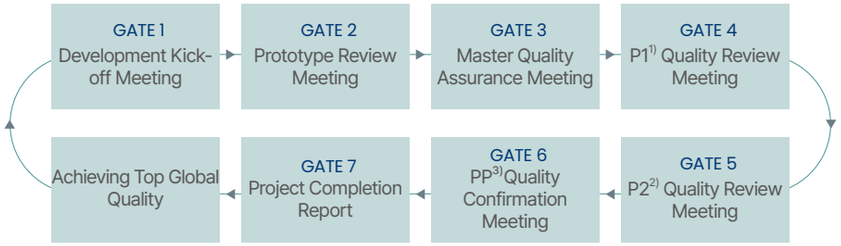
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Quality Management Process

Hyundai Transys strengthens quality processes at the development stage and operates a structured quality management process to secure mass production quality. We analyze global automakers' requirements and systematically manage performance and risk items for each process based on site-level standards, reflecting them in work standards to respond to global quality requirements.

Strengthening Quality Processes in Development

Hyundai Transys places the highest priority on human health and the environment throughout the seat development process. The adoption of eco-friendly materials goes beyond a trend, representing our responsibility and commitment to a better future.



1) P1 (Pilot 1): The phase of manufacturing initial pilot products using mass production molds and equipment to verify quality, assemblability, and performance.
2) P2 (Pilot 2): The phase of resolving issues identified in P1 and re-verifying quality and process stability under conditions close to mass production.
3) PP (Pilot Production): The trial production phase immediately preceding mass production, conducted under the same conditions as the actual mass production process to confirm mass production feasibility and final quality.

Reliability-based Quality Assurance Activities

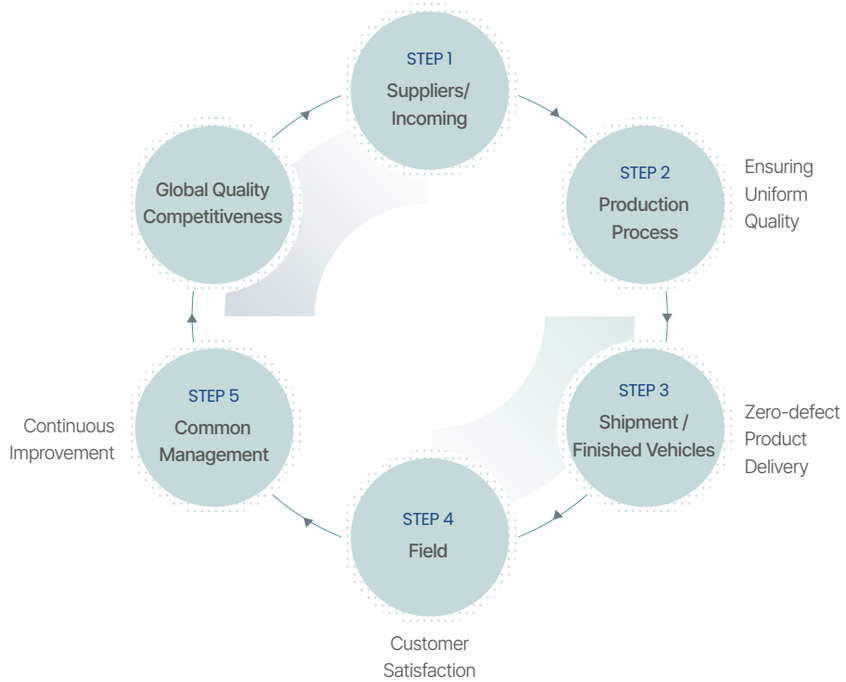
Hyundai Transys operates a quality risk management system across development, mass production, and field stages to prevent risks in advance and ensure product reliability. We analyze past quality issues and major failure cases to identify high-risk factors and reflect them in the design and process stages of similar and new models. In addition, we verify the resolution of past issues through validation in the mass production stage, thereby enhancing proactive response capabilities.



Strengthening Quality Processes in the Mass Production Stage

Hyundai Transys aims for defect-free production and has established essential quality activity standards across stages—from parts receipt to field operations—to ensure mass production quality. At our plants, we operate part-to-vehicle LOT tracking systems and leverage our TADA platform to build AI- and big data-driven quality systems, enhancing prevention-focused quality control. In addition, we operate a Self-Audit program to improve supplier quality and continuously monitor supplier systems, while strengthening global quality processes and advanced quality management systems to meet customer requirements and enhance overall quality assurance capabilities.

Quality Assurance Process for Mass-Produced Products



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Supplier Quality Management

Hyundai Transys operates integrated inspection manuals covering key areas—process control, basic quality, inspection, and cleanliness—to strengthen suppliers' independent quality management capabilities. Based on this, we support the establishment of supplier quality systems and enable Tier 1 suppliers to proactively assess and improve Tier 2 and 3 suppliers. We also conduct joint inspections with suppliers in weak areas to enhance execution, while improving overall supplier quality through the sharing of best practices. In addition, we perform targeted inspections for key parts suppliers and continuously advance corrective actions and recurrence prevention guidelines to strengthen supply chain quality stability and reliability.

Support for Supplier Quality Improvement	Targeted Inspection of Safety-Critical and Security-Related Parts	Parts Quality Assurance ahead of Time
• Tier 2/3 Self-Audit System : Strengthening independent quality management systems led by Tier 1 suppliers Tier 1 Suppliers Sub-suppliers (Tier 2 & 3) • Process-specific inspection manuals • Improvement guidance for high-risk Tier 2/3 suppliers • Best practice sharing	• Regular Supplier Audits : Based on standardized inspection manuals, we conduct evaluation of overall parts, key process control (heat treatment / machining / welding, etc.), mass production quality and inspection management, LOT traceability systems, and implementation of periodic reliability testing	• Proactive Improvement of High-Risk Parts Quality : Based on function-based risk analysis (VFEA), we manage function-critical suppliers (25 suppliers), analyze functions by part and link them to key control points, identify quality assurance items linked to MIP assembly connection, and establish quality assurance measures linked to vehicle functions

1) Validation of quality system based on Function & Effects Analysis

Quality System Advancement

Hyundai Transys is driving digital transformation based on AI and data to enhance production quality competitiveness, establishing a data-based quality response system using big data platforms and applying advanced analytics (AII/II) to proactively identify quality risks and improve response efficiency, while strengthening quality history management through hydraulic quality monitoring and anomaly detection systems based on EOL and process data and MES-based lot traceability, and enhancing data processing efficiency and response speed by implementing customer claim digitization and RPA-based automatic classification systems.

Employee Training for Quality Management Advancement

Hyundai Transys operates continuous training programs to enhance employees' understanding of quality systems and strengthen practical expertise to improve global quality management capabilities, conducting VDA-based automotive quality system training, problem-solving and quality management training, new employee quality system training, JD Power CQR (Customer Quality Report) seminars, and DX and new technology trend training to effectively respond to evolving global customer requirements and overseas operations, thereby strengthening responsiveness to global quality standards and market demands and improving execution capabilities across domestic and overseas sites, while continuously advancing the company-wide quality management system through systematic internal assessments and ongoing quality improvement activities.

Quality Competitiveness Excellent Enterprise Selection

Hyundai Transys has been consistently recognized as an Excellent Quality Competitiveness Enterprise at the National Quality Management Convention for outstanding quality management performance, a national event hosted by the Ministry of Trade, Industry and Energy and the Korean Agency for Technology and Standards and organized by the Korean Standards Association, and has received this recognition five times in 2019, 2020, 2023, 2024, and 2025, demonstrating external validation of its quality management capabilities, and will continue to strengthen AI- and big data-based preventive quality activities to secure quality competitiveness in the future mobility era.





Consumer Safety and Quality

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Safety & Regulatory Pre-validation Process

Hyundai Transys operates the Product Safety Manufacturing Certification (PSMC) process to prevent omissions of safety and regulatory requirements from the early stages of product development. Under this process, from Stage 0 to Stage 3, we review and approve safety and regulatory requirements at each stage, thereby proactively preventing potential quality risks and strengthening company-wide quality accountability.

Proto	Pilot	Pre-production	Mass Production
Gate 1~2	Gate 3~4	Gate 5~6	Gate 7
• Selection of safety and regulatory special characteristics • Review of improvements based on issues from previous models • Parts inspection to prevent safety and regulatory issues	• Safety/regulatory items incorporated into process E/Proof • Verification of special characteristic processes and measurement systems • Compliance verification for parts and finished products		• Final verification of drawings, work standards, and processes • Safety and quality re-inspection of key suppliers

FMEA (Failure Mode and Effects Analysis)-based Risk Response

Hyundai Transys proactively identifies and manages potential risks in product and process stages by conducting joint design and quality inspections using FMEA, focusing on factors affecting safety, regulatory compliance, performance, and functionality, while selecting and managing special characteristics for new products by incorporating new technologies and lessons from past cases, setting priorities based on Risk Priority Number (RPN), and integrating past issue cases into predefined quality assurance conditions through actual product verification.

Acquisition of ISO 26262 Certification

Hyundai Transys has designated the enhancement of company-wide functional safety capabilities as a key objective in response to stricter global customer safety requirements and expanding automotive functional safety regulations, advancing product development and management processes in accordance with ISO 26262 to secure the safety and reliability of powertrain products, obtaining ISO 26262 Functional Safety Management (FSM) certification for powertrain development processes in 2024, and maintaining and enhancing this certification system to further internalize functional safety capabilities.

ISO 26262, established by the International Organization for Standardization (ISO), is a global standard designed to prevent automotive accidents caused by component failures, and through this certification Hyundai Transys has achieved international recognition for its safety assurance system across the entire product development cycle, while building functional safety application systems across various powertrain types—including internal combustion, hybrid, and electric systems—and securing ASIL-D (Automotive Safety Integrity Level-D), the highest level, for key electronic components such as transmission, oil pump, and motor controllers, thereby strengthening global market competitiveness with products that meet the highest functional safety standards.


Certificate

Functional Safety Management

FS Management (TÜV Rheinland)
ISO 26262 - Road vehicles - Functional safety
A FSM 357

Certificate No. 968/A FSM 307.03/24
Certified Company & Location Hyundai Transys Inc.
95, Hyundaihe-ro, Hwaseong-si,
Gyeonggi-do, 18296,
Republic of Korea

Scope of Certification
ISO 26262-2:2018 (in scope): Management of functional safety
ISO 26262-4:2018 (in scope): Product development at the system level
ISO 26262-5:2018 Product development at the hardware level
ISO 26262-6:2018 Product development at the software level
ISO 26262-8:2018 (in scope): Supporting processes
ISO 26262-9:2018: ASIL-oriented and safety-oriented analyses

The Certified Company has successfully demonstrated during an audit process that a Functional Safety Management System has been established.

Maturity Level: Managed

Purpose of the audit is to obtain evidence of compliance with the organizational requirements related to the following standards: Management of Functional Safety, Documentation and Safety Lifecycle Processes according to the Scope of Certification up to and including Automotive Safety Integrity Level: ASIL D.
This covers Development of automotive of motor/inverter systems at System, Hardware and Software level (ISO 26262).
ISO 26262 Parts 2-7, 4-8, 9-1, 9-15 and 9-16 are excluded from certification.

As part of the audit process organizational and informational exchange / supply related to other respective Safety Lifecycle Phases between the Certified Company and its customer is considered.
This FSM Certification only refers to the listed company location and their involved departments, which comply with the organizational FSM requirements for the listed Scope of Certification. It does not replace any kind of product specific Confirmation Measures including product specific audits or assessments.

Validity
This certificate is valid until 2025-10-29

Cologne, 2024-10-29
Dipl.-Ing. (FH) Wolf Rückwart

TÜV Rheinland Industrie Service GmbH
Bereich Automotive
Funktionale Sicherheit
Am Grauen Stein, 51105 Köln

TÜV Rheinland Industrie Service GmbH
Automotive and Functional Safety
Am Grauen Stein
51105 Cologne - Germany

Certification Body Safety & Security for Automotive & Grid
Further information referring to the scope of certification, see https://www.tuvasi.com/. The issue of this certificate is based upon an evaluation in accordance with the Certification Program CERT A FSM 03.2020 in its actual version, whose fulfilment was successfully proved in an audit report. The requirements of ISO/IEC 17065:2012 are considered to be fulfilled according to DIN EN ISO/IEC 17065. The accreditation is only valid for the scope listed in the annex to the accreditation certificate D-ZE-11052-02-00.

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Metrics & Targets

Quality Management Indicators

Category		Unit	2023	2024	2025
Inspection	Compliance with Quality Rules	Cases	50	50	39
	Implementation of Corrective Action	Cases	50	50	39
Talent Development	Quality Management Training Hours	Hours	96	104	154
	Number of Employees Trained in Quality Management	Persons	176	611	68

Product Recall-related Indicators

Category	Unit	2023	2024	2025
Total Number of Voluntarily Recalled Products	Units	298,125	56,518	64,726
Total Number of Products Involuntarily Recalled	Units	0	0	0
Costs Incurred from Recalls During the Fiscal Year	KRW 100 million	48.0	20.1	33

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Human Rights Management

Governance

Hyundai Transys places the protection and respect of human rights as a core value and protects the rights of stakeholders across its business activities. Hyundai Transys operates an integrated framework across ESG, HR, labor relations, legal, procurement, and safety, identifying and managing human rights risks. Key issues are reported to top management and reflected in decision-making. We systematically manage major human rights issues through policy reviews, risk-based actions, and investigations and corrective measures.

Strategy

Human Rights Policy

Hyundai Transys recognizes respect for human rights as a fundamental management principle and strives to fulfill its responsibilities across all business activities. Hyundai Transys supports internationally recognized standards, including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the International Labour Organization Constitution, and OECD guidelines, and establishes a global human rights management policy based on these frameworks.

Hyundai Transys' human rights policy covers key issues such as the prohibition of forced and child labor, freedom of association and collective bargaining, and non-discrimination. The policy is regularly reviewed and applies to all employees, as well as domestic and overseas operations, subsidiaries, affiliates, and suppliers. Hyundai Transys also encourages all stakeholders to comply with the policy and aims to ensure that all workers receive a living wage by 2030 through systematic support.

Basic Principles of the Human Rights Policy

Article 1. Prohibition of Child Labor and Forced Labor
Article 2. Prohibition of Discrimination and Workplace Harassment
Article 3. Compliance with Working Conditions
Article 4. Humane Treatment
Article 5. Guarantee of Freedom of Association and Collective Bargaining
Article 6. Guarantee of Occupational Safety
Article 7. Protection of Human Rights of Local Residents and Vulnerable Groups
Article 8. Protection of Customer Human Rights
Article 9. Supply Chain Management
Article 10. Guarantee of Environmental Rights
Article 11. Compliance with Living Wage

D&I (Diversity, Equity, and Inclusion) Policy

Hyundai Transys has established and implemented a D&I policy to create an environment where all employees are respected without discrimination and to foster an organizational culture that values diversity and inclusion. This policy applies not only to the headquarters but also to all domestic and overseas business sites, and through the practice of ESG management, we aim to enhance our competitiveness based on diversity and inclusion.

Risk Management

Hyundai Transys conducts preliminary reviews before desk assessments and on-site inspections to identify and prevent human rights risks, analyzing internal and external data—including human rights reports, industry initiatives, regulatory cases, media reports, site interviews, and stakeholder feedback—to anticipate risks across employees, women, children, migrant workers, and local communities.

Hyundai Transys also uses human rights risk assessment and audit indicators based on business characteristics, conducting annual desk assessments across domestic and overseas sites to identify latent risks, structuring criteria by category and focusing on discrimination, harassment, restrictions on freedom of association, and safety concerns, and verifying risks through follow-up on-site inspections.

Human Rights Risk Assessment Process



Human Rights Risk Assessment Criteria

Category	Human Rights Management System		Human Rights Policy
Hiring / System Discrimination	• Non-discriminatory hiring practices		• Fair recruitment
Wages & Benefits	• Wages	• Working hours	• Benefits / Employee training
Humane Treatment	• Support for humane treatment		• Prevention of harassment
Freedom of Association	• Freedom of association & collective bargaining		
Forced & Child Labor	• Prohibition of forced labor		• Prohibition of child labor
Occupational Safety	• Compliance with workplace safety standards		• Protection of affected employees
Community / Customer Human Rights	• Protection of community human rights / asset management / customer & human rights protection		• Personal data protection

Human Rights Risk Assessment

Hyundai Transys identified an overall human rights risk level of "very low," with an average score of 1.2 out of 5 in the first half of 2025, and 96% of respondents indicated that human rights risks were "very low" or "low." To ensure reliability of desk assessment results, Hyundai Transys selects sites for on-site due diligence based on legal and regulatory environments, operational structures, workforce composition, and local community impacts. Sites where risks or adverse impacts are identified are prioritized for due diligence.

On-site due diligence is conducted by internal experts in HR, safety, and organizational culture, with external labor and legal specialists consulted when necessary. During site visits, Hyundai Transys reviews documentation on working conditions, inspects safety and environmental facilities, and interviews employees and site managers to collect grievances and examine human rights risks.

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Human Rights Management Education

Hyundai Transys provides regular training for all employees on workplace bullying, sexual harassment prevention, and disability awareness to foster a respectful workplace culture. We also provide human rights management education to enhance awareness, sharing our human rights management directions and implementation plans along with guidelines on prohibiting discrimination, recognizing violations, and encouraging risk reporting. Structured in phases, the education promotes the internalization of human rights values and strengthens employees' ability to identify and address risks, supporting a culture of respect for human rights and organization-wide risk prevention.

Human Rights Education Process

STEP 1

Understanding and Building Consensus on Human Rights Management

- Human rights management for all employees
- Provision of basic training

STEP 2

Internalizing Human Rights Management Systems by Area and Target

Advanced Training and Action Plans

- Human rights leadership and awareness enhancement for leaders
- Identification of regional human rights issues and prevention of discrimination in global roles
- Internalization and implementation of policies for customer-facing and operational staff

STEP 3

Assessing Human Rights Management Awareness and Practice Levels

- Assessment of implementation levels
- Continuous management of risk issues
- Identification and improvement

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. Reported cases are reviewed based on their characteristics, and relevant departments discuss appropriate corrective actions. For human rights violations, we investigate facts, identify root causes, and establish preventive measures in consultation with legal and related departments. Cases involving child or forced labor, violations of fundamental rights, or significant reputational risks are reviewed by the Ethical Management Committee to determine appropriate actions. Hyundai Transys protects the confidentiality of whistleblowers and reported cases and takes measures to prevent any disadvantage to reporting employees. Through these efforts, we aim to prevent human rights risks and foster a culture of ethics and diversity.

Grievance Handling Process

Submission	• Grievance received
Case Assignment	• Responsible personnel assigned based on business site
Fact-Finding	• Review with reporter, respondent, and witnesses
Corrective Action	• Reporter protection and investigation • Corrective action and result sharing
Follow-up Management	• Recurrence prevention • Outcome monitoring

Protection of Rights for Pregnancy and Childbirth

Hyundai Transys prevents any disadvantage related to pregnancy, childbirth, and childcare and operates various support programs to mitigate associated risks. We provide facilities such as nursing rooms and dedicated parking spaces, while supporting work–life balance through reduced working hours and parental leave programs. We also promptly incorporate legal amendments, fully implementing expanded measures in 2025, including extended reduced working hours, maternity and parental leave, and expanded miscarriage and stillbirth leave. In addition, we offer financial support for fertility treatments and share relevant guidelines with employees and related personnel upon pregnancy confirmation to ensure proper implementation and monitoring of rights protection.

Measures to Prevent Discrimination in Professional Development and Promotion

Hyundai Transys operates an MBO-based performance management system to ensure fairness in employee development and evaluation processes. Performance management is conducted through goal setting, mid-year review, evaluation, feedback, and final rating, with continuous communication between employees and supervisors to monitor progress. We allow adjustments to goals when needed to reflect changes in roles or work environments, ensuring evaluations are based on reasonable and transparent criteria. In addition, we enhance evaluator capabilities through training and guidelines, while incorporating diverse perspectives through leadership diagnostics and peer reviews, thereby supporting equal access to development and growth opportunities across the organization.

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Promoting Social Responsibility Based on Organizational Diversity

Hyundai Transys advances diversity and inclusion (D&I) initiatives to foster a discrimination-free hiring culture and fulfill its social responsibilities. We provide specialized training for interviewers to improve understanding of the Equal Employment Opportunity Act, interview errors, and prohibited questions, ensuring fair recruitment practices. We expand employment opportunities for socially vulnerable groups, including persons with disabilities and national merit recipients, through preferential hiring. As part of a systematic approach, we identified key challenges through consulting in 2023 and began hiring approximately five employees with disabilities. In 2024, we launched initiatives such as hiring disabled artists and supporting women with disabilities as nail technicians, adding about five more employees. We continued these efforts in 2025 while developing suitable roles to further expand employment opportunities. We will continue to foster an inclusive hiring culture where more talented individuals can grow with Hyundai Transys.



Artwork by Cha Jaesung: Plowing Ox



Artwork by Noh Kang-hyuk: Peony

Promoting Employee Resource Groups (ERGs)

Hyundai Transys operates employee resource groups (ERGs) to strengthen diversity and inclusion by bringing together employees with shared backgrounds—including persons with disabilities, veterans, women, and members of local communities—to promote communication and mutual understanding. In 2025, the women's ERG hosted an internal event celebrating International Women's Day, enhancing communication and a sense of belonging among employees, while external engagement activities further expanded positive impact to local communities. Hyundai Transys will continue to encourage interaction among employees with diverse backgrounds to strengthen diversity and inclusion across the organization.

Metrics & Targets

Hyundai Transys has established a mid- to long-term roadmap to advance human rights management and strengthen risk prevention. We will complete human rights risk assessments across all domestic and global sites and conduct on-site audits for identified risks to develop improvement measures. We will provide annual human rights training for all employees and continue enhancing practical content, including the prevention of workplace harassment, sexual harassment, and disability awareness. Regular training will also be expanded to all subsidiaries with clear guidelines on humane treatment. We will continue to strengthen human rights management capabilities by analyzing training effectiveness and sharing best practices.

STEP 0~2020
Introduction
- Establish human rights policy
- Establish human rights education process

STEP 1~2024
System Establishment
- Develop risk assessment checklist
- Conduct on-site human rights risk assessments

STEP 2~2025
Internalization
- Advanced human rights training for leaders
- Anti-discrimination training for global roles

STEP3~2026
Advancement
- Ongoing management of implementation levels
- Identify and improve human rights risks
- Provide regular training across all entities
- Analyze training outcomes and share best practices

Human Rights Management Metrics and Targets

Category		Unit	2023	2024	2025	2026 (Target)
Human Rights Risk [1]	Inspection Rate	%	70	100	100	100
	Audit Rate	%	100	100	100	100
	Action Rate	%	100	100	100	100
Human Rights Grievance Handling Rate[2]		%	100	100	100	100
Rate of Employees with Disabilities[2]		%	1.11	1.22	1.36	1.59

1) Based on sites subject to human rights risk assessment (5 domestic, 15 overseas)
2) Domestic Standards

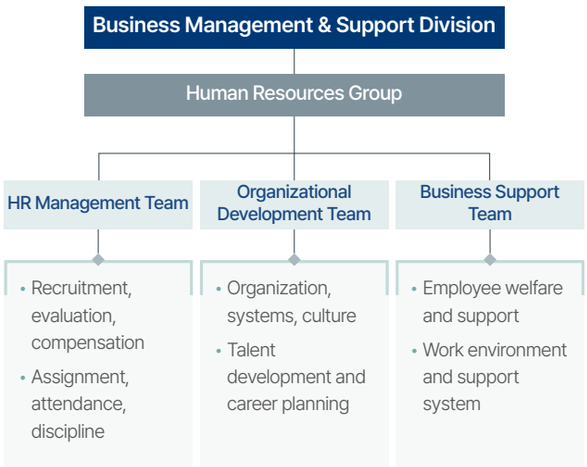
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Employee Working Conditions

Talent Acquisition and Development

Governance

Hyundai Transys operates its HR functions under the HR Office within the Business Management & Support Division to strengthen organizational competitiveness and establish a sustainable talent management system. The HR Office comprises the Organization Development, HR Management, and Business Support teams, which collaborate to enhance operational efficiency and ensure a stable working environment. The Organization Development team establishes HR systems, develops talent, plans career paths, improves organizational culture, and promotes new ways of working to support sustainable growth. The HR Management team manages recruitment, evaluation, compensation, assignment, attendance, and discipline, ensuring fair and consistent HR practices. The Business Support team oversees employee welfare and support, providing an environment that enables employees to focus on their work. Hyundai Transys systematically manages the entire HR process—recruitment, development, operation, and support—aligned with business strategy, and will continue to strengthen its talent management system to support both employee growth and organizational performance.



Strategy

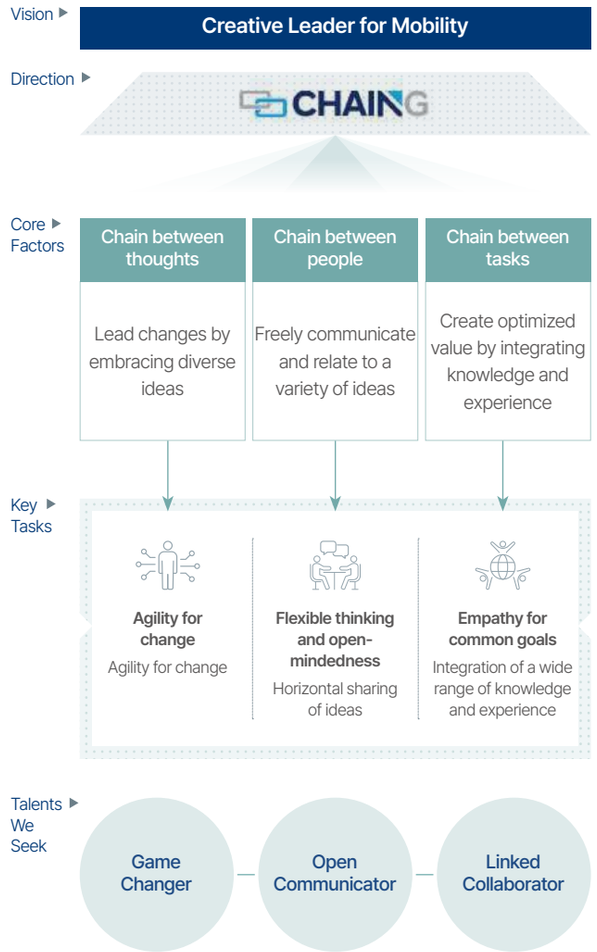
Talent Recruitment

Hyundai Transys recognizes human resources as a core asset and operates a talent management system to secure future technological capabilities and support sustainable growth. We continuously improve our recruitment process by defining competencies, qualifications, and technical requirements for each role and region. In the recruitment process, we ensure fairness and ethics by eliminating discrimination based on age, gender, origin, education, and nationality, and selecting candidates based on job-related capabilities. We also provide preferential hiring opportunities for protected groups, including persons with disabilities and national merit recipients, in accordance with relevant laws. We further strengthen transparency through interviewer training and enhance recruitment accessibility and fairness through platform improvements and data-driven analysis.

Talent Development

Hyundai Transys provides tailored training programs by position, function, and field to systematically develop employees' capabilities. These programs strengthen global competencies and job expertise while also supporting leadership development and improvements in work methods. We foster a participatory learning culture through initiatives such as coaching and case-sharing, supporting employees' growth and promoting a learning-oriented organization. We also align talent acquisition and development with mid- to long-term business strategies while continuously enhancing training systems. In addition, we conduct regular diagnostics, surveys, and communication activities to identify improvements and proactively manage workforce risks, thereby strengthening a stable and sustainable management framework.

Talent Development Strategy



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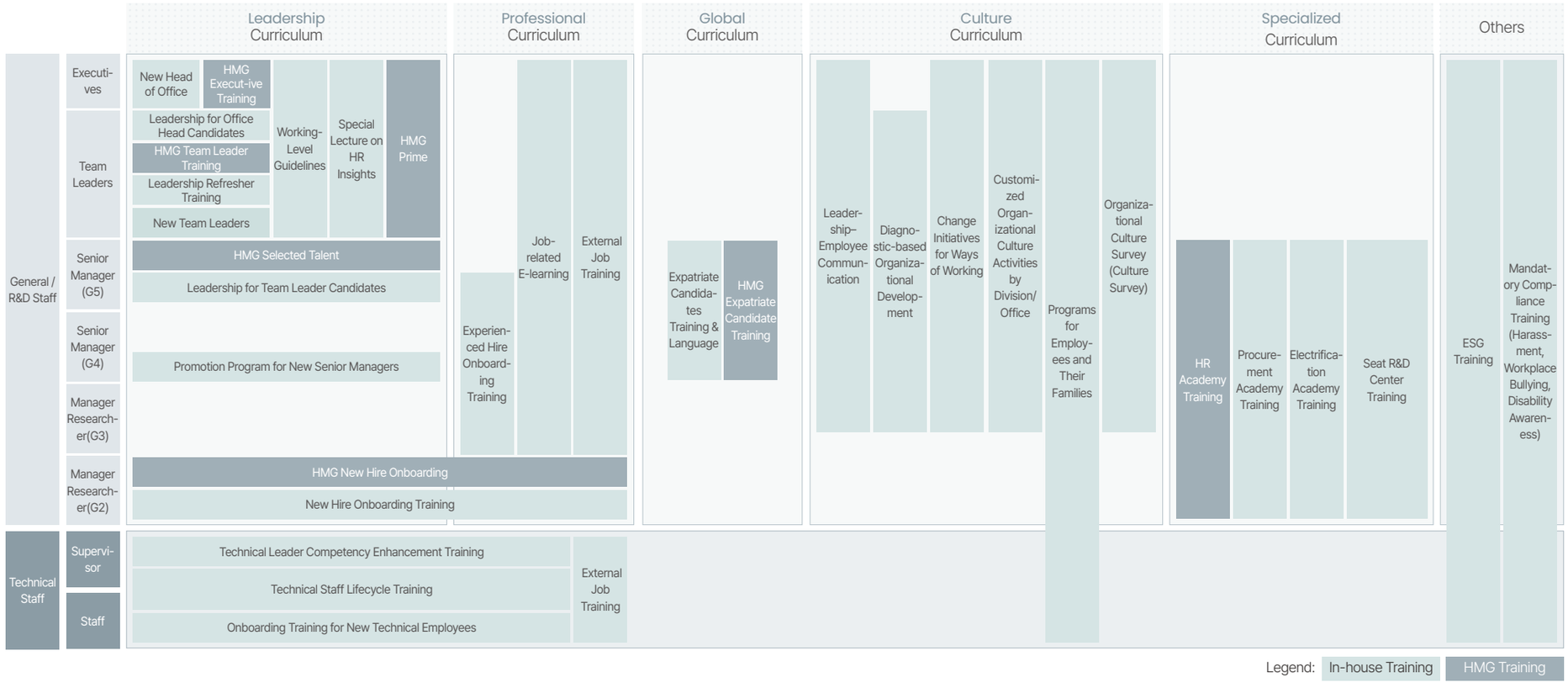
Strategy

Talent Development Strategy

Hyundai Transys enhances competency development systems by position to support employees' continuous growth and strengthen organizational competitiveness. We provide tailored training programs that reflect the roles, responsibilities, and career paths of each level—from executives and team leaders to senior managers and managers—while offering differentiated learning opportunities based on six core competency areas.



Our programs go beyond knowledge acquisition to strengthen practical job expertise and leadership capabilities required in the workplace. They are also designed to enhance performance and support mid- to long-term career development, enabling a virtuous cycle of both individual growth and organizational advancement.



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Strategy

New Employee Onboarding Training

Hyundai Transys provided onboarding training for 28 new employees in 2025 to support their understanding of the company and acquisition of essential competencies. Based on a curriculum aligned with actual work processes, the program includes task simulations covering overall workflows as well as coaching by senior employees to support early adaptation. We continue to refine the program to ensure smooth role adaptation while systematically managing learning data accumulated during training to enhance effectiveness.

Re-tension & Motivation Program for First-Year Employees

Hyundai Transys operates a Re-tension & Motivation program for employees in their first one to two years to foster a global perspective and proactive mindset. In 2025, 90 employees participated, focusing on identifying organizational issues and developing practical solutions through activities such as expatriate interviews, production line tours, and global company visits. Based on these experiences, participants carried out projects linked to organizational priorities, including improving work efficiency, enhancing collaboration, and reducing costs, and shared outcomes across the organization. Hyundai Transys will continue to strengthen the program to support adaptation and growth.



New Hire Project Execution Course



New Hire Local Company Tour

Onboarding Program for Experienced Employees

Hyundai Transys has enhanced its onboarding program to support the rapid adaptation and performance of experienced hires. The program improves understanding of the organization, builds collaboration networks, and enables early use of internal systems, supported by essential briefings, one-on-one mentoring, and task-based networking activities. We also provide foundational training on systems such as MS 365 to improve efficiency and performance, and will continue refining the program to accelerate integration and capability development.

New Team Leader Training Program

Hyundai Transys operated an internal training program for newly appointed team leaders to build role awareness and acquire essential knowledge for organizational management. In 2025, 14 new team leaders participated, and the program covered key topics such as roles and responsibilities, business objectives, budget planning, cost execution, approval authority, HR systems, organizational culture, and team member development.

Participants gave positive feedback, highlighting the practical content and useful Q&A sessions. The program helped clarify challenges in new roles and establish the necessary knowledge, mindset, and core leadership principles. Hyundai Transys will continue to improve the program by promoting best practice sharing with experienced team leaders, strengthening case-based content, and enhancing team management and leadership capabilities.

Training Program	Participants	Period
New Hire Onboarding Training	28 persons	October 27-31, 2025
Re-tension & Motivation	90 persons	[1st] October 20-24, 2025 [2nd] October 27-31, 2025
Experienced Hire Onboarding Training	8 persons	[1st] December 15-16, 2025 [2nd] December 22-23, 2025
New Team Leader Training Program	14 people	January 15, 2025

Personal Development Training for All Employees

Hyundai Transys operates various personal development training programs to strengthen employees' job expertise and global capabilities. Employees can take e-learning, telephone, and video-based courses in job skills and languages, with expanded content in digital transformation (DX) and AI.

We also provide external training opportunities to support the development of advanced competencies that are difficult to achieve through e-learning alone. Employees identify role-related courses and establish career development plans at the beginning of the year, and we support self-directed growth by fully covering training expenses twice a year.

After completing training, employees submit reports and share course content and feedback so that others can reference them. Through this process, Hyundai Transys promotes a virtuous cycle in which individual learning expands into organizational knowledge sharing, supporting continuous growth and strengthening expertise.

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In-HUB Program

As Hyundai Motor Group's future executive growth platform aimed at fostering intrapreneurs, In-HUB provides training programs to systematically develop the competencies required of future executives and various opportunities to expand networks among internal and external experts and the Group's core talent.

Development through Education	Development through Work	Development through Relationships
• Acquire knowledge and skills to broaden perspectives as an intrapreneur (mandatory/elective courses)	• Provide opportunities for core intrapreneurial experiences and challenges	• Participation of the Top Leadership Team in developing key talent • Networking and mutual learning among key talent and external leaders

❶ Basic MBA	❷ Advanced MBA	❸ Customer Value Creation	❹ Intrapreneurship
Hyundai Transys operates programs to build foundational knowledge and analytical skills across overall corporate management. A total of 308 employees participated, combining key business learning with case-based study reflecting current management trends.	Hyundai Transys operates an advanced program to strengthen customer value creation and strategic decision-making capabilities. A total of 75 team leaders participated, enhancing practical application skills through theory, case analysis, and business simulations.	Hyundai Transys operates a program to internalize customer-centered innovation through understanding of the global innovation ecosystem. A total of 22 employees participated, expanding AI-based business perspectives through iterative model development and refinement.	Hyundai Transys operates the Convergence Thinking Lab and diverse modules to broaden perspectives for future leaders. A total of 56 participants enhanced decision-making capabilities through interdisciplinary learning and discussion.

Program	Participants	Period	Key Details
Basic MBA	9 employees	Apr 2025 – Oct 2025 (26 weeks)	• Build foundational knowledge across corporate management to enhance business capabilities
Advanced MBA	74 employees		• Develop practical management knowledge for future strategies and business innovation
Customer Value Creation	-[1]		• Case studies on customer- and value-driven business models and global CVC opportunities
Intrapreneurship	-[1]		• Develop leadership philosophy through diverse perspectives as future leaders

1) A hyphen (–) indicates that no employees participated during the reporting period.

Divisional OJT and Work Coaching Program for New Employees

Hyundai Transys operated a divisional OJT program for 28 new employees in 2025, along with an Action Plan–based coaching program to support their smooth adaptation to the organization and work. Based on structured on-the-job training, each employee was assigned tasks and followed a standardized Action Plan, while work coaches recorded progress through coaching diaries to monitor adaptation and development. Through this approach, Hyundai Transys supported stable early integration and minimized gaps in organizational adjustment.

Training Platform Operation

Hyundai Transys operates an internal training platform to enhance e-learning, offering courses in job skills and foreign languages. The company covers training costs upon course completion to encourage participation. A total of 2,959 courses are available, including 1,036 job-related courses, 674 foreign language courses, 1,179 telephone and video language courses, and 70 DX-focused courses.



Hyundai Transys Internal Training Platform

Improving Work Efficiency

Hyundai Transys continuously improves work efficiency to reduce unnecessary tasks and enable employees to focus on core duties. Through the Change Agent program, designated personnel identify and address inefficiencies in operations, while tools such as Microsoft 365 Planner are used to streamline workflow and reporting processes. In addition, we simplify reporting procedures and improve meeting operations to support more effective decision-making, while strengthening global efficiency and collaboration by enhancing workforce capabilities and standardizing work processes across locations.

Change Agent Program
Identifying and improving inefficiencies through collaboration by change leaders in each organization

Introduction of M365 Planner-based work processes	Streamlining reporting procedures	Improvement of large-scale meeting operations	Strengthening global talent and standardizing work processes

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Electrification Academy

The Electrification Academy provides training for researchers in the P/T R&D Division to build new competencies and enhance practical skills in electrification. A total of 330 employees completed the program. Based on pre- and post-training quantitative assessments, participants' understanding of electrification improved by 1.4 points, rising from 1.78 to 3.18. The program achieved a 99.1% completion rate, successfully equipping participants with essential job knowledge. Moving forward, Hyundai Transys will continuously develop business-specific curricula by introducing new courses and enhancing existing ones. Additionally, we plan to minimize learning gaps by providing pre-learning content and upskilling support for relevant departments, while optimizing training schedules to improve work alignment and completion rates.

Electrification Academy Training Program

Category	Curriculum
Fundamentals	• Overview of Electrification • Eco-friendly Vehicle Market and Policy Trends
Core Technologies	• Motors and Power Electronics • Thermal Management Systems
System Understanding	• Electrified Powertrain Structure • Vehicle System Integration
Practical Application	• Performance Evaluation and Testing • Quality Management • Development Process
Advanced Course	• New Electrification Technology • Advanced Analysis • Job-Specific Specialized Training

Seat R&D Center Training

To enhance design quality, customer responsiveness, and 3D design tool proficiency in the seat R&D sector, Hyundai Transys provides GD&T and Catia training for Researchers and Senior Researchers. The training is facilitated by external experts, with 125 employees completing the courses as of 2025. We will continue to develop professional talent by further improving and refining the program.

Seat Job Training Program

GD&T	Basic Training	• Acquire basic GD&T skills
	Advanced Training	• Learn part-specific application methods
Catia	Basic/Advanced Solid Modeling	• Learn shape modeling methodologies
	Basic Surface Modeling	• Learn basic 3D surface modeling features
	DMU Training	• Simulate assembly anomalies
	3D Modeling Basics	• Enhance basic seat modeling competencies
	Seat Design Basics	• Seat 3D Modeling Theory and Practice

Overseas Training Support

Hyundai Transys operates an overseas training program, which includes overseas site tours and cross-cultural experiences, for selected employees from the Jigok and Seongyeon Plants. In 2025, 150 employees participated in the program across four sessions.

DX/AX Training Courses

Hyundai Transys expanded DX capabilities across the organization by progressively providing data utilization and AI-based business training. We operated a Power BI data visualization program consisting of basic and advanced courses. A total of 55 employees completed the training, strengthening their data understanding and practical application capabilities.

We also provided AI literacy training for 57 employees to build a basic understanding of AI technologies and their business applications. In addition, a DX seminar was held, with 72 participants, supporting deeper understanding of digital transformation along with sessions on case studies and its impact on the industry.

Going forward, Hyundai Transys will continue to enhance practice-oriented DX curricula and expand data and AI talent pools to strengthen digital capabilities across the organization.

Intensive Language Course

Hyundai Transys operated an intensive language program to strengthen communication capabilities required for direct interaction with global customers and HQ. A total of eight employees who met the enrollment criteria participated in the program (five in the English course in the first half of the year, and one in the English course and two in the Chinese course in the second half). We also provided support for external language training to one employee to facilitate business operations in the Americas.

Participants reported high satisfaction with diverse programs and individual coaching sessions. Hyundai Transys will further improve program effectiveness by building flexible learning environments, including expanded coaching hours, and enhancing content tailored to our business operations.

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Mid- to Long-term Road Map for Organizational Culture

Hyundai Transys is driving organizational culture innovation as part of ESG management for sustainable growth. Guided by a five-year mid- to long-term road map, we focus on establishing a new organizational culture, improving work efficiency, and building trust among employees.
Hyundai Transys is also implementing this roadmap in phases to build an organizational culture that can flexibly respond to a changing business environment.

2025~2026 Establishment	Hyundai Transys is improving ways of working based on DX innovation and expanding the use of M365 and AI to build a more efficient work environment. We are also establishing common criteria for business judgment based on the CoC and embedding them across the organization. Furthermore, we are strengthening communication between management and employees to ensure consistent sharing of the company's direction and management status.
2027~2028 Expansion	Based on this foundation, Hyundai Transys aims to establish efficient ways of working across the organization and optimize repetitive tasks through AI and digital tools. We will also promote autonomous, data-driven decision-making in line with the CoC and enhance alignment and execution through regular communication between leaders and employees.
2029~2030 Maturity	In an environment where AI-based work support is fully embedded, Hyundai Transys will enable employees to focus on strategic decision-making and creative problem-solving. We will further expand flexible working practices and strengthen communication systems for seamless sharing of management strategies, improving overall organizational competitiveness and execution.

Organizational Culture Satisfaction Survey

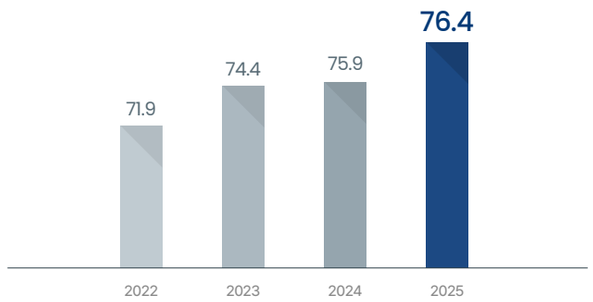
Hyundai Transys conducts an annual organizational culture satisfaction survey targeting employees, reflecting our commitment to capturing diverse perspectives, identifying improvement areas, and fostering a better organizational culture. Since 2023, we have enhanced the survey framework to enable deeper analysis, focusing on key elements such as collaboration, communication, and growth opportunities. Hyundai Transys will continue to strengthen and improve organizational culture through active communication.

Mid- to Long-term Organizational Culture Roadmap

Establishment (2025~2026)	Expansion (2027~2028)	Maturity (2029~2030)
Building a Foundation for Innovation TRANSYS	Expanding Change TRANSYS	Making Execution a Routine TRANSYS
• Build a foundation for work innovation based on DX, M365, and AI • Establish CoC and communication systems	• Expand standardized work methods and CoC across the organization • Strengthen regular communication systems	• Embed AI-driven work practices • Establish a culture of execution through continuous communication

Organizational Culture Satisfaction Survey Results

(Unit: Points)



Organizational Culture Initiatives

Hyundai Transys promotes organizational culture initiatives to ensure that CEO strategy, team leaders' leadership, and employees' execution are closely aligned, enabling the entire organization to move toward shared goals. We operate CEO–team leader town hall meetings to directly share key strategies and messages, strengthen leadership, and support aligned understanding of company direction. Through subsequent team-level communication programs, we connect leadership messages with team objectives, enhancing both alignment and execution.

At the same time, Hyundai Transys has established and communicated a Code of Conduct (CoC) as a shared standard to be followed in collaboration. Based on this foundation, we are fostering mature work ethics across the organization and promoting the internalization of the CoC so that it can naturally guide daily work practices and strengthen consistency in ways of working.

In addition, Hyundai Transys operates 1:1 coaching programs for organizational leaders to further strengthen organizational culture. Through continuous communication on culture, ways of working, and management practices, we aim to proactively address internal issues and build a culture that responds flexibly to a changing environment.



Leadership Workshop

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ESG Capability Building

Hyundai Transys provides ESG mindset training covering ethics, human rights, safety, and environmental topics to employees in office/administrative and research positions. We also publish monthly ESG letters and quizzes to promote ongoing awareness and engagement.

2025 Monthly ESG Letter Training Topics

Month	Topic	Area	Quiz Participants	Month	Topic	Area	Quiz Participants
Jan.	ESG Laws and Regulations	E/S/G	228	Jul.	Climate Change and Energy	E	348
Feb.	Child and Forced Labor	S	266	Aug.	Waste Management	E	351
Mar.	Conflict Minerals and Cobalt	S	269	Sep.	Sustainable Procurement	S	309
Apr.	Biodiversity Protection	E	286	Oct.	Human Rights	S	302
May	Deforestation Prevention	E	305	Nov.	Occupational Health and Safety	S	303
Jun.	DE&I, Anti-discrimination	S	303	Dec.	Governance	G	375

ESG Mindset Training Content

ESG General	• Development of ESG concepts and definitions • Importance of ESG ① ESG investment trends ② Mandatory ESG disclosure ③ ESG impacts on business relationships
Ethics	• Importance of ethical management • Cases of ethical management failures • Key areas of ethical management ① Anti-corruption ② Fair trade ③ Cybersecurity • Principles for information protection • Hyundai Motor Group Code of Ethics
Human Rights	• Importance of human rights management • Cases of human rights management failures • Key areas of human rights management ① Human rights management elements ② EU supply chain due diligence regulations ③ Framework Act on Human Rights Policy • Hyundai Motor Group Human Rights Charter
Safety	• Cases of safety management failures • Key areas of safety management ① Product quality ② Workplace safety • Serious Accidents Punishment Act • Best practices in safety management
Environment	• Importance of environmental management • Key areas of environmental management ① Climate change ② Carbon neutrality ③ Circular economy ④ Biodiversity

Labor-Management Relations Principles and Consultation and Bargaining System

Hyundai Transys ensures the activities and independence of labor unions in accordance with relevant laws and respects employees' fundamental labor rights, including the rights to organize, bargain collectively, and take collective action. Based on these principles, we operate a labor-management consultation system grounded in mutual respect and manage key issues through formal discussion procedures.

Hyundai Transys maintains dedicated communication channels and conducts regular collective bargaining, including annual wage negotiations and biennial collective agreements. These agreements apply equally to all employees, ensuring fair and consistent working conditions.

In addition, Hyundai Transys shares relevant information in advance in the event of major business changes[1] and provides at least 70 days prior notice to labor unions. Key issues are addressed through prior consultation with labor unions.

1) Corporate splits, mergers, transfers, sales, etc.

Enhancing Labor-Management Communication

Hyundai Transys promotes a communication-oriented organizational culture by strengthening communication and collaboration among employees and fostering cooperative labor-management relations. We operate regular consultation meetings and diverse communication channels to support active engagement.

Communication Enhancement Training

Hyundai Transys conducts communication training under the "Transys-TalkTogether" initiative to enhance communication and collaboration among employees. In 2026, approximately 1,600 employees at the Jigok Plant participated in the program, which incorporated activities linked to outdoor trekking to encourage natural interaction and collaboration.

Technical Leaders Communication Event

Hyundai Transys holds annual communication events for technical leaders to share business updates and gather feedback and suggestions from site managers.

Diversifying Communication Channels (Newsletters, Briefings, etc.)

Since 2025, Hyundai Transys has published on-site newsletters for employees at the Seosan Plant. We facilitate regular labor-management communication through three types of newsletters: Transys Topics (twice a month) covering internal news, Transys Life (monthly) focusing on external news, and Transys Leader (monthly) tailored for technical leaders. Additionally, we hold quarterly management briefings to maintain sound labor-management relations.



Technical Leaders Communication Event



Communication Enhancement Training (Transys-Talk-Together)



Overseas Training Support

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Employee Welfare

Performance-Based Compensation System

Hyundai Transys conducts performance evaluations for all employees and operates a fair evaluation system based on individual performance. We set evaluation criteria by job role, aligned with business strategies, to ensure results are reflected as rewards for individual efforts. We enhance fairness through multi-rater evaluations for leadership positions. Following evaluations, we provide feedback interviews and share development plans to improve performance, while ensuring employees understand the process.

Hyundai Transys also strictly complies with minimum wage regulations and manages compensation to prevent disadvantages based on gender, thereby supporting fair pay and continuous talent development.

Performance Evaluation Process



Efforts to Review and Improve Living Wage Levels

Hyundai Transys conducts annual internal reviews of living wages to ensure employees can maintain a stable livelihood in their local communities. Based on these reviews, we assess the adequacy of employee compensation by factoring in regional living costs and economic conditions. We are also gradually implementing measures to close any gaps between the living wage and actual wages paid. Conducted as part of a regular annual process, the review findings are integrated into HR and benefits policies to enhance employees' overall quality of life. Moving forward, Hyundai Transys remains committed to fostering a work environment where all employees are respected and can achieve sustainable growth.

Flexible Working Hours

Hyundai Transys operates a flexible working hours system, allowing employees to design their schedules based on job characteristics. Within designated flexible hours—excluding core working hours—employees may choose their start and end times. For manufacturing roles, an optional flexible working hours system is applied within flexible shifts, while roles requiring continuous operations follow a fixed shift system. This supports employee autonomy and improves work efficiency.

Retirement Pension

Hyundai Transys operates a retirement pension system for all employees to support stable post-retirement lives. We also provide training on retirement pension products for eligible employees, helping them plan their financial future.

Work-Life Balance Support

Hyundai Transys supports employees' work-life balance through various family-friendly programs. These include maternity leave, childcare leave, and reduced working hours for childcare, as well as expanded childcare support allowances. We also provide diverse support such as preschool tuition, medical expenses, and self-development programs, helping employees maintain a stable working environment.

Health	Family	Living
• Medical check-ups and inpatient/outpatient expense support • Employee fitness facilities support • Group accident insurance • Meal support • Necessities support	• Medical check-ups and inpatient/outpatient expense support • Meal support • In-house daycare center	• Relocation expenses and moving support for long-distance transfers • Company housing/dormitory support • Commuting bus service • Commuting support for shift workers
Finance	**Culture**	**Leisure & Others**
• Employee loans (housing, vehicle, marriage) • Hyundai/Kia vehicle purchase discounts	• Hotel/resort membership support • Club activity support • Cultural event viewing support	• Employee shopping points • Holiday and family activity support • Snack support

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Metrics & Targets

Hyundai Transys systematically manages the quality and outcomes of employee training using key quantitative indicators—such as satisfaction and learning effectiveness—based on course-specific objectives. After each program, we analyze learner feedback to identify improvement tasks and continuously enhance our company-wide training system.

Hyundai Transys has designated 2026 as a year of execution to achieve shared goals, strengthening workforce engagement and strategic work practices through enhanced training content. We are improving training effectiveness so that learning leads to practical application and measurable change in the workplace.

We also recognize that psychological safety and emotional well-being are essential foundations for sustainable organizational management, and continue to expand mental health support systems focused on counseling, care, and prevention.

Employee Working Conditions Indicators

Training Performance

Category	Unit	2023	2024	2025
Training Hours per Employee	Hours	31	27	34
Total Training Cost	KRW million	3,770	3,945	3,410

Key Training Program Performance

Data Scope: Domestic Sites

Course Title	Completions / Target Participants	Satisfaction Score
Experienced Hire Onboarding Training	8 / 8	4.28 / 5
Electrification Academy Training	330 / 333	4.3 / 5
In-house Course for New Team Leaders	14 / 17	4.9 / 5
Intensive Language Course	8 / 8	4.0 / 5

Course Title	Number of Participants
Electrification Academy Training	330
Intensive Language Course	5 / 3
2025 Job Coaching	Total of 28 new employees
Power BI-based Data Visualization Training	55
AI Literacy Training	57
On-site DX Seminar	72 employees

Human Rights Management Metrics

Category	Unit	2023	2024	2025
Organizational Culture Survey Score	Points	74.4	75.9	76.4
Ratio of Female to Male Base Salary and Compensation	%	100	100	100

Sound Labor-Management Relations

Data Scope: Domestic Sites

Category	Unit	2023	2024	2025
Employees Covered by Collective Agreements	%	100	100	100

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Customer Communication and Satisfaction

Customer Satisfaction

Governance

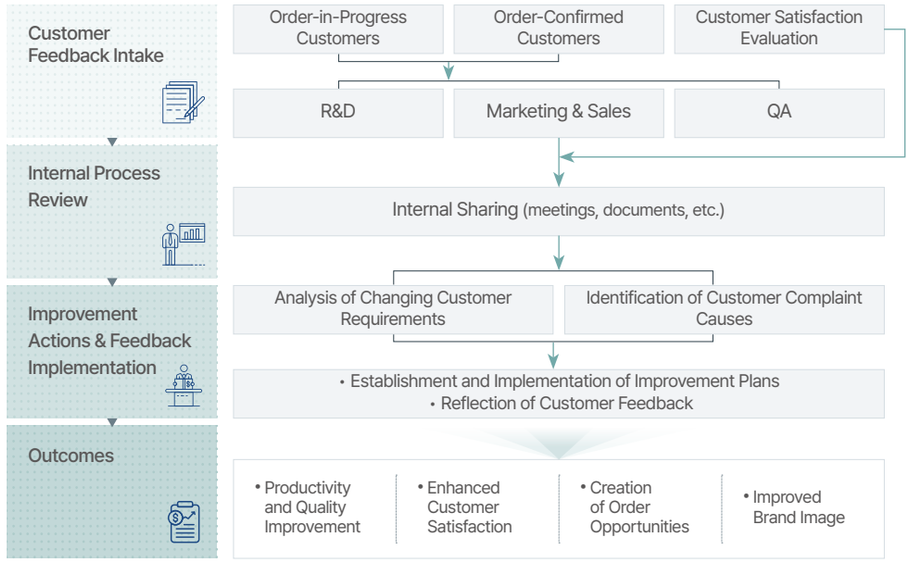
Hyundai Transys systematically manages customer complaints to enhance customer satisfaction and product quality, conducting analysis and improvement activities based on clearly defined roles. The Sales Division oversees customer communication and Voice of Customer (VOC) management, collecting feedback and receiving initial complaints. The Quality Division conducts in-depth analyses, identifies root causes, and implements fundamental improvements for complaints related to quality systems or finished vehicle quality, establishing comprehensive preventive measures to enhance overall quality. Both divisions share complaint resolution updates and improvement task progress through regular meetings. They actively integrate customer feedback into product development and quality management processes to drive continuous improvement.

Strategy

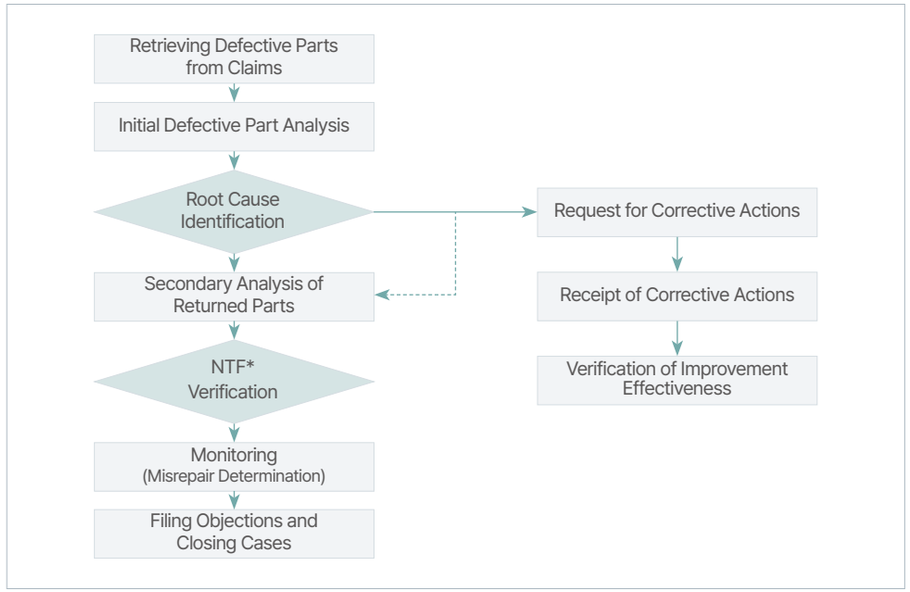
Hyundai Transys operates product- and customer-specific organizations to manage VOCs and enhance customer satisfaction, ensuring prompt and proactive responses through branches and offices near overseas production sites. We utilize a wide range of communication channels—including mail, phone, email, face-to-face and virtual meetings, executive exchange programs, and exhibitions—to listen to customer feedback and respond to their needs. We also conduct annual customer satisfaction surveys to measure performance objectively, establishing and implementing improvement plans for underperforming areas and monitoring progress to enhance customer satisfaction.

Hyundai Transys leverages its global quality infrastructure to conduct rapid and systematic analyses of customer complaints. Based on these findings, we establish improvement measures and recurrence prevention plans, thoroughly verifying the effectiveness of corrective actions to enhance quality management. Through this quality governance, we are committed to improving customer satisfaction, proactively preventing quality risks, and strengthening customer trust.

VOC Management Process



Claim Analysis and Improvement Process



* NTF (No Trouble Found): Unknown cause (unreproducible)

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Customer Communication Activities

Hyundai Transys is advancing various communication initiatives to build trust and foster close relationships with customers. In 2025, key executives from Volkswagen visited Hyundai Transys to explore products in the exhibition hall and discuss mid-to-long-term cooperation, reinforcing the ongoing partnership. We also participated in the '2025 TECH SUMMIT'—an event inviting Hyundai Motor Company and Group affiliates to share new technologies and strengthen partnerships—where it showcased its products and technologies to further solidify collaborative relationships with customers. Furthermore, we actively enhance customer communication by providing executive leadership and key personnel with opportunities to directly experience the latest seat technologies and review strategies to strengthen seat competitiveness.




Volkswagen Management Visit



2025 TECH SUMMIT




2025 SETEX

Proactive Resolution of Customer Complaints

Hyundai Transys is committed to achieving customer satisfaction by actively addressing and resolving customer complaints. We continuously strive to prevent the recurrence of similar issues. To this end, we proactively identify and resolve potential issues, thereby reducing quality costs and enhancing customer trust. Moving forward, Hyundai Transys will do its utmost to deliver superior products and elevate customer satisfaction through active communication.

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Customer Satisfaction Evaluation Process

Hyundai Transys has established a structured framework to systematically conduct customer satisfaction evaluations. We first define evaluation criteria and scoring through a planning stage, followed by the implementation stage where evaluations are carried out. We then review the results and share them with relevant departments, and subsequently establish and implement improvement measures for identified gaps.



Customer Satisfaction Evaluation Criteria

Evaluation Item	Unit	Allocated Points
Delivery Rate	%	20
Number of Customer Line Stoppages	Times	20
Incoming Defects at OEM	PPM	20
Field Defects	PPM	20
Special Circumstances	Cases	20

Metrics & Targets

Customer Satisfaction Evaluation Results

Hyundai Transys conducts annual customer satisfaction surveys to practice customer-centric management. Based on customer feedback, we are continuously pursuing quality improvements and service enhancements to address supply and quality issues. Over the three-year period from 2023 to 2025, the customer satisfaction score recorded 96.4 points in 2023, 97.2 points in 2024, and 96.9 points in 2025.

By product, the Powertrain division scored 97.6 points in 2023, 97.6 in 2024, and 96.8 in 2025, while the Seat division scored 95.1 points in 2023, 96.8 in 2024, and 97.0 in 2025. Hyundai Transys will continue to actively incorporate customer feedback to monitor and improve product quality and service satisfaction. Furthermore, we will diversify customer communication channels and advance our quality management system to maintain trust and competitiveness in the global market.

Customer Satisfaction Evaluation Results

Evaluation Item	Unit	2023	2024	2025
Number of Customers Evaluated	Count	23	18	16
Evaluation Score	Points	96.4	97.2	96.9
Powertrain	Points	97.6	97.6	96.8
Seat	Points	95.1	96.8	97.0

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Governance

Hyundai Transys operates a management system reporting directly to the CEO to ensure the systematic execution and sustainability of its social contribution activities. A management organization comprising the Head of the HR Office, the Head of the Management Administration Office, and the Head of the Planning Group oversees the overall strategy. The Head of the Business Support Team serves as the secretary, facilitating coordination with the execution units. Organized into specific areas—such as social contribution operations, partnerships, and external advisory—these execution units advance social value creation activities aligned with Hyundai Transys's business strategy.

Social Contribution Organizations



Strategy

Hyundai Transys has established a social contribution mission of "Creating Change Together, Sharing Value Together" and promotes key initiatives aligned with Hyundai Motor Group's policies. We prioritize Safe Move and Sustainable Move as core values and designated 2023–2025 as the "Social Contribution Advancement Period," driving our strategy in the following directions.

- **Project Portfolio Reconstruction**: Restructure the portfolio by expanding employee participation and consolidating low-performing initiatives to enhance efficiency.
- **Strengthening Social Contribution Expertise**: Introduce consulting and support systematic capability development to strengthen staff expertise.
- **Alignment with the Group Strategy Framework**: Reorganize initiatives into programs aligned with the Group's strategy to enhance execution.



* Our Area of Differentiation

Hyundai Transys' social contribution system has evolved from a rebuilding phase into an advancement phase. We have completed portfolio restructuring and will expand employee participation through new employee-driven programs.

Restructuring 2020~2022	Advancement 2023~2025	Expansion 2026~
Contactless Social Contribution • Expansion of non-face-to-face activities during COVID-19 • Support and donations for vulnerable groups	**Project Portfolio Restructuring** • Expand employee participation programs • Consolidate low-performing projects • Strengthen staff expertise and capabilities • Align with Group MOVE initiatives	**Expansion of Social Contribution Activities** • Expansion through new flagship programs • Strengthening branding and communication strategies

Local Community Policy

Hyundai Transys has established a local community policy to minimize the impact of its business activities and pursue sustainable growth through cooperation with local communities. This policy applies to all operations, including domestic and overseas sites and subsidiaries, and extends to external stakeholders such as joint ventures and suppliers.

Key Elements of the Local Community Policy

- **Local community impact assessment**: Identify and improve economic, environmental, and social impacts of business activities
- **Strengthening local community engagement and communication**: Establish communication channels and gather and reflect feedback
- **Operating cooperation and support programs**: Develop and support tailored programs for local communities
- **Building a sustainable cooperation system**: Build a foundation for sustainable growth through partnerships
- **Respecting the rights of local communities and indigenous peoples**: Comply with international standards and secure FPIC
- **Operating a risk management system**: Identify, assess, mitigate, and monitor risks with transparent communication

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Key Social Contribution Activities at Domestic Sites

Hyundai Transys maintains cooperative relationships with diverse stakeholders through continuous communication with local communities. We collect feedback through interactions with relevant organizations and community stakeholders and operate a monitoring system to ensure our support is effectively delivered where it is most needed. In 2025, we newly promoted employee-participatory social contribution activities. We planned and operated programs that reflect social value, including an ecological forest campaign, ESG initiatives in collaboration with the Seoul Tourism Organization (such as domestic travel kits for vulnerable groups), volunteer activities at the National Cemetery, and donation campaigns.

Safe Move

1 Hope 1365

Hyundai Transys supports elderly individuals with limited mobility in local communities through the "Hope 1365" program. In partnership with the Seosan Volunteer Center, we provide support through volunteer activities, including home repairs, installation of safety equipment, and assembly of mobility aids, contributing to local community care.

2 Employee Participatory Fundraising Campaign

Hyundai Transys supports individuals in need through funds voluntarily donated by employees from their salaries. We operate a matching grant program in which the company contributes an amount equal to employee donations, with beneficiaries selected through recommendations, on-site evaluations, and internal reviews.

Through this process, in 2025, we expanded support for youth with disabilities in Hwaseong City and donated five foldable electric wheelchairs.



Hyundai Transys Electric Wheelchair Donation Ceremony in Hwaseong-si

Sustainable Move

1 Collaboration with the Seoul Tourism Foundation ESG Campaign

Collaboration with the Seoul Tourism Foundation ESG Campaign

Hyundai Transys collaborated with the Seoul Tourism Foundation to develop an upcycling travel kit using leather scrap for employees' families and carried out social contribution activities supporting vulnerable groups. The program aims to promote sustainable consumption and expand support for vulnerable groups by encouraging easy public participation. It also seeks to advance the value of upcycling and create social value through partnerships with public institutions.

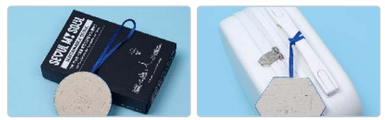
2 Employee-Participatory Ecological Forest Creation Campaign

Hyundai Transys promotes an employee participation-based ecological forest creation campaign, building donation funds based on employees' step counts and creating a carbon-neutral forest at Bibongsan Park.

The program engages employees in everyday walking activities, links contributions with local governments, and continuously generates social value. The forest is developed on idle land within the park by planting tree species suited to the area. The initiative is expected to provide pleasant rest areas for residents, enhance landscape value through seasonal flowering trees, and strengthen biodiversity through multilayer planting. It reflects Hyundai Transys' brand identity through eco-friendly design elements and is expected to raise awareness of social contribution and enhance corporate image.



Card Wallet Sacoche Bag Accordion Bag



Luggage Tag (Haechi) Luggage Tag (Gyeongbokgung)



Employee-Participatory Eco-Forest Creation Campaign (T-Walk)



Hope 2025 Campaign

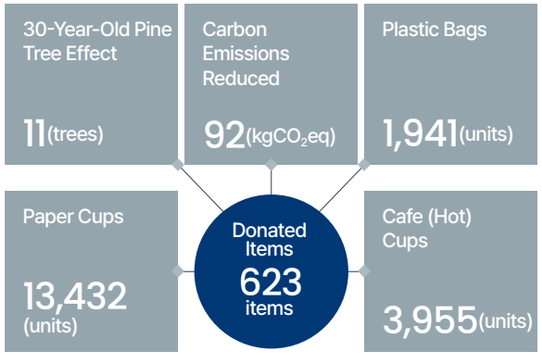
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Sustainable Move

3 Beautiful Zero Waste

Hyundai Transys has operated the Beautiful Zero Waste campaign since 2023 in partnership with Beautiful Store, centered on the Dongtan Seat R&D Center. In 2024–2025, we donated 623 items, including clothing and home appliances, with proceeds used to support marginalized communities. Through this reuse-based campaign, we promoted resource circulation and achieved a carbon reduction of approximately 92 $kgCO_2eq$.



Basis for Calculating Carbon Reduction

- Clothing: approx. 0.20 kg CO_2 reduced per item
- Miscellaneous goods: approx. 0.13 kg CO_2 reduced per item
- Books: approx. 0.06 kg CO_2 reduced per item
- Home appliances: approx. 1.27 kg CO_2 reduced per item

* Based on the IPCC-based research on forest carbon storage, "Standard Carbon Absorption of Major Forest Tree Species (ver.1.2)"

4 Scrap Seat Leather Upcycling Project

Hyundai Transys advances upcycling by repurposing waste seats and scrap leather from seat development into bags and accessories. In 2025, we collaborated with a social enterprise to develop play and educational programs for children using scrap leather and provided them to childcare facilities, while also producing and donating furniture. We plan to expand this initiative in 2026 in partnership with the Community Chest of Korea.



Manufacturing Furniture for Child Welfare Facilities



Support Program for Children's Play and Educational Experiences Using Scrap Leather

5 Volunteering at the National Cemetery

Hyundai Transys participated in the Hyundai Motor Group campaign "Remember 1945: Hands Connecting Memories" during Patriots and Veterans Month. About 20 employees joined volunteer activities at the National Cemetery, including site visits and maintenance work, to honor national heroes and reflect on the meaning of civic responsibility.





Volunteering at the National Cemetery

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Key Social Contribution Activities at Overseas Sites

Hyundai Transys conducts ongoing social contribution activities in collaboration with local communities across its overseas sites. In the U.S., the Georgia subsidiary carries out initiatives such as blood donation, donations of toys and school supplies, volunteer reading programs, and career exploration programs for local middle and high schools, as well as support for disaster-affected families. In India, we support vulnerable groups through local NGO partnerships, while in Spain, we continue donation and volunteer activities for socially disadvantaged groups. Through these efforts, Hyundai Transys fulfills its social responsibility by addressing the unique needs and characteristics of each region across global operations.

Georgia P/T Subsidiary, U.S.

Safe Move

- **Supporting local safety personnel and enhancing emergency response capabilities**
  : Improving safety levels for local communities and employees through support for local safety personnel
- **Donated $56,610.52** to 15 organizations in 2025

Safe Move

- Employee donations to Alzheimer's Association, United Way, and Toys for Tots: Approximately 790 employees **donated about $56,000**
- Holiday gift support (Buddy Packs) for low-income children: Partnered with Hope Academy to provide food for children to take home on weekends
- **Employee book donation volunteer program**
  : Visited Clearview Elementary School to donate talents and promote reading interest
- **Work-based learning program for high school students**
  : Provided students from Troup, Callaway, and Lagrange High Schools with job shadowing opportunities
  : Received Work Based Learning Employer of the Year (2022) and a Certificate of Appreciation (2024)

Rizhao Subsidiary, China

Safe Move

- **Donation to the Development Zone TCM Hospital Nursing Center**
  : Donated daily necessities worth **approx. RMB 30,000 (rice, flour, cooking oil)** to 81 elderly residents
  : Contributed to community support and enhanced corporate image
- **Donation to children with disabilities and from low-income families**
  : Provided goods worth **approx. RMB 27,000 (bags, tumblers, snacks)** to 131 children
  : Fulfilled corporate social responsibility and strengthened community relations


Nursing Center Donation Event


Donation Event for Underprivileged Children

Beijing P/T Subsidiary, China

Safe Move

- Donations to children's welfare facilities
- Children's Day (June 1) donation to nearby welfare center: Supported a welfare facility in Songzhuang, Tongzhou District (25 beneficiaries)
- **Annual donation of RMB 10,000** (KRW 1.91 million): Items include printers, blankets, milk
- Donations to senior care facilities
- **Annual donation of RMB 5,000** (KRW 0.98 million): Items include milk, cooking oil, flour, and rice


Children's Goods Donation to Welfare Center


Senior Center Donation

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Key Social Contribution Activities at Overseas Sites

Slovakia Subsidiary, Europe

Safe Move

- Support for local fire stations and equipment
- Regular cash and in-kind donations to charitable organizations
- Ongoing support for vulnerable households and orphanages
- Employee volunteer programs in collaboration with welfare institutions



Donation to an Orphanage in Slovakia

Czech Subsidiary, Europe

Safe Move

- Ongoing support for customized programs for medical and educational welfare organizations
- Employee-participatory environmental initiatives
  : Participated as a local implementation partner in the Beskydy environmental campaign
  : Supported waste collection activities and environmental education programs with **approx. CZK 40,000**
- Employee charity running campaign to improve pediatric healthcare
  : Raised approx. CZK 45,000, **supporting pediatric surgery facilities and medical infrastructure expansion** at Ostrava University Hospital
- Support for local fire departments
  : Donated **CZK 50,000** to volunteer fire brigades in Nošovice, contributing to disaster response and safety infrastructure



Medical Support for a Pediatric Hospital in the Czech Republic


Support for Employee Charity Running Campaign

India AP Subsidiary

Sustainable Move

- Support for establishing libraries and improving educational environments at local schools
  : **KRW 530 million invested** cumulatively (2024–2026)



Library Construction and Facility Improvement

Mexico Subsidiary

Sustainable Move

- Clothing donation initiative in 2025
  : Donated logo-branded clothing to shelters, with a total investment of **MXN 44,520**


Clothing Donation Project

Local Community and Social Contributions

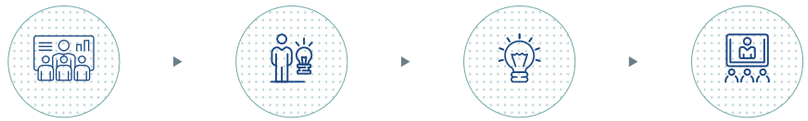
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Risk Management

Hyundai Transys has established a risk management process under its local community policy, identifying community-related risks based on inputs received through grievance channels. If business activities are found to potentially impact local communities, we review improvements to relevant policies and internal programs in line with ILO Convention No. 169 and UNDRIP.

Furthermore, if risks materialize despite proactive management, we develop response measures reflecting stakeholder feedback, monitor mitigation actions, and transparently share the results with stakeholders.

STEP 1	STEP 2	STEP 3	STEP 4
Risk Identification	**Risk Assessment**	**Risk Mitigation**	**Monitoring and Reporting**
• Identify risks based on grievance channel inputs • Review compliance with local laws and regulations • Analyze risks when potential community impacts arise	• Assess potential risks by analyzing their impacts on local communities • Review preventive measures by considering the likelihood and impact of risks	• Establish preventive and response measures • Mitigate community impacts and ensure responsible operations through ongoing engagement	• Monitor the effectiveness of mitigation measures (ongoing) • Communicate improvements and outcomes to stakeholders (e.g., disclosure via website)



Communication and Collaboration with Local Community Stakeholders

Hyundai Transys operates regular communication channels to maintain continuous engagement and cooperation with diverse stakeholders in local communities. We collaborate with the Chungnam Community Chest of Korea to jointly review beneficiary lists and assess the feasibility of supporting vulnerable groups within the region.

In some cases, individuals from vulnerable groups directly request support through the Community Chest. These requests are reviewed through the organization's screening process to determine final eligibility and support. Through this structured collaboration system, Hyundai Transys ensures that community support is delivered in accordance with appropriate procedures.

Metrics & Targets

Hyundai Transys has defined its key CSR priorities for 2026 based on its scrap leather upcycling initiative, focusing on expanding environmentally driven ESG activities, promoting employee-participatory programs, and integrating donation management. We implement programs that deliver environmental and social value, including disability-linked upcycling, solar support for low-income households, and biodiversity initiatives, while expanding participation through donation programs and carbon neutrality campaigns.

In addition, we aim to enhance efficiency and transparency in donation management by unifying channels, establishing a feedback system, and systematically tracking outcomes.

Strengthening ESG-based environmental initiatives	Enhancing employee participation	Integrated Donation Management
• **Disability-linked upcycling** - Upcycling using scrap leather - Direct employment-based upcycling for persons with disabilities • **Solar panel installations for low-income households** - Linked with RE100 renewable energy • **Biodiversity conservation** - Protecting the endangered species "Euryale ferox" (Class II)	• **ESG in daily practices** - Employee donation programs - Sharing cases and providing commemorative items • **Carbon neutrality initiatives** - Employee (and family) plogging programs - Zero waste (goods donation) campaigns - Public transport (commuting) campaigns	• **Community Chest integration** - Centralizing donation channels - Improving efficiency and transparency • **Donation feedback** - Delivering donations and related communication - Sending appreciation messages - Reporting donation usage

Social Contribution Indicators

Data Scope: Domestic Sites

Category		Unit	2023	2024	2025
Social Contribution Expenditure	Total	KRW million	562	958	1,217.8
	Employee Donation Amount	KRW million	31	15	17.8
	Company Contribution Amount	KRW million	531	943	1,200
Number of Employee Donors		Persons	374	178	92
Volunteer Activities	Total Volunteer Hours	Hours	374	178	163
	Volunteer Hours per Employee	Hours	1	1	1
Number of Social Contribution Beneficiaries		Persons	3,910	4,000	4,300
Percentage of Sites Implementing Social Contributions		%	100	100	100

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Governance

Board Composition

Hyundai Transys' Board deliberates and resolves matters delegated by the General Shareholders' Meeting, key management policies, and major business matters, while overseeing directors and management. As of March 2026, the Board comprises three executive directors (including the CEO) and two independent directors, with the CEO serving concurrently as Chair.

Directors serve three-year terms under the Articles of Incorporation, and reappointment is determined based on performance evaluations. The Chair is appointed through a board resolution. The Board includes members with expertise in leadership, finance, industrial technology, law, policy, global business, and ESG, supporting balanced decision-making through diversity.

Board Expertise and Independence

Hyundai Transys strengthens board expertise and independence by appointing independent directors who meet legal requirements and bring diverse expertise and experience. Independent directors are nominated by the Board and shareholders and appointed upon approval at the General Shareholders' Meeting, maintaining independence under Article 382 of the Commercial Act. Board members monitor management and provide oversight and advice as needed, reinforcing the Board's independence and transparency.

Board Skills Matrix

Category		Executive Director			Independent Director	
		Baek Cheol-seung (Chair)	Hong Suk-bum	Jeong Baek-jung	Chai Soo-il	Choi Myung-suk
Competency Indicator	Leadership	●	●	●	●	●
	Accounting/Finance/ Management	●	●	●	●	●
	Industrial Technology	●	●	●	●	
	Legal/Policy	●		●		●
	Global Competency	●	●	●	●	●
	ESG	●	●	●	●	●
Diversity Indicator	Year of Appointment	2024	2024	2025	2026	2022
	Year of Birth	1968	1970	1971	1963	1962
	Gender	Male	Male	Male	Male	Male

* Key details of the governance system are disclosed under "1. Matters Concerning the Board of Directors" on pages 228-229 of the current Business Report.

Board Operations and Activities

Hyundai Transys holds regular Board meetings on a quarterly basis and convenes extraordinary meetings as needed to address key management issues in a timely manner. Board meetings are led by the Chair, and relevant materials are provided in advance to enable sufficient review of agenda items. In 2025, the Board held six meetings and deliberated and resolved 18 agenda items. The average attendance rate was approximately 96.4%, maintaining a high level of participation.

Board agenda items

Date	Agenda Item	Result
Jan. 22, 2025	1. Approval of the Financial Statements and Business Report for the 26th Term	Approved
	2. Approval of the 2025 Business and Investment Plans	Approved
	3. Approval of Transactions between Hyundai Transys and Directors, etc.	Approved
	4. Approval of the 2025 Health and Safety Management Plan	Approved
	5. Approval of Q2 2025 Financial Transactions with Financial Affiliates Based on Standard Terms and Conditions	Approved
	6. Approval of the Appointment of the Fair-Trade Compliance Manager	Approved
	7. Approval of the 2025 ESG Plan	Approved
Feb. 28, 2025	1. Approval of the Convocation of the Annual General Shareholders' Meeting and Agenda Items	Approved
	2. Approval of Equity Investment in Overseas Affiliates	Approved
	3. Approval of Asset Transactions with Affiliates	Approved
Apr. 29, 2025	1. Approval of Financial Transactions with Financial Affiliates under Standard Terms and Conditions for Q3 2025	Approved
	2. Approval of Amendments to the Board of Directors Regulations	Approved
Jun. 26, 2025	1. Approval of Major Management Matters for Overseas Affiliates	Approved
Jul. 25, 2025	1. Approval of Financial Transactions with Financial Affiliates under Standard Terms and Conditions for Q4 2025	Approved
	2. Approval of Overseas Branch Closure	Approved
Oct. 28, 2025	1. Approval of Blanket Limit for Corporate Bonds for 2026	Approved
	2. Approval of Financial Transactions with Financial Affiliates under Standard Terms and Conditions for Q1 2026	Approved
	3. Approval of Asset Transactions with Affiliates	Approved

Board Operation Status

Category	Unit	2023	2024	2025
Number of Board Meetings	No.	6	7	6
Number of Agenda Items	No.	20	18	18
Executive Director Attendance Rate	%	94	86	100
Independent Director Attendance Rate	%	100	93	92

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Board Evaluation and Remuneration

Hyundai Transys determines the limit on director remuneration in accordance with Article 388 of the Commercial Act and the Articles of Incorporation, subject to approval at the General Shareholders' Meeting. Director compensation is determined based on objective and quantitative criteria, taking into account base salary and overall management performance, including ESG-related achievements. As of 2025, the remuneration cap is KRW 7 billion, with actual payments of KRW 2.5 billion. This performance-linked compensation structure supports responsible management and reinforces the execution of sustainable management.

Auditor Independence

Hyundai Transys operates an audit system to strengthen transparent governance and minimize agency risks. Auditors maintain independence from management and shareholders and are appointed based on professional expertise and experience through approval at the General Shareholders' Meeting. Shareholders holding more than 3% of issued shares (excluding non-voting shares) are restricted from exercising voting rights beyond that threshold. Auditors are granted full access to accounting records and relevant documents and may request reports from directors and conduct investigations into the company's operations and financial status.

Support for Independent Directors and Auditors

Hyundai Transys has established a support system to ensure effective board operations and the proper execution of independent directors' duties. A board secretary (Head of Finance) is designated, and a dedicated support organization within the Finance Division provides administrative and operational support for board activities and independent directors' responsibilities.

ESG Training for the Board

Hyundai Transys provides ESG training to enhance the Board's capabilities and understanding of sustainability-related issues. In July 2025, external training was conducted covering global ESG disclosure trends, current government ESG policies, the need for ESG disclosure, and the role of the Board within ESG disclosure frameworks.

Enhancing Shareholder Value

Hyundai Transys protects shareholder rights and facilitates their exercise by providing written or electronic notice of meeting schedules and agenda items at least two weeks prior to the General Shareholders' Meeting, and allows voting by proxy to ensure the protection of shareholders' voting rights.

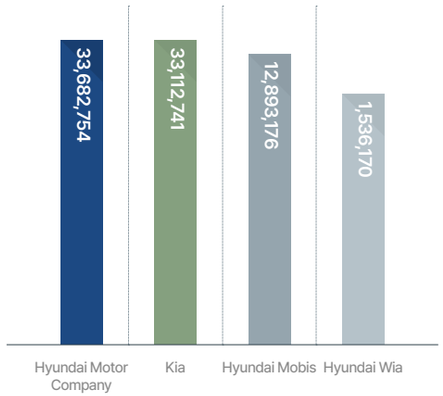
Strengthening Communication with Shareholders and Stakeholders

Hyundai Transys holds an annual General Shareholders' Meeting and convenes extraordinary meetings as needed, while maintaining continuous communication with shareholders through the customer support function on our website. Major shareholders include Hyundai Motor Company and Kia.

Agenda for the 2025 General Shareholders' Meeting

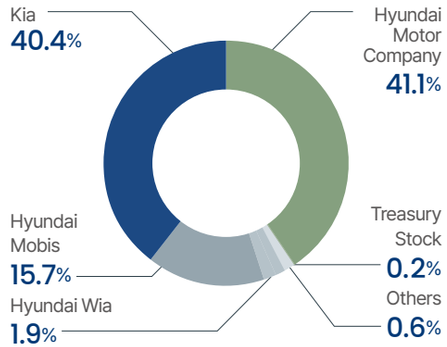
Date	Agenda	Result	Key Details
Annual General Shareholders' Meeting (Mar. 25, 2025)	1. Approval of the Financial Statements for the 26th Term	Approved	-
	2. Appointment of Directors	Approved	Appointment of Executive Director (Jeong Baek-jung) / Independent Director (Choi Myung-suk)
	3. Partial Amendment to the Articles of Incorporation	Approved	Change in notice period for Board meeting convocation (1 day → 7 days)
	4. Approval of the Director Remuneration Limit	Approved	Director remuneration limit (KRW 7 billion)

Number of Shares



As of December 31, 2025

Shareholding Ratio



As of December 31, 2025

Compliance and Ethical Management

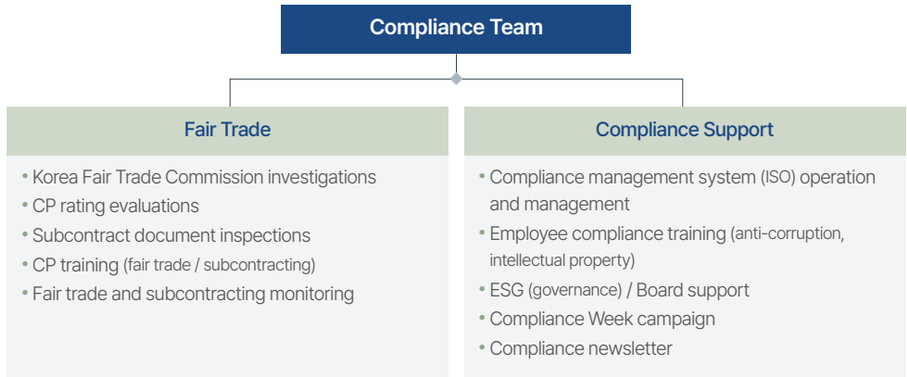
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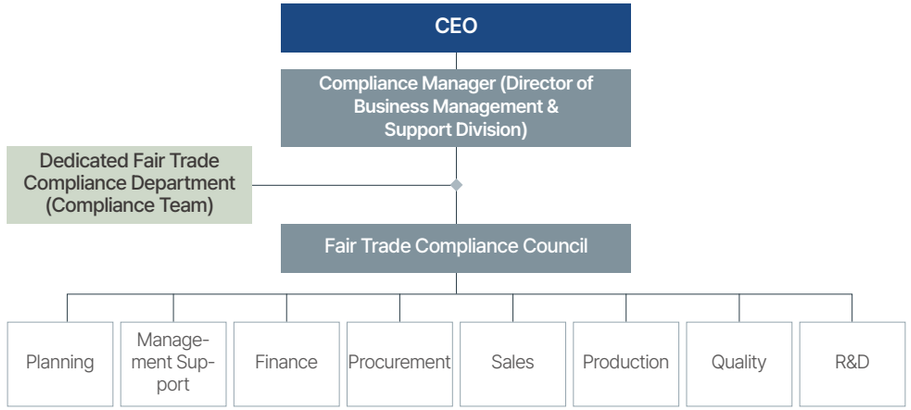
Compliance System and Organization

Hyundai Transys operates a compliance management system and organization in accordance with internal regulations to manage global legal obligations and risks related to fair trade, quality, environment/safety, information security, and anti-corruption. The Board of Directors has appointed a Compliance Officer and a Compliance Manager to ensure the legitimacy of compliance management. We are strengthening our compliance framework by expanding the Compliance Team, which supports the Compliance Officer and internal compliance activities, as well as the Compliance Council comprising departmental representatives. The activities and key achievements of the Compliance Officer and Compliance Manager are regularly reported to the Board.

Compliance Management Organization



Voluntary Compliance Organization (Compliance Council)



Strategy

Compliance Program Operation

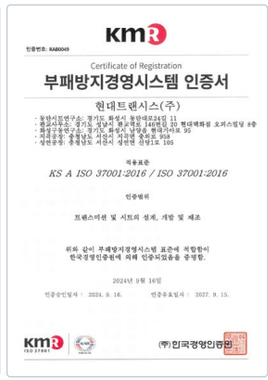
Hyundai Transys upholds the values of compliance and ethical management and shared growth through various initiatives. To prevent corruption, we operate an Anti-bribery Management System (ISO 37001), which has been continuously maintained since its introduction in 2021 and was reaffirmed through a surveillance audit in 2025. In addition, we have strengthened our compliance and ethical management framework by maintaining our Compliance Management System (ISO 37301) certification, while further reinforcing our fair trade compliance system by expanding participation in the Voluntary Compliance Council. To enhance employee awareness, we continue to implement compliance education, self-assessments, CP inspections, and Compliance Week campaigns as part of our ongoing efforts to promote compliance and ethical practices.

Compliance Week Campaign

Hyundai Transys operates an annual “Compliance Week” campaign to strengthen employees’ awareness of compliance and ethics. Key activities include sharing CEO messages on ethical management, employee participation quizzes on fair trade compliance, submission of employee pledges, compliance awareness surveys, compliance training, and awards for outstanding fair trade practices. Through company-wide ethics training content, we support employees in understanding relevant standards and principles and encourage active participation to embed compliance awareness into daily operations. In addition, we publish a quarterly newsletter covering compliance trends and practical legal information to continuously enhance employees’ understanding of regulatory compliance.



ISO 37301 Certificate



ISO 37001 Certificate



Compliance Week Poster

Compliance and Ethical Management

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Strategy

Ethical Management Policy

Hyundai Transys requires all stakeholders with business relationships—including domestic and overseas production and sales corporations, subsidiaries, sub-subsidiaries, and joint ventures—to respect its ethical policies and codes of conduct to practice ethical management.

Ethical Management Practices

Hyundai Transys publishes its Code of Ethics and Code of Conduct on its internal bulletin board and official website to foster a shared understanding of compliance and ethical management among employees. To reinforce this commitment, Hyundai Transys requires all employees, including the CEO, to sign a pledge to practice compliance and ethical management. Additionally, we conduct annual anti-corruption training to prevent workplace violations involving corruption, bribery, and conflicts of interest.

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 Program (CP)

Hyundai Transys operates a Fair Trade Compliance Program (CP) to ensure voluntary compliance with fair trade-related laws and regulations. Led by the Compliance Manager appointed by the Board of Directors, we have established the Compliance Council comprising the compliance team and representatives from each division to share fair trade-related issues and prevent violations. To enhance CP awareness, we conduct regular CP training and inspections, while promoting employee participation through various campaigns such as monthly fair trade newsletter quizzes and quarterly compliance newsletter quizzes. In addition, we foster a culture of fair trade compliance by providing awards for ISO certification achievements and outstanding departments in fair trade compliance. As a result, we have received an AA rating in the Fair Trade Compliance Program (CP) evaluation, demonstrating the excellence of our system.



Outstanding Departments in Fair Trade Compliance

Whistleblowing Channel

Hyundai Transys operates an anonymous whistleblowing channel through our official website and internal intranet. Reports can be submitted on various issues, including corruption, workplace sexual harassment, violations of ethical regulations, responsible minerals, and fair trade-related concerns, with no restriction on topic. The system is accessible to all stakeholders, including employees and suppliers. All reports are handled by a dedicated department, and whistleblowers receive feedback on the outcomes after processing. In addition, we operate a dedicated reporting channel on our website for fair trade-related cases. All reporting channels clearly define whistleblower protection procedures and strictly guarantee anonymity.



Whistleblowing Channel

Compliance and Ethical Management

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Corruption Risk Assessment

Hyundai Transys identifies potential corruption risks within the organization and establishes control measures to manage them effectively. We assess these risks using heat maps ranging from 1×1 (lowest) to 5×5 (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, and we are committed to achieving zero occurrences of corruption through rigorous risk management.

Corruption Risk Assessment Heatmap

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 / Impact	C1	C2	C3	C4	C5

Corruption and Bribery Preventing Process

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 an anti-corruption pledge, as stipulated in our internal regulations. In addition, we have established internal regulations, including the Ethical Charter, Code of Conduct, Workplace Ethics Regulations, and Gift Management Regulations, and disclose them on our ethical management website to support employees and stakeholders in understanding and practicing ethical principles. Furthermore, we are embedding a fair trade culture based on the eight components of fair trade compliance, and we strictly apply a zero-tolerance policy to improper work requests and solicitation using one's position.

Ethics Training

Hyundai Transys provides compliance and ethics competency training, including executive CP training, fair trade training for new hires, team leader CP training, internal transaction training, subcontracting training, and anti-collusion training. In 2025, 5,174 employees completed these programs. In addition, in accordance with CP regulations, we conducted intensive training for high-risk CP departments, including the Procurement Division, Sales Division, R&D Division, Business Management & Support Division, and Finance & Accounting Division.

Training (Period)	Target Employees	Number of Participants (Persons)	Training Content
Compliance Training for Team Leaders (April 22, June 13, and August 21, 2025)	Team Leaders at the Dongtan, Hwaseong, Seosan, and Pangyo Sites	109	Enhancing awareness of essential regulations, including the Subcontracting Act and labor laws, among team leaders
CP Council Training (April 30, 2025)	CP Council Working-Level Staff	46	Precautions for requesting and managing technical data under the Subcontracting Act, etc.
Collusion Prevention Training (June 4, 2025)	General Staff (G2–G5) in the Sales Division	71	Precautions for the sales sector regarding violations of competition laws and unfair collaborative practices
Anti-corruption Training (June 24, 2025)	CP Council Working-Level Staff	39	Enhancing awareness of anti-corruption through cases such as embezzlement and bribery
Subcontracting Training (July 22–24, 2025)	Employees in the Electrification R&D Division, Procurement Division, Seat Division, Quality Division, and general staff and researchers at the Manufacturing Technology Center	1,428	Key contents of the Subcontracting Act and major violation cases
Executive CP Training (July 14, 2025)	Executives	25	Training on major policies and trends related to recent regulatory developments
Internal Transaction Compliance Training (August 19, 2025)	General staff in relevant business units such as procurement, planning, finance, and accounting	385	Enhancing awareness of regulations related to unfair internal transactions
Subcontracting (Technical Data) Training (October 14, 2025)	Employees in the Procurement Division and R&D Division	1,074	Intensive training on technical data-related provisions under the Subcontracting Act
Fair Trade Training (October 2025)	All Employees (company-wide)	1,997	Enhancing basic understanding of fair trade and subcontracting regulations

Data Scope: Domestic Sites

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Metrics & Targets

Hyundai Transys will continue to expand its compliance system to support its growth as a sustainable global company. We will enhance employees' compliance awareness by regularly conducting CP training, CP inspections, and various campaigns to proactively prevent legal violations. In addition, we will strengthen our internal compliance management capabilities by reorganizing our compliance organization and systems.

Category		Unit	2023	2024	2025
Self-Assessment	Fair Trade Inspection (Regular)	Cases	2	4	4
	Compliance Self-assessment (Team Leader Level)	Cases	1	1	1
Corruption Risk Assessment	Number of Sites Subject to Assessment	Cases	5	5	5
	Number of Sites Assessed	Cases	5	5	5
Total Compliance Training Participants		Persons	3,976	5,079	5,566
Total Compliance Training Hours		Hours	3,976	5,060	5,566

Percentage of Employees Who Signed the Ethics Policy

Category	Unit	2023	2024	2025	2026 (Target)
Percentage of Employees Who Signed the Ethics Policy	%	96	99	100	100

Percentage of Sites with Ethics Certification1[1)]

Category	Unit	2023	2024	2025	2026 (Target)
Sites Subject to Ethics Certification	Sites	5	5	5	5
Sites with Ethics Certification	Sites	5	5	5	5
Percentage of Sites with Ethics Certification	%	100	100	100	100

1) Ethics certification: ISO 37001, ISO 37301

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Governance

Information Security Governance Framework

Hyundai Transys operates an information security management system in accordance with relevant laws and internal regulations. We have built a framework tailored to domestic and overseas sites and regularly conduct inspections and improvements across administrative, physical, and technical security domains. Based on our information security strategy and policies, we safeguard critical assets, including trade secrets, national core technologies, and defense technologies, and operate a dedicated security organization led by a Chief Information Security Officer (CISO).

Information Security Management System

Chief Information Security Officer (CISO)
Head of Security Management Group

Risk Prevention	Architecture	Technology Planning	Security Analysis	Core Technology Security
• Establishing and revising security policies, procedures, and guidelines • Conducting training and drills to prevent security incidents	• Establishing company-wide security policies and monitoring compliance • Responding to audits and providing security guidelines	• Standardization of security systems / • Improvement • Operation and optimization of security systems	• Detecting and responding to anomalies • Establishing inspection systems for overseas subsidiaries	• Establishing security policies for core technologies • Implementing protection activities for core technologies

We operate a security council to enhance company-wide security management, share issues across departments, and strengthen execution. The council deliberates and resolves matters related to security operations and management, with participation from the CEO, the Chief Information Security Officer, and company-wide security managers. It reviews and approves security plans and policies and discusses major security incidents and response measures.

Security Council

Chief Information Security Officer (CISO)
Head of Security Management Group

- Security Council
- Team Security Managers Meeting

Company-Level Security Managers	Sectoral Security Officers	Sectoral Security Managers	Team Security Officers
Information Security Center	Head of Seosan Support Office (Jigok/Seongyeon Plants)	Head of General Affairs Team (Jigok/Seongyeon Plants)	Team Leaders
	Head of Electrification R&D Center (Hwaseong Drivetrain R&D Center)	Head of R&D Planning Team (Hwaseong)	
	Head of Security Management Group (Dongtan Seat R&D Center)	Head of Information Security Center (Dongtan Seat R&D)	

Strategy

Information Security Policy

Hyundai Transys has established and implements information security regulations to protect critical corporate information—including technical, managerial, and personal data—from security threats. The information security department monitors security trends and updates policies as needed with approval from the Chief Information Security Officer and review by the company-wide information security committee. These policies apply to all personnel associated with Hyundai Transys and cover all tangible and intangible information assets.

Information Security Strategy

Hyundai Transys recognizes information security not only as a means of risk control but as a core element in building business trust. We have established three strategic directions to maintain zero security incidents and support business operations through a proactive and stable system. Based on these directions, we are strengthening security by transitioning certification systems, reinforcing supply chain security, and preventing incidents, while protecting critical information and enhancing corporate trust.

Strategic Objectives of the Information Security Center

Establishing and operating a proactive and stable information security system to maintain zero security incidents and support business operations

Strategic Directions	Transition to User and System Authentication Systems	Strengthening Global Supply Chain Security	Strengthening Security Incident Prevention
	• Establishment of a passwordless integrated authentication system • Integration of access, attendance, and meal management based on biometric authentication • User authentication for PC systems using facial recognition	• Identification of protected assets in production networks • NAC implementation for unauthorized devices across subsidiaries • Upgrading security solutions for production equipment • Enhancing security capabilities at overseas sites	• Establishment and operation of new security solutions • Strengthening anomaly detection and response using security solutions and system log data • Reinforcing IT system security assessments (including expanded source code analysis)

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Security Management Framework (Security Life Cycle)

Hyundai Transys has established a risk-based information security management system and reinforced the fundamentals of information security by defining clear standards and disciplinary measures for security violations. We also operate industry security councils and enhance response processes to address external security issues promptly, while maintaining ISO 27001 certification and TISAX certification to externally validate the effectiveness of our management system.

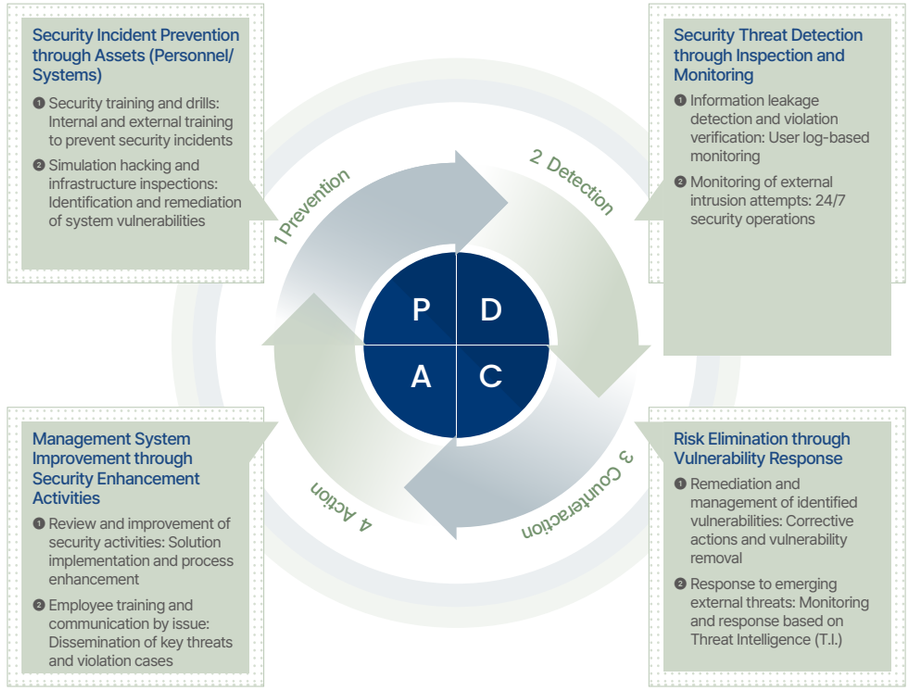
As cyberattacks continue to increase globally, we operate a PDCA-based Security Life Cycle to strengthen internal controls and proactively respond to external threats. We continuously enhance our response capabilities through security operations (SOC), incident response systems (CERT), and real-time threat intelligence (T.I.) monitoring. Through these efforts, Hyundai Transys remains committed to maintaining stable business operations and strengthening customer trust amid increasingly sophisticated security threats.



ISO 27001 Certificate



TISAX Certificate



Background

- In response to the increasing risks from domestic and global cyberattacks, we are strengthening internal security controls and enhancing preventive measures and rapid response capabilities.

Achievements

- We operate a Security Operations Center (SOC) for real-time incident response and a Computer Emergency Response Team (CERT) for rapid handling of security incidents. We also provide Threat Intelligence (T.I) services to monitor external security events and strengthen responses to emerging cyber threats.

Future Plan

- We will strengthen the management of core internal technologies and actively respond to advanced external cyberattacks to support stable and sustainable business operations.

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IT Security Incident Response

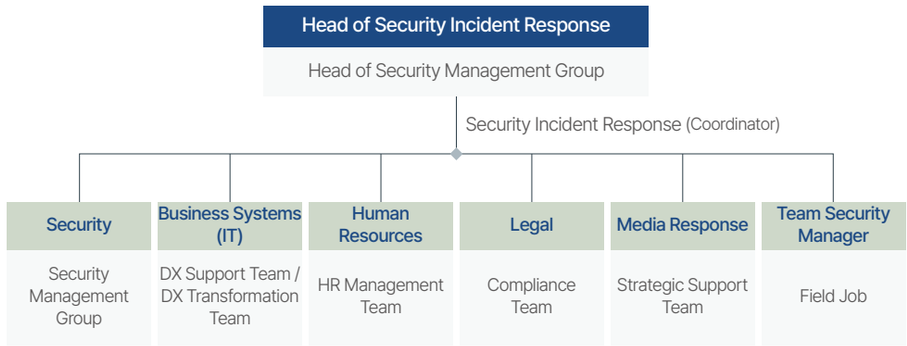
Hyundai Transys defines incident types and scope to respond to IT and security breaches and proactively blocks anomalies at an early stage through preventive activities and systems. We establish graded response and recovery plans based on potential impact and business disruption, and conduct regular drills to assess response capabilities. We also respond to external intrusion attempts in real time through a 24/7 group Security Operations Center (SOC), preventing attacks via unauthorized network traffic. In addition, we protect internal information assets from malware using security solutions such as EDR and SASE. Through external Threat Intelligence (T.I.) services, we continuously monitor security trends related to data breaches and promptly respond to critical vulnerabilities identified in open-source and commercial software by applying updates or removing unnecessary services.

Information Security Incident Response Process

Hyundai Transys establishes procedures for response, reporting, and improvement to minimize the impact of IT and security incidents and prevent recurrence, thereby ensuring business continuity. To this end, we organize dedicated response teams and clearly define roles and responsibilities, providing training to enable rapid response to incidents. We also operate a security reporting center to proactively prevent information leaks.

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

Security Incident Response Organization



Security Incident Response Procedure



Promoting an Information Security Culture

Hyundai Transys carries out various activities to enhance employee awareness and prevent incidents. We foster a culture of voluntary compliance through security pledges, regular training, campaigns, and phishing simulation exercises. We designate a monthly “Information Security Day” to raise awareness through webtoon-style content, enabling employees to easily understand and apply security practices. We also conduct regular inspections of physical security environments and internal security status while providing training materials at the departmental level to reinforce compliance with security guidelines. In addition, we conduct regular phishing simulations for domestic and overseas employees and provide follow-up training when necessary to strengthen response capabilities against cyber threats such as ransomware, data leakage, and payment fraud. We further promote security awareness through reward programs and campaigns, and collect employee suggestions via the “Security Portal Improvement Board,” implementing corrective measures for identified vulnerabilities.



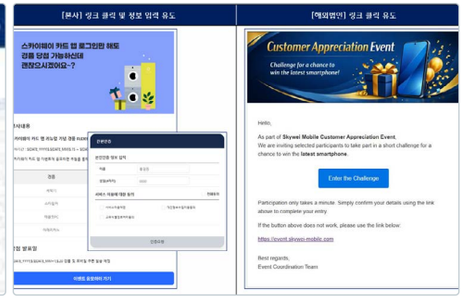
Information Security Training Portal



Animated User Training (3 times/year)



Security Portal Bulletin Board



Phishing Email Simulation Training

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Personal Information Protection

Hyundai Transys assigns the Chief Privacy Officer (CPO) and the information security department to oversee and control the misuse and leakage of personal information. Only authorized personnel are permitted to process personal data strictly for business purposes in accordance with established principles and procedures. All personal data is collected based on the data subject's consent after clearly informing them of the purpose of collection, specific data items, retention period, and any third-party sharing. The collected data is securely managed through various technical safeguards, including encryption and anti-hacking measures, and data subjects may request the modification or deletion of their information at any time through the data processing department. Through these processes, Hyundai Transys protects the personal information of stakeholders, including employees, customers, and suppliers, while promoting remedial actions for privacy infringements and strengthening response capabilities.

Personal Information Management System

To prevent personal information breaches and data leakage incidents, all employees strictly comply with personal data processing principles.

Personal Data Management

Hyundai Transys ensures that all employees strictly comply with personal data processing principles to prevent personal data breaches and leakage. We have established personal data protection guidelines and a privacy policy, and employee personal data is securely deleted from systems after being retained for the period specified by relevant laws. Personal data collected from external parties, such as through whistleblowing reports or visit reservations, is managed based on retention periods defined by specific business purposes and in accordance with the criteria outlined in consent forms at the time of collection. We also conduct regular inspections of internal personal data processing systems and continuously monitor management standards through protective measures such as access control and encryption. As a result of these efforts, Hyundai Transys has recorded zero personal data breaches from 2019 to 2025 and will continue to enhance its systems and response framework.

Implementation of Regular Security Inspections

Hyundai Transys conducts regular and special security inspections under the supervision of the Chief Information Security Officer (CISO), either annually or as needed, in accordance with information protection regulations. These inspections include verification of the effectiveness of the "Information Security Day" program, safety checks of operating systems and infrastructure, system penetration testing, evaluation of personal data lifecycle management (from collection to disposal), firewall rule inspections, network scanning, and security level assessments of production networks. All security inspections and audits are carried out based on independence and fairness, and follow-up measures—including disciplinary actions and operational improvements—are implemented depending on the severity of violations.

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.)

Security Inspection Items

- 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

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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 to maintain a robust physical security environment.

Key Technologies Protection

Illegally leaking and misusing core technologies can have serious adverse effects on both corporate and national competitiveness. Hyundai Transys, as a company possessing core technologies related to future auto parts manufacturing, 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 conduct 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 specialized expertise.

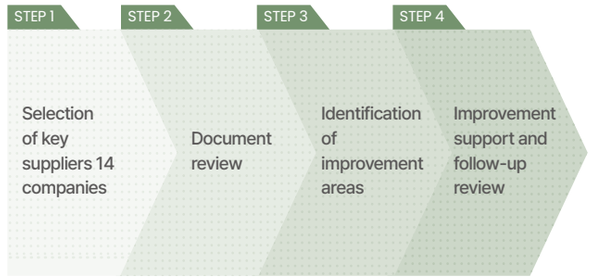
Information Protection-Related Investment

Hyundai Transys establishes and implements annual investment plans to strengthen information security. We are continuously increasing the proportion of the information security budget within the total IT budget, and in 2025, we invested approximately KRW 3.85 billion to implement stringent information security policies.

Strengthening Suppliers' Information Security Capabilities

Hyundai Transys enhances information security across the value chain by assessing the security management status of suppliers handling critical information and identifying areas for improvement. We encourage voluntary improvements by rewarding top-performing suppliers and provide security training and guidelines to strengthen their information security capabilities.

Supplier Information Security Capacity Building Process



Strengthening the Application of Information Security KPIs at Overseas Sites

Hyundai Transys has incorporated information security KPIs into the performance evaluations of heads of 25 overseas sites to enhance global security levels. These KPIs cover system implementation, security organization operation, key tasks, phishing training, security assessments, and monitoring, promoting the internalization of security systems.

Incorporation of Security Items into Group-wide KPIs

Hyundai Transys aligns with the Hyundai Motor Group by integrating security items into CEO KPIs to strengthen group-wide security and manage performance based on defined objectives. The 2025 KPI targets include system implementation, security setting application across domestic and overseas entities, and operation of dedicated organizations. Hyundai Transys achieved 2.48 out of 2.6 and will continue improving security systems and global site security levels.

Metrics & Targets

Hyundai Transys plans to expand the application of information security KPIs and address improvements in personal data management to strengthen its security management system, global compliance, and data-driven risk management. We established a foundation for company-wide security management by incorporating KPIs into the performance evaluations of domestic and overseas leaders. The CEO-level KPI achievement rate reached 95.4% in 2025. We will further enhance security by expanding performance metrics such as security assessments and response training across overseas sites.

Violation of Personal Information Protection Laws

Data Scope: Domestic Sites

Category	Unit	2023	2024	2025
Number of Violations of Personal Data Protection Laws and Regulations	Cases	0	0	0
Number of Customer Data Leaks, Thefts, and Losses	Cases	0	0	0

Major Achievements in Information Security Education in 2025

Data Scope: Domestic Sites

Course Name	Target Audience (Persons)	Participants (Persons)	Participation Rate (%)
Security Training for Promoted Employees	100	98	98
Security Training for New and Experienced Hires	6	6	100
Security Training for Secretaries and Drivers	2	2	100
Personnel Handling Core Technologies	114	109	96
Employee Security Training	2,182	2,182	100
Security Training for Personal Data Handlers	308	308	100

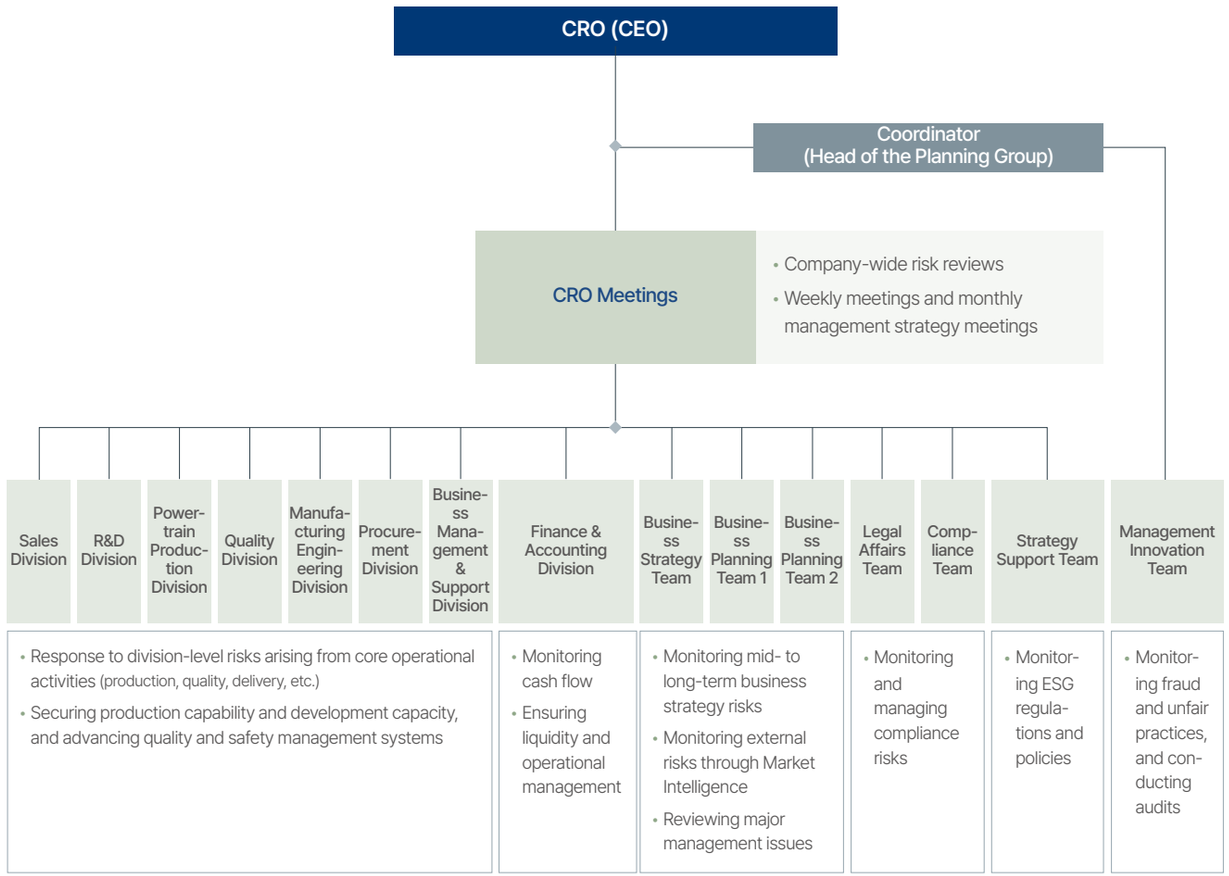
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Governance

Hyundai Transys operates a risk management governance structure comprising the CEO, the company-wide Chief Risk Officer (CRO), division heads, and responsible departments within each division. For core risks in particular, Hyundai Transys ensures effective risk management by regularly reporting their status, categorized by type and individual risk, to executive management. This approach enables Hyundai Transys to effectively identify potential risks across relevant areas and manage them for swift responses.

Risk Management Organizational Chart



Strategy

Hyundai Transys incorporates macroeconomic and industry analysis into the early stages of mid- to long-term business planning, identifying potential risks in advance and reflecting them in annual plans and key initiatives. In developing execution plans, we assess major issues and conduct risk evaluations, establishing response measures for high-risk items and implementing them after prior review and approval. We also continuously monitor these activities to ensure risks do not disrupt business operations and maintain an integrated risk management system.

Risk Management

Hyundai Transys incorporates macroeconomic and industry analysis into the early stages of mid- to long-term business planning, identifying potential risks in advance and reflecting them in annual plans and key initiatives. In developing execution plans, we assess major issues and conduct risk evaluations, establishing response measures for high-risk items and implementing them after prior review and approval. We also continuously monitor these activities to ensure risks do not disrupt business operations and maintain an integrated risk management system.

Risk ProcessManagement

Planning Phase		• Mid- to long-term business strategy and external environment analysis • Annual business plan development and approval • Establishment of key annual initiatives
Imple-mentation Phase	Identifica-tion	• Current status review and risk assessment
	Analysis	• Development, review, and approval of response measures for high-risk items
	Response/ Mitigation	• Ongoing monitoring of risk reduction activities

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Definition of Key Risks and Response Measures

Hyundai Transys identifies and monitors internal and external risks that may affect management objectives. Risks are classified by controllability and categorized as external, strategic, operational, financial, and tax risks. Response measures are established based on impact analysis and cross-functional consultation. We continuously monitor risks until impacts are mitigated and implement improvement actions to prevent disruptions. For major risks, we convene company-wide response meetings led by the CEO and division heads to determine actions and minimize impacts.

Type		Definition	Risk	Response
Uncontrollable	External Risk	• External risks from social, economic, political, environmental changes • Risks from automotive industry shifts	• Climate regulations, carbon neutrality, CBAM expansion • U.S. tariffs, exchange rate volatility • Declining ICE demand, weaker price competitiveness	• Establish phased response scenarios • Review product and production strategies
Controllable	Strategic Risk	• Mid- to long-term risks affecting business strategy	• Strengthening ESG regulations	• Develop electrification systems/technology • Expand partnerships, strengthen global competitiveness
	Operational Risk	• Risks from internal processes and decision-making	• Safety/accident risks • Electrification delay risk • SDV transition risk • Quality failure risk	• Strengthen safety measures • Enhance electrification and SW capabilities • Optimize organization, secure talent • Improve quality management
	Financial Risk	• Risks from financial market volatility	• Interest rate / exchange rate volatility	• Monitor financial markets • Implement hedging strategies
	Tax Risk	• Risks of tax penalties due to regulation or errors	• Differences in tax rules • BEPS 2.0, global minimum tax • Tax/accounting/ESG risks	• Monitor global tax trends • Strengthen responses to regulations

External Risks

Amid a rapidly changing external environment, Hyundai Transys systematically identifies external risks that impact its sustainability and establishes a management system for proactive response. These risks stem from factors beyond its direct control and can significantly impact business operations across various areas, including environmental, social, political, and industrial structural changes. Stricter climate change responses and rising energy prices constitute environmental risks, while enhanced human rights and labor standards, along with growing expectations from local communities, act as social risks. Geopolitical conflicts and policy shifts pose political risks, whereas the transition to electric vehicles and technological advancements create structural industry risks. We are committed to securing a foundation for sustainable management by implementing proactive monitoring and response systems for these risks.

Strategic Risks

Strategic risk refers to the potential for a company's mid- to long-term management strategy to lose effectiveness or for its market competitiveness to decline due to shifting industry trends, technological transitions, and changing customer demands. Hyundai Transys periodically reviews its mid- to long-term strategy to reflect rapidly changing external environments, including electrification and carbon neutrality. Furthermore, we have established a system to proactively identify and flexibly respond to strategic risks based on industry and market intelligence.

Operational Risks

Operational risks are tangible risks that may arise during daily business operations, including production, quality, delivery, and information security. Hyundai Transys maintains its production capacity and development capabilities through a company-wide operational risk monitoring system. Furthermore, we establish sector-specific response systems and continuously pursue improvement activities to address various risks, such as quality, supplier ESG, information security, and safety.

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Financial Risks

Hyundai Transys establishes specific management points for major financial risks and implements risk response activities accordingly. We categorize our financial risk management system based on the characteristics of each risk type and assess the likelihood of risk occurrences through company-wide monitoring.

Profitability Risks

Considering the long-term nature of its product lifecycles, Hyundai Transys categorizes and manages profitability risks by business stage. Over the mid-to-long term, it drives sustainable revenue generation and secure future competitiveness through project-level profitability management. To mitigate short-term profit and loss fluctuations, we operate a monthly company-wide committee to identify and review profitability risks and opportunities that impact the annual business plan.

Liquidity Risk

Hyundai Transys regularly monitors its liquidity, borrowings, and credit limits to prevent tax policies from disrupting financial liquidity across its domestic and international sales, financial, and investment activities. Furthermore, to enhance liquidity utilization, it operates a Cash Management System (CMS) that integrates liquidity management across its overseas subsidiaries, thereby strengthening group-level fund management efficiency and risk response capabilities.

Foreign Exchange Risk

To minimize financial uncertainty caused by exchange rate fluctuations, Hyundai Transys comprehensively manages financing and foreign exchange risks under the leadership of the Treasury Team. We continuously monitor the financial impact of exchange rate fluctuations by operating a comprehensive foreign exchange management system and managing short-, mid-, and long-term borrowings by overseas region, allowing it to establish and execute proactive response strategies.

Tax Risks

Hyundai Transys faithfully fulfills its tax reporting and payment obligations in accordance with domestic and international laws. We systematically identify, proactively evaluate, and manage various tax risks that may arise across our business activities.

Tax Policy

Hyundai Transys is committed to compliance and responsible tax payment as core principles of its tax policy and corporate responsibility. We establish and implement internal tax regulations based on domestic and international tax laws and proactively manage risks arising from new business activities and changes in transaction structures. We also collaborate with tax experts and maintain communication with tax authorities to monitor tax regulations and global tax trends affecting financial performance.

Overseas Tax Obligation Fulfillment

Hyundai Transys complies with domestic tax laws and OECD transfer pricing guidelines in cross-border transactions, fulfilling overseas tax obligations to ensure transparency. We do not engage in tax avoidance schemes, artificial structures, or tax haven use. We follow OECD BEPS requirements through proper documentation and strengthen tax management of overseas subsidiaries with external expertise. In key regions such as North America and China, we utilize Advance Pricing Agreements (APAs) to maintain transparency and manage tax risks.

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Hyundai Transys' Efforts to Strengthen ESG Data Management

Hyundai Transys identified errors in previously disclosed data while consolidating information from the company and its subsidiaries. These discrepancies were caused by inconsistent measurement methods and non-uniform standards across different organizations. To enhance the reliability and consistency of ESG disclosures, we established unified calculation standards and indicator definitions aligned with global standards. Based on these criteria, we developed company-wide ESG reporting guidelines and resolved data distortions arising from differences in application standards across business sites. We clearly disclosed the revised data points and the reasons for changes in the footnotes and continue to improve the transparency and reliability of ESG data. In addition, we are strengthening data completeness by expanding the reporting boundary to include not only domestic sites but also overseas production subsidiaries, sales offices, and research centers.

※ In this report, "-" indicates that data was not measured or disclosed, and "0" indicates that the value for the reporting year is zero.

Financial Performance

Category		Unit	2023 Domestic (Consolidated)	2024 Domestic (Consolidated)	2025 Domestic (Consolidated)
Revenue		KRW million	11,693,980	12,746,390	14,839,047
Total Economic Value Distributed	**Total**	**KRW million**	**11,686,018**	**12,816,759**	**15,627,304**
	Operating Expenses	KRW million	10,809,136	11,733,881	14,352,064
	Wages and Employee Benefits	KRW million	767,856	933,847	1,043,293
	Corporate Tax	KRW million	31,216	12,126	80,256
	Dividends	KRW million	0	0	0
	Interest Expenses	KRW million	76,846	135,618	149,358
	Donations	KRW million	964	1,287	2,333
Government Subsidies	**Total**	**KRW million**	**2,100**	**1,600**	**1,300**
	Treasury Subsidies	KRW million	2,100	1,600	1,300
	Other Operational Activity Support	KRW million	0	0	0
	Royalty Exemptions	KRW million	0	0	0
	Prizes	KRW million	0	0	0
	Tax Exemptions and Deductions	KRW million	0	0	0
	Export Credit Agency Support	KRW million	0	0	0
	Incentives	KRW million	0	0	0
	Investment, R&D and Other Support	KRW million	0	0	0
Government-Owned Equity		%	0	0	0
Consolidated Tax Information (BEPS)	**Total**	**KRW million**	**5,059,896**	**6,536,045**	**7,826,343**
	Tangible Assets (Excluding Cash and Cash Equivalents)	KRW million	2,644,808	3,327,585	3,418,893
	Corporate Tax Paid	KRW million	49,088	54,013	82,546
	Accrued Income Taxes	KRW million	51,910	4,016	15,529
	Pre-Tax Profit/Loss	KRW million	127,961	35,212	195,540
	Third-Party Sales Revenue	KRW million	849,976	768,856	1,987,769
	Internal Transactions With Entities in Other Tax Jurisdictions	KRW million	1,336,153	2,346,363	2,126,066
Related Party Transactions		KRW million	12,267,024	13,268,321	15,011,030
Related Party Receivables and Payables		KRW million	2,059,112	2,018,870	2,399,279
Number of Manufactured Parts	P/T	10,000 units	644	624	624
	Seat	10,000 units	363	361	366

Strengthening New Growth Engines and Technological Innovation

Category		Unit	2023	2024	2025
R&D Investment	R&D Investment	KRW 100 million	3,594	3,556	3,814
	R&D Investment-to-Revenue Ratio[3]	%	4.18	4.27	4.24
R&D Personnel	Number of R&D Personnel	Persons	953	995	971
	R&D Staff-to-Total Workforce Ratio[2]	%	23.1	23.9	23.3
Number of Intellectual Property Rights	Number of Registrations[2]	Cases	194	222	266
	Number of Applications[2]	Cases	294	324	319
Number of R&D Projects[1]	Full-Form Development	Cases	120	102	118
	Mass-Production Development	Cases	256	331	309

1) Scope: Hyundai Transys R&D Center
2) Some figures for 2023 and 2024 have been restated due to data aggregation errors in the previous period.
3) Calculated based on domestic standalone revenue.

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GHG Management[3)]

Category		Unit	2023				2024				2025			
			Domestic Sites	Domestic Subsidiaries[1)]	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total
Direct GHG Emissions (Scope 1)	**Total**	**tCO_2eq**	**20,581**	**394**	**5,410**	**26,385**	**21,193**	**251**	**5,612**	**27,056**	**22,144**	**170**	**6,480**	**28,794**
	CO_2	tCO_2eq	20,551	394	5,383	26,327	21,156	251	5,583	26,990	22,107	169	6,428	28,704
	N_2O	tCO_2eq	22	0	5	27	21	0	6	27	22	1	31	54
	CH_4	tCO_2eq	9	0	22	31	16	0	23	38	15	0	21	36
	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
	SF_6	tCO_2eq	0	0	0	0	0	0	0	0	0	0	0	0
	NF_3	tCO_2eq	0	0	0	0	0	0	0	0	0	0	0	0
	Direct GHG Emissions (Scope 1) Subject to the Emissions Trading Scheme	tCO_2eq	20,581	0	-	20,581	21,193	0	-	21,193	22,144	0	793	22,937
	Percentage of Direct GHG Emissions (Scope 1) Subject to the Emissions Trading Scheme	%	100	-	-	-	100	-	-	-	100	-	12	-
Indirect GHG Emissions (Scope 2) Location-Based	**Total**	**tCO_2eq**	**174,339**	**4,630**	**119,484**	**298,453**	**169,459**	**4630**	**125,680**	**299,769**	**178,067**	**4,673**	**128,133**	**310,873**
	Electricity	tCO_2eq	174,249	4,630	119,338	298,217	169,374	4630	125,542	299,546	177,975	4,673	128,129	310,777
	Steam	tCO_2eq	90	0	0	90	85	0	0	85	92	0	4	96
	Heating	tCO_2eq	0	0	146	146	0	0	138	138	0	0	0	0
	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**	**174,339**	**4,630**	**118,152**	**297,121**	**169,459**	**4,630**	**75,928**	**250,017**	**178,067**	**4,673**	**36,462**	**219,202**
	Electricity	tCO_2eq	174,249	4,630	118,006	296,884	169,374	4,630	75,790	249,794	177,975	4,673	36,458	219,106
	Steam	tCO_2eq	90	0	0	90	85	0	0	85	92	0	4	96
	Heating	tCO_2eq	0	0	146	146	0	0	138	138	0	0	0	0
	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	194,921	5,024	124,894	324,839	190,652	4,881	131,292	326,825	200,211	4,842	134,613	339,666
Total GHG Emission Intensity (Scope 1+2) Location-based[2)]		tCO_2eq/KRW million				0.0278				0.0256				0.0229
Total GHG Emissions (Scope 1+2) Market-based		tCO_2eq	194,921	5,024	123,562	323,506	190,652	4,881	81,539	277,073	200,211	4,842	42,942	247,996
Total GHG Emission Intensity (Scope 1+2) Market-based[2)]		tCO_2eq/KRW million				0.0277				0.0217				0.0167
Other Indirect GHG Emissions (Scope 3)	**Total**	**tCO_2eq**	**9,453,844**	**-**	**-**	**9,453,844**	**10,975,779**	**-**	**-**	**10,975,779**	**24,514,460**	**-**	**-**	**24,514,460**
	Category 1) Purchased Goods and Services	tCO_2eq	1,442,904	-	-	1,442,904	1,395,950	-	-	1,395,950	2,270,983	-	-	2,270,983
	Category 2) Capital Goods	tCO_2eq	43	-	-	43	49	-	-	49	83,643	-	-	83,643
	Category 3) Not Included in Scope 1 & 2 Fuel- and Energy-Related Activities	tCO_2eq	309,775	-	-	309,775	319,557	-	-	319,557	87,168	-	-	87,168
	Category 4) Upstream Transportation and Distribution	tCO_2eq	-	-	-	-	-	-	-	-	298,833			298,833
	Category 5) Waste Generated in Operations	tCO_2eq	8,246	-	-	8,246	8,884	-	-	8,884	6,767	-	-	6,767
	Category 6) Business Travel	tCO_2eq	7,552	-	-	7,552	5,828	-	-	5,828	5,716	-	-	5,716
	Category 7) Employee Commuting	tCO_2eq	27,332	-	-	27,332	28,972	-	-	28,972	46,459	-	-	46,459
	Category 8) Upstream Leased Assets	tCO_2eq	-	-	-	-	-	-	-	-	4,176			4,176
	Category 9) Transportation and Distribution	tCO_2eq	40,069	-	-	40,069	42,473	-	-	42,473	37,945	-	-	37,945
	Category 11) Use of Sold Products[4)]	tCO_2eq	7,617,748	-	-	7,617,748	9,173,939	-	-	9,173,939	21,438,056	-	-	21,438,056
	Category 12) End-of-Life Treatment of Sold Products	tCO_2eq	175	-	-	175	127	-	-	127	234,385	-	-	234,385
	Category 13) Downstream Leased Assets	tCO_2eq	-	-	-	-	-	-	-	-	327			327
Total GHG Emissions (Scope 1+2+3) Location-based		tCO_2eq	9,648,765	-	-	9,778,683	11,166,431	-	-	11,302,603	24,714,668	-	-	24,854,126
Total GHG Emission Intensity (Scope 1+2+3) Location-based[2)]		tCO_2eq/KRW million				0.8362				0.8867				1.6749

1) Data for domestic subsidiaries is based on Hyundai Mseat, and TRANIX is included in domestic sites.

2) Historical data was recalculated to reflect a change in the intensity calculation standard (from separate domestic revenue to consolidated revenue).

3) Domestic emissions are calculated based on the GHG Emission Trading Scheme, while overseas emissions apply IPCC guidelines and country-specific electricity emission factors. For Global Warming Potential (GWP), domestic calculations use the GHG Emission Trading Scheme standards, and overseas calculations apply IPCC AR5 factors.

4) Category 11) Emissions from the use of sold products increased year-over-year due to a change in the calculation methodology to the Well-to-Wheel (WTW) approach.

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Category		Unit	2023				2024				2025			
			Domestic Sites	Domestic Subsidiaries[1]	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total
Energy Consumption[4] (Purchase-based)	**Total**	**MWh**	**489,230**	**12,675**	**301,451**	**803,356**	**481,899**	**11,840**	**398,889**	**892,629**	**508,858**	**11,993**	**348,334**	**869,187**
	Non-renewable Energy	MWh	489,230	12,675	290,594	792,499	480,913	11,840	303,726	796,479	505,114	11,993	167,199	684,307
	Fuel	MWh	109,245	1,783	48,018	159,046	111,564	1,088	42,669	155,321	117,010	795	45,932	163,737
	Electricity	MWh	379,287	10,892	241,501	631,680	368,676	10,753	260,070	639,498	387,398	11,198	104,854	503,451
	Steam	MWh	0	0	0	0	0	0	0	0	0	0	0	0
	Heating	MWh	698	0	1,075	1,773	673	0	987	1,660	706	0	16,413	17,119
	Cooling	MWh	0	0	0	0	0	0	0	0	0	0	0	0
	Renewable Energy	MWh	0	0	10,857	10,857	986	0	95,163	96,150	3,745	0	181,135	184,880
	Fuel	MWh	0	0	0	0	0	0	0	0	0	0	0	0
	Electricity (Bundled)	MWh	0	0	10,857	10,857	986	0	10,966	11,953	3,745	0	39,878	43,623
	Electricity (Unbundled)	MWh	0	0	0	0	0	0	84,197	84,197	0	0	141,257	141,257
	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 Rate[2]	%	0	0	4.30	1.69	0.27	0	26.79	13.07	0.96	0	40.70	21.82
	Proportion of Bundled Renewable Energy Contracts	%	-	-	100	100	100	-	11.52	12.43	100	0	22.02	23.60
	Proportion of Unbundled Renewable Energy Contracts	%	-	-	0	0	0	-	88.48	87.57	0	0	77.98	76.40
Energy Production	**Total**	**MWh**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**15,198**	**15,198**
	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	15,198	15,198
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 million				0.0687				0.0700				0.0692

1) Domestic subsidiary data is based on Hyundai Mseat, and TRANIX is included in domestic sites.
2) Renewable Energy Usage Ratio = (Total Renewable Energy Consumption / Total Electricity Consumption) × 100
3) Historical data was recalculated to reflect a change in the intensity calculation standard (from separate domestic revenue to consolidated revenue).
4) Electricity energy conversion for overseas sites is calculated using IPCC standard conversion factors.

Pollutant Management

Category		Unit	2023				2024				2025			
			Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries[1]	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total
Air Pollutant Emissions	**Total**	**Ton**	**34.00**	**2.42**	**42.00**	**78.42**	**34.00**	**2.53**	**69.13**	**105.67**	**17.33**	**2.35**	**91.52**	**111.20**
	NOx (Nitrogen Oxides)	Ton	20.00	0.04	13	33.04	17.00	0.04	24.82	41.86	15.63	0.04	28.33	44.00
	SOx (Sulfur Oxides)	Ton	5.00	-	17.00	22.00	8.00	-	28.11	36.11	0.00	-	25.84	25.84
	TSP (Total Suspended Particulates)	Ton	9.00	2.38	12.00	23.38	9.00	2.49	16.20	27.69	1.70	2.31	37.35	41.36
Water Pollutant Emissions	**Total**	**kg**	**111**	**-**	**34,076**	**34,187**	**111**	**-**	**11,100**	**11,211**	**34**	**-**	**13,352**	**13,386**
	TOC (Total Organic Carbon)	kg	26	-	17,020	17,046	17[1]	-	-	17	13	-	96	109
	TSS (Total Suspended Solids)	kg	2	-	3,250	3,252	7	-	2,670	2,677	1	-	3,836	3,837
	BOD (Biochemical Oxygen Demand)	kg	7	-	9,317	9,324	23	-	7,693	7,716	3	-	8,713	8,716
	T-N (Total Nitrogen)	kg	75	-	4,356	4,431	60	-	685	745	17	-	623	640
	T-P (Total Phosphorus)	kg	1	-	134	135	4	-	52	56	0	-	84	84

1) Figures restated due to an aggregation error in the previous period

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Waste Management

Category		Unit	2023				2024				2025			
			Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total
Waste Generation		Ton	5,404	531	7,429	13,363	4,535	797	10,081	15,413	4,898	899	21,943	27,741
General Waste	**Total**	**Ton**	**2,139**	**219**	**5,960**	**8,318**	**2,320**	**450**	**6,801**	**9,571**	**2,548**	**358**	**14,598**	**17,505**
	Landfill	Ton	48	0	2,585	2,633	57	0	3,233	3,290	76	0	3,252	3,328
	Incineration (without energy recovery)	Ton	14	14	4	32	61	16	3	80	191	16	3	210
	Incineration (with energy recovery)	Ton	0	0	0	0	0	0	0	0	0	0	3	3
	Recycling (Official)	Ton	2,077	205	3,371	5,653	2,202	434	3,565	6,201	2,282	342	11,142	13,766
	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	0	198	198
Designated Waste	**Total**	**Ton**	**3,265**	**312**	**1,470**	**5,045**	**2,215**	**347**	**3,281**	**5,843**	**2,350**	**541**	**7,345**	**10,236**
	Landfill	Ton	3	0	20	23	0	0	264	264	9	0	2,334	2,343
	Incineration (without energy recovery)	Ton	1,653	0	723	2,376	1,225	0	294	1,519	1,317	0	59	1,376
	Incineration (with energy recovery)	Ton	0	164	2	166	0	53	0	53	0	127	1,394	1,521
	Recycling (Official)	Ton	1,609	148	625	2,382	990	294	2,580	3,864	1,024	414	2,025	3,463
	Recycling (Internal)	Ton	0	0	0	0	0	0	0	0	0	0	2	2
	Reuse	Ton	0	0	0	0	0	0	0	0	0	0	0	0
	Other Disposal	Ton	0	0	98	98	0	0	142	142	0	0	1,531	1,531
	Designated Waste Generation Rate[1)]	**%**	**60**	**59**	**20**	**38**	**49**	**44**	**33**	**38**	**48**	**60**	**33**	**37**
	Designated Waste Recycling Rate[2)]	**%**	**30**	**28**	**8**	**18**	**22**	**37**	**26**	**25**	**21**	**46**	**9**	**12**
Total Construction Waste		Ton	0	-	0	0	0	-	0	0	0	0	8	8
Total Radioactive Waste		Ton	0	-	0	0	0	-	0	0	0	0	0	0
Total Waste Directed to Disposal		Ton	1,718	178	3,433	5,329	1,343	69	3,936	5,348	1,592	143	8,774	8,488
Total Waste Diverted from Disposal		Ton	3,686	353	3,996	8,035	3,192	728	6,145	10,065	3,306	756	13,169	17,231

1) Designated Waste Generation Ratio: Designated Waste (Total) ÷ Total Waste Generated × 100

2) Designated Waste Recycling Ratio: Designated Waste (External Recycling + Internal Recycling) ÷ Total Waste Generated × 100

Water Management

Category		Unit	2023				2024				2025			
			Domestic Sites	Domestic Subsidiaries[1)]	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries[1)]	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries[1)]	Overseas Sites	Total
Water Withdrawal	**Total**	**Ton**	**522,785**	**17,561**	**542,790**	**1,083,136**	**545,482**	**17,249**	**498,548**	**1,061,279**	**460,667**	**19,333**	**467,152**	**947,152**
	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 Water (Municipal Water)	Ton	329,321	9,738	542,790	881,849	365,179	11,113	498,548	874,840	282,666	9,269	464,070	756,005
	Surface Water	Ton	0	0	0	0	0	0	0	0	0	0	3,082	3,082
	Groundwater	Ton	193,464	7,823	0	201,287	180,303	6,136	0	186,439	178,001	10,064	0	188,065
Water Discharge	**Total**	**Ton**	**117,341**	**17,561**	**219,999**	**354,901**	**108,752**	**17,249**	**153,456**	**279,457**	**99,431**	**19,333**	**216,367**	**335,131**
	Third-party Water Discharge	Ton	981	17,561	174,949	193,491	1,022	17,249	116,748	135,019	961	19,333	180,569	200,863
	Third-party Water Discharge for Use by Other Organizations	Ton	68,560	0	35,655	104,215	65,690	0	26,164	91,854	62,560	0	27,174	89,734
	Direct Discharge to Seawater	Ton	0	0	0	0	0	0	0	0	0	0	0	0
	Direct Discharge to Surface Water	Ton	47,800	0	9,395	57,195	42,040	0	4,834	46,874	35,910	0	3,013	38,923
	Direct Discharge to Groundwater	Ton	0	0	0	0	0	0	5,709	5,709	0	0	5,611	5,611
Recycled/Reused Water[2)]		Ton	350,188	0	31,361	381,549	317,752	0	34,559	352,311	384,054	0	107,151	491,205

1) Includes water data for Hyundai Mseat only among domestic subsidiaries; TRANIX data is included in the domestic sites category.

2) Domestic sites include the Jigok Plant only.

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Water Consumption by Site[1)2)]

Site	Unit	2024	2025
Seosan Seongyeon	Ton	-	134,049
Seosan Jigok	Ton	-	215,768
Hyundai Mseat SCM Plant	Ton	1,103	1,109
Hyundai Mseat Ulsan Plant	Ton	3,780	1,387
Hyundai Mseat Asan Plant	Ton	12,366	16,837
TRANIX Seongyeon Plant[1)]	Ton	-	-
TRANIX Jigok Plant[1)]	Ton	-	-
Georgia P/T Subsidiary	Ton	11,453	14,531
Georgia Seat Subsidiary	Ton	6,417	5,658
Alabama Branch	Ton	8,683	6,185
Illinois Branch	Ton	1,635	1,270
Arizona Branch	Ton	1,083	1,446
Savannah Seat Subsidiary	Ton	-	3,082
Brazil Subsidiary	Ton	4,177	4,281
Monterrey P/T Subsidiary	Ton	65,567	38,192
Monterrey Seat Subsidiary	Ton	16,585	17,069
Czech Subsidiary	Ton	6,287	5,669
Slovakia Subsidiary	Ton	4,576	4,128
India Chennai Subsidiary	Ton	38,292	33,137
Pune Branch	Ton	-	2,962
India AP P/T Subsidiary	Ton	87,014	77,245
India AP Seat Subsidiary	Ton		
Indonesia Subsidiary	Ton	2,278	5,446
Beijing Seat Subsidiary	Ton	5,709	5,611
Beijing P/T Subsidiary	Ton	57,640	45,385
Rizhao Subsidiary	Ton	181,154	195,844

1) Water consumption for the TRANIX Seongyeon and Jigok Plants is aggregated with the Headquarters.
2) Water consumption is calculated individually for the Headquarters, Seongyeon Plant, and Jigok Plant, while consumption for other sites is calculated based on water withdrawal.

Other Environmental Indicators

Category	Unit	2023				2024				2025			
		Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total
Environmental Protection and Improvement Costs	KRW million	3,512	-	671	4,182	2,051	-	1,255	3,306	2,149	-	6,041	8,190

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Employee Composition

Category		Unit	2023				2024				2025			
			Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total
Total Employees		**Persons**	**4,126**	**2,437**	**8,665**	**15,228**	**4,169**	**2,530**	**9,399**	**16,098**	**4,173**	**2,779**	**9,593**	**16,545**
Male Employees Ratio		%	96	71	76	80	95	74	75	80	95	76	76	81
Female Employees Ratio		%	4	29	24	20	5	26	25	20	5	24	24	19
By Employment Type	**Regular Employees**	**Persons**	**3,886**	**1,904**	**5,601**	**11,391**	**3,944**	**1,894**	**6,154**	**11,992**	**3,879**	**1,964**	**6,075**	**11,918**
	Male Regular Employees	Persons	3,721	1,308	3,918	8,947	3,760	1,325	4,311	9,396	3,698	1,407	4,345	9,450
	Female Regular Employees	Persons	165	596	1,683	2,444	184	569	1,843	2,596	181	557	1,730	2,468
	Other and Unspecified Gender	Persons	0	0	0	0	0	0	0	0	0	0	0	0
	Contract Employees	**Persons**	**197**	**530**	**2,045**	**2,772**	**179**	**632**	**2,093**	**2,904**	**249**	**811**	**2,223**	**3,283**
	Male Contract Employees	Persons	182	425	1,637	2,244	158	542	1,615	2,315	230	688	1,634	2,552
	Female Contract Employees	Persons	15	105	408	528	21	90	478	589	19	123	589	731
	Other and Unspecified Gender	Persons	0	0	0	0	0	0	0	0	0	0	0	0
	Top Management (Executives)	**Persons**	**43**	**3**	**0**	**46**	**46**	**4**	**0**	**50**	**45**	**4**	**0**	**49**
	Male Executives	Persons	43	3	0	46	46	4	0	50	44	4	0	48
	Female Executives	Persons	0	0	0	0	0	0	0	0	1	0	0	1
	Other and Unspecified Gender	Persons	0	0	0	0	0	0	0	0	0	0	0	0
	Female Executives Ratio	%	0	0	0	0	0	0	0	0	2	0	0	2
	Male Executives Ratio	%	100	100	0	100	100	100	0	100	98	100	0	98
	Non-regular Employees	**Persons**	**0**	**0**	**1,019**	**1,019**	**0**	**0**	**1,152**	**1,152**	**0**	**0**	**1,295**	**1,295**
	Male Non-regular Employees	Persons	0	0	1,016	1,016	0	0	1,148	1,148	0	0	1,293	1,293
	Female Non-regular Employees	Persons	0	0	3	3	0	0	4	4	0	0	2	2
	Other and Unspecified Gender	Persons	0	0	0	0	0	0	0	0	0	0	0	0
By Position Level	**Senior Managers (Officer level and above)**	**Persons**	**1,238**	**93**	**234**	**1,565**	**1,354**	**91**	**256**	**1,701**	**1,420**	**102**	**273**	**1,795**
	Male	Persons	1,202	93	214	1,509	1,310	91	230	1,631	1,370	102	240	1,712
	Female	Persons	36	0	20	56	44	0	26	70	50	0	33	83
	Other and Unspecified Gender	Persons	0	0	0	0	0	0	0	0	0	0	0	0
	Female Senior Managers Ratio	%	2.91	0.00	8.55	3.58	3.25	0.00	10.16	4.12	3.52	0.00	12.09	4.62
	Junior Managers (Managers and Non-administrative)	**Persons**	**2,845**	**2,344**	**8,431**	**13,620**	**2,769**	**2,439**	**9,143**	**14,351**	**2,710**	**2,677**	**9,320**	**14,707**
	Male	Persons	2,701	1,643	6,349	10,693	2,608	1,780	6,844	11,232	2,560	1,997	7,032	11,589
	Female	Persons	144	701	2,082	2,927	161	659	2,299	3,119	150	680	2,288	3,118
	Other and Unspecified Gender	Persons	0	0	0	0	0	0	0	0	0	0	0	0
	Female Junior Managers Ratio	%	5.06	29.91	24.69	21.49	5.81	27.02	25.14	21.73	5.54	25.40	24.55	21.20
By Age	Under 30	Persons	494	405	3,427	4,326	509	505	3,783	4,797	495	660	3,817	4,972
	30 to Under 50	Persons	3,059	1,454	4,475	8,988	3,047	1,431	4,761	9,239	3,019	1,456	4,896	9,371
	50 and Over	Persons	573	578	763	1,914	613	594	855	2,062	659	663	880	2,202
	Age Unspecified	Persons	0	0	0	0	0	0	0	0	0	0	0	0
Others	Number of Employees with Disabilities[1)]	Persons	46	34	37	117	51	32	34	117	56	29	82	167
	Employees with Disabilities Ratio[1)]	%	1.11	1.40	0.43	0.47	1.22	1.26	0.36	0.41	1.34	1.04	0.85	1.01
	Total Outsourced Workers	Persons	326	152	277	755	342	139	330	811	321	126	352	799

1) The number (ratio) of employees with disabilities is calculated by counting one employee with severe disabilities as two, in accordance with the Act on the Employment Promotion and Vocational Rehabilitation of Persons with Disabilities.

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New Hires

Category		Unit	2023				2024				2025			
			Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total
Total New Hires		Persons	389	2,072	5,464	7,925	414	503	6,241	7,158	339	846	3,173	4,358
New Hire Rate[1]		%	9.4	85.0	63.1	52.0	9.9	19.9	66.4	44.5	8.1	30.4	33.1	26.3
Gender	Male	Persons	311	1,381	3,590	5,282	349	475	4,035	4,859	288	696	2,307	3,291
	Female	Persons	78	691	1,874	2,643	65	28	2,206	2,299	51	150	866	1,067
	Other and Unspecified Gender	Persons	0	0	0	0	0	0	0	0	0	0	0	0
	Male New Hire Rate[2]	%	7.9	79.6	54.6	43.1	8.8	25.4	57.0	37.6	7.3	33.2	31.7	24.7
	Female new hire Ratio[2]	%	43.3	98.6	89.5	88.8	31.7	4.2	94.9	72.1	25.4	22.1	37.3	33.3
By Position Level	Top Management (Executives)	Persons	9	0	-	-	20	1	-	-	0	0	-	-
	Senior Managers (Officer level and above)	Persons	22	38	-	-	18	7	-	-	5	4	-	-
	Junior Managers (Managers and Non-administrative)	Persons	358	2,034	-	-	376	495	-	-	334	842	-	-
By Age	Under 30	Persons	251	411	3,056	3,718	309	361	3,431	4,101	272	516	1,992	2,780
	30 to Under 50	Persons	102	1,233	2,044	3,379	64	130	2,236	2,430	30	296	1,004	1,330
	50 and Over	Persons	36	428	364	828	41	12	574	627	37	34	177	248
	Age Unspecified	Persons	0	0	0	0	0	0	0	0	0	0	0	0

1) New Hire Rate: Total new hires ÷ Total employees × 100 2) New Hire Rate by Gender: New hires by gender ÷ Employees by gender × 100

Employee Turnover

Category			Unit	2023				2024				2025			
				Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total
Total Employee Turnover			Persons	357	177	4,067	4,601	386	309	4,547	5,242	326	613	3,196	4,135
Employee Turnover Rate			%	8.7	7.3	46.9	30.2	9.3	12.2	48.4	32.6	7.8	22.1	33.3	25.0
Gender	Male		Persons	306	160	2,747	3,213	346	260	2,954	3,560	271	482	2,221	2,974
	Female		Persons	51	17	1,302	1,370	40	49	1,569	1,658	55	131	974	1,160
	Other and Unspecified Gender		Persons	0	0	18	18	0	0	24	24	0	0	1	1
	Male Turnover Rate		%	7.6	9.2	41.8	26.2	8.7	13.9	41.8	27.6	6.8	23.0	30.5	22.3
	Female Turnover Rate		%	28.3	2.4	62.2	46.1	19.5	7.4	67.5	52.0	27.4	19.3	42.0	36.2
By Age	Under 30		Persons	190	104	2,320	2,614	234	159	2,640	3,033	182	310	1,940	2,432
	30 to Under 50		Persons	77	69	1,493	1,639	65	113	1616	1,794	59	242	1,061	1,362
	50 and Over		Persons	90	4	254	348	87	37	291	415	85	61	195	341
	Age Unspecified		Persons	0	0	0	0	0	0	0	0	0	0	0	0
By Type	Involuntary Turnover		Persons	231	58	500	789	273	166	905	1,344	221	326	770	1,317
	Voluntary Turnover		Persons	126	119	3,566	3,812	113	143	3,642	3,898	105	287	2,426	2,818
Voluntary Employee Turnover	By Position	Senior Managers	Persons	25	6	27	58	13	4	8	25	23	5	19	47
		Junior Managers	Persons	101	113	3,539	3,754	100	139	3,634	3,873	82	282	2,407	2,771
	Gender	Male	Persons	107	106	2,427	2,641	102	114	2,460	2,676	87	225	1,749	2,061
		Female	Persons	19	13	1,128	1,160	11	29	1,168	1,208	18	62	677	757
		Other and Unspecified Gender	Persons	0	0	11	11	0	0	14	14	0	0	0	0
	By Age	Under 30	Persons	63	61	2092	2216	71	77	2208	2356	70	179	1562	1811
		30 to Under 50	Persons	53	54	1277	1384	31	56	1275	1362	33	92	750	875
		50 and Over	Persons	10	4	197	211	11	10	159	180	2	16	114	132
		Age Unspecified	Persons	0	0	0	0	0	0	0	0	0	0	0	0
Voluntary Turnover Rate			%	3.1	4.9	41.2	25.0	2.7	5.7	38.7	24.2	2.5	10.3	25.3	17.0
Average Years of Service			Years	12.0	-	-	-	12.5	-	-	-	13.1	-	-	-

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Parental Leave

Category	Unit	2023				2024				2025			
		Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total
Total Employees Eligible For Parental Leave[2)]	**Persons**	**771**	**343**	**3,054**	**4,168**	**678**	**361**	**4,050**	**5,089**	**748**	**407**	**3,794**	**4,949**
Male	Persons	756	257	1,976	2,989	660	271	2,313	3,244	743	296	2,525	3,564
Female	Persons	15	86	911	1,012	18	90	1,245	1,353	5	111	1,269	1,385
Other and Unspecified Gender	Persons	0	0	167	167	0	0	492	492	0	0	0	0
Ratio of Employees Eligible for Parental Leave	%	18.7	14.1	35.2	27.4	16.3	14.3	43.1	31.6	17.9	14.6	39.5	29.9
Total Employees Using Parental Leave[2)]	**Persons**	**166**	**8**	**338**	**512**	**185**	**15**	**332**	**532**	**182**	**51**	**299**	**532**
Male	Persons	160	8	232	400	171	13	223	407	170	41	220	431
Female	Persons	6	0	86	92	14	2	68	84	12	10	79	101
Other and Unspecified Gender	Persons	0	0	20	20	0	0	41	41	0	0	0	0
Ratio of Employees Using Parental Leave	**%**	**21.5**	**2.3**	**11.1**	**12.3**	**27.3**	**4.2**	**8.2**	**10.5**	**24.3**	**12.5**	**7.9**	**10.7**
Male	%	21.2	3.1	11.7	13.4	25.9	4.8	9.6	12.5	22.9	13.9	8.7	12.1
Female	%	40.0	0.0	9.4	9.1	77.8	2.2	5.5	6.2	240.0	9.0	6.2	7.3
Total Employees Eligible to Return to Work After Parental Leave[1)2)]	**Persons**	**166**	**10**	**332**	**508**	**163**	**8**	**334**	**505**	**140**	**33**	**295**	**468**
Male	Persons	160	10	232	402	160	8	225	393	136	30	218	384
Female	Persons	6	0	80	86	3	0	68	71	4	3	77	84
Other and Unspecified Gender	Persons	0	0	20	20	0	0	41	41	0	0	0	0
Total Employees Returning to Work After Parental Leave[2)]	**Persons**	**166**	**10**	**329**	**505**	**163**	**8**	**331**	**502**	**140**	**31**	**288**	**459**
Male	Persons	160	10	236	406	160	8	225	393	136	28	215	379
Female	Persons	6	0	73	79	3	0	66	69	4	3	73	80
Other and Unspecified Gender	Persons	0	0	20	20	0	0	40	40	0	0	0	0
Employee Return-to-Work Rate After Parental Leave	**%**	**100.0**	**100.0**	**99.1**	**99.4**	**100.0**	**100.0**	**99.1**	**99.4**	**100.0**	**93.9**	**97.6**	**98.1**
Male	%	100.0	100.0	101.7	101.0	100.0	100.0	100.0	100.0	100.0	93.3	98.6	98.7
Female	%	100.0	-	91.3	91.9	100.0	-	97.1	97.2	100.0	100.0	94.8	95.2
Total Employees Who Continued Working for 12 Months or More After Returning from Parental Leave	**Persons**	**180**	**10**	**313**	**503**	**144**	**7**	**316**	**467**	**138**	**48**	**280**	**466**
Male	Persons	172	10	222	404	141	7	213	361	134	39	208	381
Female	Persons	8	0	74	82	3	0	67	70	4	9	72	85
Other and Unspecified Gender	Persons	0	0	17	17	0	0	36	36	0	0	0	0
Ratio of Employees Who Continued Working for 12 Months or More After Returning from Parental Leave	**%**	**108.4**	**100.0**	**95.1**	**99.6**	**88.3**	**87.5**	**95.5**	**93.0**	**98.6**	**154.8**	**97.2**	**101.5**
Male	%	107.5	100.0	94.1	99.5	88.1	87.5	94.7	91.9	98.5	139.3	96.7	100.5
Female	%	133.3	-	101.4	103.8	100.0	-	101.5	101.4	100.0	300.0	98.6	106.3
Total Employees Who Did Not Continue Working for 12 Months or More After Returning from Parental Leave[1)]	**Persons**	**1**	**0**	**35**	**36**	**1**	**1**	**31**	**33**	**2**	**5**	**30**	**37**
Male	Persons	1	0	14	15	1	1	13	15	2	3	11	16
Female	Persons	0	0	18	18	0	0	14	14	0	2	19	21
Other and Unspecified Gender	Persons	0	0	3	3	0	0	4	4	0	0	0	0

1) Newly reported in 2024

2) The number of employees eligible for parental leave is calculated by excluding those already on leave from the total number of employees; therefore, the number of employees taking parental leave during the year may exceed the calculated number of eligible employees.

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Human Resources Management

Category	Unit	2023				2024				2025			
		Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total
Employees Subject to Regular Performance Evaluation	**Persons**	**2,180**	**419**	**2,100**	**4,699**	**2,271**	**483**	**2,408**	**5,162**	**3,919**	**539**	**3,347**	**7,805**
Male	Persons	2,015	399	1,666	4,080	2,087	461	1,808	4,356	3,738	518	2,160	6,416
Female	Persons	165	20	353	538	184	22	372	578	181	21	592	794
Other and Unspecified Gender	Persons	0	0	81	81	0	0	228	228	0	0	595	595
Employees Who Received Regular Performance Evaluation	**Persons**	**1,894**	**419**	**2,061**	**4,374**	**2,088**	**483**	**2,230**	**4,801**	**3,842**	**539**	**3,333**	**7,714**
Male	Persons	1,784	399	1,629	3,812	1,942	461	1,768	4,171	3,673	518	2,152	6,343
Female	Persons	110	20	351	481	146	22	372	540	169	21	586	776
Other and Unspecified Gender	Persons	0	0	81	81	0	0	90	90	0	0	595	595
Ratio of Male Employees Receiving Regular Performance Evaluations	%	88.5	100.0	97.8	93.4	93.1	100.0	97.8	95.8	98.3	100.0	99.6	98.9
Ratio of Female Employees Receiving Regular Performance Evaluations	%	66.7	100.0	99.4	89.4	79.3	100.0	100.0	93.4	93.4	100.0	99.0	97.7

Wages

Category		Unit	2023				2024				2025			
			Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total and Average	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total and Average	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total and Average
Average Wage	Average Male Wage	KRW million	107	281	50	146	111	285	53	150	111	237	58	135
	Average Female Wage	KRW million	82	43	55	60	87	52	64	68	81	159	87	109
	Gender Pay Gap Ratio	%	23.4	84.7	-11.2	58.8	21.3	81.8	-19.9	54.7	27.4	32.9	-50.8	19.5
Total Number of Employees Paid	**Total**	**Persons**	**3,948**	**2,549**	**7,790**	**14,287**	**4,020**	**2,726**	**8,971**	**15,717**	**4,049**	**2,937**	**9,086**	**16,072**
	Male	Persons	3,782	1,848	5,713	11,343	3,831	2,074	6,475	12,380	3,853	2,253	6,793	12,899
	Female	Persons	166	701	2,077	2,944	189	652	2,496	3,337	196	684	2,293	3,173
Ratio of highest-paid individual's total wages to median total wages of all employees[1]		%	6.58	-	-	6.58	9.86	-	-	9.86	9.37	-	-	9.37
Median wages of all employees excluding highest-paid individual		KRW million	111	-	-	111	114	-	-	114	105	-	-	105
Highest-paid individual's total wages[2]		KRW million	1,687	-	-	1,687	1,156	-	-	1,156	1,121	-	-	1,121

1) Newly reported in 2024
2) Calculated based on earned income

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Employee Development

Category		Unit	2023				2024				2025			
			Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total
Total Employee Training Hours		**Hours**	**126,571**	**6,438**	**73,404**	**206,413**	**111,432**	**6,069**	**75,157**	**192,658**	**153,776**	**5,861**	**141,922**	**301,559**
Male		Hours	114,588	5,893	53,378	173,859	102,382	5,442	51,371	159,195	141,589	5,338	55,664	202,591
Female		Hours	11,983	545	9,989	22,517	9,050	627	16,296	25,973	12,187	523	11,290	24,000
Other and Unspecified Gender		Hours	0	0	10,036	10,036	0	0	7,491	7,491	0	0	74,968	74,968
Average Training Hours per Employee		**Hours**	**31**	**3**	**8**	**14**	**27**	**2**	**8**	**12**	**37**	**2**	**15**	**18**
Male		Hours/ person	29	3	8	14	26	3	7	12	36	3	8	15
Female		Hours/ person	67	1	5	8	44	1	7	8	61	1	5	7
Human Rights Education[1)]	Total Participants	Hours/ person	3,897	-	-	3,897	4,158	-	-	4,158	4,165	-	-	4,165
	Training Hours per Person	Persons	3	-	-	3	3	-	-	3	3	-	-	3
	Completion Rate	Hours/ person	100	-	-	100	100	-	-	100	100	-	-	100
Total Training Cost		KRW million	3,770	64	1,490	5,324	3,945	70	753	4,768	3,410	56	1,023	4,489

1) Data collected for domestic sites only.

Grievance Handling

Category		Unit	2023				2024				2025			
			Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total
Number of Grievances Handled through Formal Mechanisms/ Procedures		**Cases**	**13**	**19**	**22**	**54**	**33**	**29**	**26**	**88**	**38**	**52**	**78**	**168**
By Channel	Online	Cases	4	6	6	16	12	9	12	33	14	45	38	97
	Offline	Cases	9	13	16	38	21	20	14	55	24	7	40	71
Number of Grievances Resolved through Formal Mechanisms/ Procedures		Cases	13	19	22	54	33	29	26	88	38	52	78	168

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Workplace Safety Management[1)]

Category		Unit	2023				2024				2025			
			Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total
Number of Fatalities from Work-Related Injuries	**Total**	**Persons**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Employees	Persons	0	0	0	0	0	0	0	0	0	0	0	0
	Outsourced Workers	Persons	0	-	-	0	0	-	-	0	0	0	0	0
	Rate of employee fatalities from work-related injuries	%	0	0	0	0	0	0	0	0	0	0	0	0
	Rate of non-employee worker fatalities from work-related injuries	%	0	-	-	0	0	-	-	0	0	0	0	0
Number of Fatalities from Work-Related Illnesses	**Total**	**Persons**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Current employees	Persons	0	0	0	0	0	0	0	0	0	0	0	0
	Former Employees	Persons	0	0	0	0	0	0	0	0	0	0	0	0
	Outsourced Workers	Persons	0	-	-	0	0	-	-	0	0	0	0	0
Lost-Time Injury Days	**Total**	**Days**	**1,284**	**5,510**	**674**	**7,468**	**2,170**	**5,601**	**807**	**8,577.6**	**1,360.0**	**5,169**	**1,199**	**7,728**
	Employee Injuries	Days	1,070	1,457	674	3,201	1,416	1,675	693	3,784	1,006	2,734	1,096	4,836
	Employee Illnesses	Days	184	4,053	0	4,237	493	3,926	114	4,533	214	2,435	103	2,752
	Outsourced Worker Injuries and Illnesses	Days	30	-	-	30	261	-	-	261	140	-	-	140
Number of Lost-Time Injuries	**Total**	**Cases**	**39**	**71**	**35**	**142**	**51**	**113**	**45**	**204**	**30**	**147**	**49**	**222**
	Employee Injuries	Cases	32	36	35	102	39	76	42	157	24	111	46	180
	Employee Illnesses	Cases	6	35	0	39	8	32	3	38	5	36	3	41
	Outsourced Worker Injuries and Illnesses	Cases	1	0	0	1	4	5	0	9	1	0	0	1
Total Working Hours	**Total**	**Hours**	**8,384,973**	**5,178,000**	**17,884,000**	**31,446,973**	**8,598,240**	**5,338,000**	**19,458,000**	**33,394,240**	**8,606,976**	**5,810,000**	**19,890,000**	**34,306,976**
	Employees	Hours	7,730,834	4,874,000	17,330,000	29,934,834	8,012,088	5,060,000	18,798,000	31,870,088	7,967,064	5,558,000	19,186,000	32,711,064
	Outsourced Workers	Hours	654,139	304,000	554,000	1,512,139	586,152	278,000	660,000	1,524,152	639,912	252,000	704,000	1,595,912
Lost Time Injury Frequency Rate (LTIFR)[2)]	Employees	Cases/million hours	4.527	14.567	2.020	4.710	5.242	21.344	2.394	6.119	3.138	26.448	2.554	6.756
	Outsourced Workers	Cases/million hours	1.529	0.000	-	0.661	6.824	17.986	-	5.905	1.563	0.000	-	0.627
Lost Time Injury Rate (LTIR)[2)]	Employees	Cases/200,000 hours	0.905	2.913	0.404	0.942	1.048	4.269	0.479	1.224	0.628	5.290	0.511	1.351
	Outsourced Workers	Cases/200,000 hours	0.306	0.000	-	0.132	1.365	3.597	-	1.181	0.313	0.000	-	0.125
Number of Recordable Injuries	**Total**	**Cases**	**120**	**101**	**126**	**347**	**117**	**142**	**141**	**400**	**89**	**223**	**161**	**473**
	Employee Injuries	Cases	114	66	119	299	109	110	129	348	84	187	139	410
	Employee Illnesses	Cases	6	35	7	48	8	32	12	52	5	36	22	63
Recordable Work-Related Injury Rate	Employees	Cases/million hours	14.746	13.541	6.867	9.988	13.604	21.739	6.862	10.919	10.543	33.645	7.245	12.534
Total Recordable Injury Rate (TRIR)	Employees	Cases/million hours	15.522	20.722	7.271	11.592	14.603	28.063	7.501	12.551	11.171	40.122	8.392	14.460
SASB-Based Total Recordable Injury Rate (TRIR)	Employees	Cases/200,000 hours	3.104	2.749	2.054	2.439	2.921	4.150	1.862	2.491	2.234	7.089	1.928	2.880
Number of Serious Injuries	**Total**	**Cases**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Employees	Cases	0	0	0	0	0	0	0	0	0	0	0	0
	Outsourced Workers	Cases	0	0	0	0	0	0	0	0	0	0	0	0
	Employee Serious Injury Rate	Cases/million hours	0	0	0	0	0	0	0	0	0	0	0	0
	Outsourced Worker Serious Injury Rate	Cases/million hours	0	0	0	0	0	0	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	0	0	0	0	0	0

1) Some indicators were newly introduced in 2024; to ensure comparability, 2023 figures were retroactively calculated using the same standards.
2) Figures increased in 2024 due to a change in the calculation method from government-reported cases to cases resulting in one or more days of absence.

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Occupational Health and Safety Management System[1)]

Category		Unit	2023				2024				2025			
			Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total
Plants Implementing Occupational Health and Safety Management Processes (Risk Assessment)		No.	4	3	20	27	4	5	20	29	4	5	17	26
Occupational Health and Safety Management System	Plants with External Certification	No.	4	3	20	27	4	5	20	29	4	5	17	26
	Applicable Plants	No.	4	3	25	32	4	5	25	34	4	5	22	31

1) Some data restated due to data aggregation errors

Product and Service Health and Safety

Category		Unit	2023	2024	2025
Total Number of Products Subject to Recall	Total	Cases	298,125	56,518	64,726
	Involuntary Recalls	Cases	298,125	56,518	64,726
	Voluntary Recalls	Cases	0	0	0
	Costs Incurred from Recalls for the Year	KRW 100 million	48.0	20.1	32.9

Labor-Management Relations

Category	Unit	2023	2024	2025
Percentage of Employees Covered by Collective Bargaining Agreements	%	100	100	100

Supply Chain Management

Category		Unit	2023	2024	2025
Supply Chain ESG Assessment	Suppliers Subject to Assessment	Companies	182	165	166
	Suppliers Assessed via Written Evaluation	Companies	182	165	166
	Suppliers Assessed via On-site Audits	Companies	36	15	9
	Suppliers Requiring Corrective Actions	Companies	36	15	9
	Percentage of On-site Audited Suppliers Requiring Corrective Actions	%	100	100	100
	Number of Suppliers with Contracts Terminated Due to Risk Assessment Results	Companies	0	0	0
	Percentage of Suppliers with Contracts Terminated Due to Risk Assessment Results	%	0	0	0
Ratio of New Suppliers Screened Using ESG Criteria		%	100	100	100
Number of New Suppliers Screened Using ESG Criteria (Domestic)		Companies	14	3	2
Number of New Suppliers Screened Using ESG Criteria (Overseas)		Companies	0	0	6
Number of New Suppliers		Companies	14	3	8
Win-Win Growth Agreements	Tier 1 Suppliers	Companies	240	113	111
	Tier 2 Suppliers	Companies	142	139	151
Shared Growth Support Activities	Financial Support for Technology Development	KRW 100 million	872	698	1,024
	Shared Growth Fund Establishment	KRW 100 million	400	790	790
	Education Support	Persons	2,415	2,413	1,208
	Consulting	Companies	51	30	55
	Recruitment Support				
	Number of Supported Suppliers	Companies	13	51	26
	Number of Personnel at Supported Suppliers	Persons	49	89	434
	Technical Support				
	Number of Supported Suppliers	Companies	123	76	96
	Number of Support Cases	Cases	936	728	1,261
	Innovation Activity Support	Cases	24	6	13
	Technology Bailment System	Companies	36	41	32
	Market Development Support	Companies	38	35	35
	Quality Inspection	Companies	184	176	156
	Safety Inspection	Companies	100	93	175
	Environmental Inspection	Companies	0	0	15
	Consulting Instructor Dispatch	Companies	4	0	0

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Consumer and Customer Satisfaction[1)]

Category		Unit	2023	2024	2025
Number of Consumer Grievances Received	Total	Cases	-	121	153
	Offline Channels	Cases	-	0	0
	Online Channels	Cases	-	121	153
Number of Consumer Grievances Resolved		Cases	-	121	153

1) Newly reported in 2024

Social Contribution

Category		Unit	2023				2024				2025			
			Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total
Social Contribution Value	Total	KRW million	562	0	710	1,272	958	0	808	1,766	1,218	0	1,050	2,268
	Company Support Amount	KRW million	531	0	666	1,197	943	0	737	1,680	1,200	0	969	2,169
	Employee Donation Amount	KRW million	31	0	44	75	15	0	71	86	18	0	81	99
Number of Employee Participating in Donations		Persons	374	0	553	927	178	0	864	1,042	92	0	888	980
Volunteer Activities	Total Volunteer Activity Hours	Hours	374	0	396	770	178	0	494	672	163	0	778	941
	Volunteer Activity Hours per Person	Hours	1	0	5	6	1	0	7	8	1	0	5	6
Number of Social Contribution Beneficiaries		Persons	3,910	0	-	3,910	4,000	0	-	4,000	4,300	0	-	4,300
Ratio of Plants Conducting Social Contribution Activities		%	100	0	45	50	100	0	45	47	100	0	48	48

Local Community

Data Scope: All Business Sites

Category	Unit	2023	2024	2025
Ratio of Local Procurement Costs to Total Procurement Costs	%	80	76	95
Total Procurement Costs	KRW million	9,890,121	10,587,602	4,888,486
Procurement Costs Paid to Local Suppliers	KRW million	7,908,002	8,068,377	4,651,842

Information Protection and Security

Data Scope: All Business Sites

Category		Unit	2023	2024	2025
Number of Substantiated Complaints Concerning Breaches of Customer Privacy	Total	Cases	0	0	0
	Complaints Received from Regulatory Bodies	Cases	0	0	0
	Complaints Received from Outside Parties and Substantiated by the Organization	Cases	0	0	0
Total Number of Identified Leaks, Thefts, or Losses of Customer Data		Cases	0	0	0

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Board Structure

* Based on the business report for each reporting year

Category		Unit	2023	2024	2025
Board Composition	Total	Persons	5	4	5
Male	Other Non-Executive Director	Persons	0	0	0
	Executive Director	Persons	3	2	3
	Independent Director	Persons	1	1	2
Female	Other Non-Executive Director	Persons	0	0	0
	Executive Director	Persons	0	0	0
	Independent Director	Persons	1	1	0
	Female Directors Ratio	%	20	25	0
Independent Directors Ratio		%	40	50	40

Anti-corruption

Category		Unit	2023				2024				2025			
			Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total	Domestic Sites	Domestic Subsidiaries	Overseas Sites	Total
Plants That Assessed Corruption Risks		Sites	5	-	-	5	5	-	-	5	5	-	-	5
Anti-Corruption Policy/ Procedure Notification Ratio	Board of Directors	%	100	-	-	-	100	-	-	-	100	-	-	-
	Number of Board Members Who Received Anti-Corruption Policy/Procedure Notifications	Persons	4	-	-	4	4	-	-	4	5	-	-	5
	Number of Board Members Subject to Anti-Corruption Policy/Procedure Notifications	Persons	4	-	-	4	4	-	-	4	5	-	-	5
	Employees	%	100	-	-	-	100	-	-	-	100	-	-	-
	Number of Employees Who Received Anti-Corruption Policy/Procedure Notifications	Persons	3,976	-	-	3,976	2,073	-	-	2,073	4,173	-	-	4,173
	Number of Employees Subject to Anti-Corruption Policy/Procedure Notifications	Persons	3,976	-	-	3,976	2,073	-	-	2,073	4,173	-	-	4,173
Anti-corruption Education	Employee Education Completion Ratio	%	0	-	56	56	79	-	71	71	74	-	86	86
	Number of Employees Who Completed Education	Persons	0	-	1,951	1,951	38	-	2,688	2,726	39	-	2,740	2,779
	Number of Target Employees	Persons	0	-	3,467	3,467	48	-	3,772	3,820	50	-	3,184	3,234
	Anti-Corruption Education Hours	Hours	0	-	1,078	1,078	38	-	1,797	1,835	39	-	3,137	3,176
Total Number of Corruption/Bribery Cases		Cases	0	-	0	0	0	-	0	0	0	-	0	0
Number of Supplier Contract Terminations/Non-Renewals Due to Corruption/Bribery		Cases	0	-	0	0	0	-	0	0	0	-	0	0
Number of Employee Dismissals/Disciplinary Actions Due to Corruption/Bribery and Anti-Competitive Activities		Cases	0	0	0	0	0	0	0	0	0	0	0	0

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Violations of Laws and Regulations[1)]

Category		Unit	2023	2024	2025
Total Number of Non-Compliance Incidents with Laws/Regulations	Total	Cases	1	0	0
Monetary Sanctions	Anti-Competitive Behavior (Excluding Corruption)	Cases	0	0	0
	Other	Cases	0	0	0
	Marketing Communications	Cases	0	0	0
	Corruption and Bribery	Cases	0	0	0
	Human Rights	Cases	0	0	0
	Product/Service Health and Safety	Cases	0	0	0
	Environmental Law and Regulation Violations	Cases	1	0	0
Non-Monetary Sanctions	Anti-Competitive Behavior (Excluding Corruption)	Cases	0	0	0
	Other	Cases	0	0	0
	Marketing Communications	Cases	0	0	0
	Corruption and Bribery	Cases	0	0	0
	Human Rights	Cases	0	0	0
	Product/Service Health and Safety	Cases	0	0	0
	Environmental Law and Regulation Violations	Cases	0	0	0
Monetary Sanctions Due to Non-Compliance with Laws/Regulations	Total	KRW million	30	0	0
	Anti-Competitive Behavior (Excluding Corruption)	KRW million	0	0	0
	Other	KRW million	0	0	0
	Marketing Communications	KRW million	0	0	0
	Corruption and Bribery	KRW million	0	0	0
	Human Rights	KRW million	0	0	0
	Product/Service Health and Safety	KRW million	0	0	0
	Environmental Law and Regulation Violations	KRW million	30	0	0

1) Violations of laws and regulations follow the same criteria as '3. Sanctions, etc.' under 'XI. Other Matters Necessary for Investor Protection' in the Business Report.

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General Disclosures

Usage Instructions	• Hyundai Transys reports sustainability management activities for the period from January 1 to December 31, 2025, in accordance with the GRI Standards 2021.
GRI Standards used in this Report	• 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 302: Energy 2016	302-1	Energy Consumption Within the Organization	128	
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Competitive Behavior	TR-AP-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	140
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Topic	Description	Page
Governance	**The decision-making system, internal controls, and management procedures companies use to identify and respond to climate-related risks and opportunities**	
	1. The decision-making bodies and individuals responsible for supervising climate-related risks and opportunities	27
	2. The roles management plays in managing and supervising climate-related risks and opportunities, including their responsibilities within governance systems, controls, and related procedures	27
Strategy	**Strategies established to manage climate-related risks and opportunities, and short-, medium-, and long-term impacts of identified risks and opportunities on corporate business models, value chains, strategies and decision-making, financial position and performance, and cash flows**	
	1. Climate-related risks and opportunities expected to affect corporate prospects	29-36
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	3. Impacts on strategies and decision-making (including transition plans)	28-40
	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	34-35, 39-40
	5. Climate resilience of corporate strategies and business models in response to climate-related changes, developments, and uncertainties	32-33
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**	
	1. Processes and related policies used to identify, assess, prioritize, and monitor climate-related risks	34-40
	2. Processes used to identify, assess, prioritize, and monitor climate-related opportunities	34-40
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Topic	Description	Page
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	
	1. Scope 1, 2, 3 emissions and measurement approaches	44, 127
	2. Amount and percentage of assets or business activities vulnerable to climate-related transition risks	31-35
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	6. Whether and how the company applies internal carbon pricing in decision-making, and the price per ton of GHG emissions used to evaluate GHG emission-related costs	34
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	1. Quantitative and qualitative targets set by the company, targets required by laws or regulations, and their applicable timeframes and sectors	44-47
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Topic	Description	Page
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	Impact of climate-related risks and opportunities on the company's businesses, strategy, and financial planning	
	Resilience of the company's strategy under various climate-related scenarios, including "Below 2°C"	
Risk Management	The company's processes for identifying and assessing climate-related risks	34-40
	The company's processes for managing climate-related risks	
	How processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management	
Metrics and Targets	Metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk management process	44-47
	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

Topic	Description	Page
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.	61
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 upstream and downstream value chains.	61-68
Risk Management	a(i)) Describe the procedures used to identify, assess, and prioritize natural capital-related dependencies, impacts, risks, and opportunities within directly operated business segments. a(ii)) Describe the procedures used to identify, assess, and prioritize natural capital-related dependencies, impacts, risks, and opportunities within upstream and downstream value chains. b) Describe the procedures used 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.	61-68
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.	61-68

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3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and well-being for all at all ages.	• Employee Health Management Program • Support for Work-Life Balance	74-75, 99
4 QUALITY EDUCATION	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	• Employee Capacity Building Programs (Fostering Industry Meisters, Job and Leadership Training)	77, 92-96
5 GENDER EQUALITY	Achieve gender equality and empower all women	Employee Diversity Program (ERG)	91
6 CLEAN WATER AND SANITATION	Ensure availability and sustainable management of water and sanitation for all	• Water Pollutant Management • Water Stress Analysis at Domestic and Overseas Sites • Financial Impact Analysis of Water Resources	55, 63-65
7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable and modern energy for all	• Energy Efficiency Improvement and Reduction Activities	41-43
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12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Sustainable Consumption and Production Patterns	• Hazardous Chemicals Management • Waste-to-Resource Activities	56-60
13 CLIMATE ACTION	Take emergency action to combat climate-related impacts.	• Pursuing 2045 Net Zero • LCA Process Establishment	41-47
15 LIFE ON LAND	Protect, restore and promote sustainable use of terrestrial ecosystems.	• Water Pollutant and Hazardous Substance Management • Natural Capital Risk Analysis at Domestic Sites	54-55, 62-66
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Build peaceful and inclusive societies, provide justice for all, and develop effective and accountable institutions	• Maintain codes of conduct for employees and suppliers • Operate reporting channels and compliance programs	113-115
17 PARTNERSHIPS FOR THE GOALS	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	• UN SDGs, UNGC 지지	150

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	Principle 2 Businesses should make sure that they are not complicit in human rights abuses.	89
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	Principle 4 the elimination of all forms of forced and compulsory labor;	76, 79, 89
	Principle 5 the effective abolition of child labour; and	76, 89
	Principle 6 the elimination of discrimination in respect of employment and occupation.	89
Environment	**Principle 7** Businesses should support a precautionary approach to environmental challenges;	52-56
	Principle 8 undertake initiatives to promote greater environmental responsibility;	52-56
	Principle 9 encourage the development and diffusion of environmentally friendly technologies.	7-14, 48-51
Anti-corruption	**Principle 10** Businesses should work against corruption in all its forms, including extortion and bribery.	113-116

WEF IBC Stakeholder Capitalism Metrics

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NICE D&B	Seosan Police Station Security Cooperation Committee	Seongyeon-myeon Agro-Industrial Complex Council	Hyundai-Kia Suppliers Association
The Korean Society of Automotive Engineers (KSAE)	Seosan Auto Valley Tenant Companies Council	Jigok-myeon Council of Agency and Organization Heads	Korea Industrial Safety Association (KSA)
Korean Society for Fluid Machinery (KSFM)	Crime Victim Support Center Steering Committee, Seosan Branch (Prosecutors' Office)	Jigok-myeon Residents' Autonomy Committee	Korean Nursing Association (KNA)
Korea Intellectual Property Association (KINPA)	Beopsarang Steering Committee, Seosan Branch (Prosecutors' Office)	Seosan Safety Management Council	Daejeon, Chungnam, and Sejong Regional Defense Security Council
Korea Rolling Stock Industries Association (KORSIA)	Seongyeon-myeon Council of Agency and Organization Heads	Seosan Residents' Voluntary Environmental Monitoring Council	Korea Defense Industry Association
Daejeon and Chungnam Employers Federation	Seongyeon-myeon Business Council	Seosan Fire Administration Development Committee	Council of Emergency Planning Officers, Ministry of Trade, Industry and Energy
Korean Society for Noise and Vibration Engineering (KSNVE)			

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To: The Stakeholders HYUNDAI TRANSYS INC.

Overview

BSI (British Standards Institution) Group Korea (hereinafter referred to as the "Assurer") was requested to verify HYUNDAI TRANSYS SUSTAINABILITY REPORT 2026 (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 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 HYUNDAI TRANSYS and the assurance was carried out under the assumption that presented 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 2025 included in the report, some data included the first half of 2026.
- 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 and 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, 205-1~3, 206-1, 302-1, 302-3~5, 305-1~5, 305-7, 308-1~2, 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 stakeholders that could be relevant to organizations policies to provide a check on the appropriateness of statements made in the report.
- Discussion with managers and staff on organization's approach to stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the departments responsible.
- 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.

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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, suppliers, shareholders/investors, local communities/media, government/NGOs and employees as Key Stakeholder Groups. 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 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 6 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, 205-1~3, 206-1, 302-1, 302-3~5, 305-1~5, 305-7, 308-1~2, 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;

- HYUNDAI TRANSYS enhances the integrity of its ESG data through robust internal controls and reporting boundaries based on operational control. To ensure compliance with upcoming regulatory disclosure mandates, the company should shift its focus toward specifying reporting boundaries aligned with consolidated subsidiaries.
- Additionally, defining specialized materiality and relevance criteria that reflect HYUNDAI TRANSYS 's unique value chain and stakeholder landscape will effectively elevate its overall sustainability framework.

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: 01/07/2026

For and on behalf of BSI (British Standards Institution):

BSI representative

Jung-woo Lee, Lead Assurer, LCSAP

Sung-hwan Lim, Managing Director of BSI Korea

BSI Group Korea Limited: 29, Insa-dong 5-gil, Jongno-gu, Seoul, South Korea

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Scope 1 and 2 Emissions Assurance Statement (Domestic)

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by Hyundai Transys Inc. ("Company") to perform third party verification for the Company's Greenhouse Gas Inventory Report for the calendar year 2025 ("the report"). Company is responsible for the preparation of the GHG emissions data on the basis set out within "the guidelines on the operation of GHG emission trading scheme ("ETS) (Notification No. 2025-64 of Ministry of Environment)" based on ISO14064-1. Our responsibility in performing this work is to the management of Company only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this assurance statement.

Objective and Scope of Verification

The purpose of this verification is to present an independent verification opinion on the company's greenhouse gas emissions, and the scope of verification is as follows;

- Organizational Boundary: Domestic business sites of HYUNDAI TRANSYS
- Reporting Boundary: Scope 1 (Direct emissions), Scope 2 (Indirect emissions)
- Reporting Period: 2025.01.01 ~ 2025.12.31

Verification Approach

The verification has been conducted in accordance with "Verification Guideline for GHG ETS (Notification No. 2025-165, Korean Ministry of Environment)" based on ISO 14064-3, under a Reasonable Level of Assurance, and DNV planned and conducted the verification to obtain all necessary information and explanations, ensuring sufficient evidence to support a verification opinion at a 5% materiality level, and as part of the verification process, we have reviewed as follows;

- Adequacy of GHG data control, collection, emission calculation and report process for the GHG inventory report
- The GHG inventory 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 infomation related to the GHG statement has been properly calculated and reported.

- DNV represents "unmodified" opinion on Greenhouse Gas Emissions.

Unit: tCO_2eq

Category	Greenhouse Gas Emissions (ton CO_2eq)			Energy Consumption (TJ)
	Direct Emission (Scope 1)	Indirect Emissions (Scope 2)	Total Emissions	
Hyundai Transys	22,144.219	178,066.983	200,208	4,144

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

DNV

2026. 6. 23

Lee, Jang Sup
Country Representative
DNV Business Assurance Korea Ltd.

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Scope 1 and 2 Emissions Assurance Statement (Domestic Subsidiaries)

Verification Target

Korean Foundation for Quality (hereinafter 'KFQ') has conducted a verification of Scope 1, 2 Greenhouse Gas Emissions (hereinafter 'GHG emissions') of HYUNDAI MSEAT CO., LTD[1] (hereinafter 'Company') for 2022, 2025. KFQ is responsible for providing an assurance statement on the GHG emissions based on the verification scope and criteria described below, while the responsibility for the claims made regarding the GHG emissions rests with the company.

1) Address (based on headquarters): 231, Seobubuk-ro, Sinchang-myeon, Asan-si, Chungcheongnam-do, 31542, Korea

Verification Purpose

The purpose is to provide an independent verification opinion on the company's voluntary GHG emissions inventories.

Verification Scope

The scope of verification covers all facilities and emission sources at three sites[2] under the operational control and organizational boundary of company during 2022, 2025.

2) Asan factory, Ulsan factory, Moonsan factory

Verification Criteria

The verification was carried out at the request of the company using:

- ISO 14064-1:2018, ISO14064-3:2019
- 2006 IPCC Guidelines for National Greenhouse Gas Inventories
- Rule for emission reporting and certification of greenhouse gas emission trading Scheme (Notification No. 2025-64 of Ministry of Environment)
- HYUNDAI-KIA Supplier Verification Guidelines

Verification Approach

The verification has been conducted in accordance with the verification principles and standards of the 'ISO14064-3:2019' under the reasonable verification level. The verification shall contain the potential inherent limitation in the process of application of the verification criteria and methodology.

Verification Conclusion

Based on the verification conducted in accordance with the aforementioned standards and guidelines, KFQ's opinion is as follows.

1) GHG emissions were appropriately calculated in accordance with relevant standards.
2) The data and information used to calculate GHG emissions are appropriate and reasonable, and no material errors or omissions that could affect the assurance opinion were found. The materiality assessment of GHG emissions meets the agreed-upon threshold of less than 5%.
3) Therefore, we express an "unqualified" opinion on the GHG emissions in the appendix.

Appendix. 2025 GHG Emissions Calculation Results

Organization: Hyundai Mseat

Emissions Calculation Period: January 1, 2025 – December 31, 2025

Unit: tCO_2eq

Reporting Year	Sites	Scope 1	Scope 2	Total
2025	Asan Plant	125.891	3,209.317	3,335
	Ulsan Plant	39.122	551.033	590
	Munsan Plant	4.722	912.230	916
Total				4,841

* Because total emissions from each site are truncated, the company's total emissions may differ from the actual values by ±1tCO_2eq.

March 23, 2026

CEO Ji-Young Song

Korean Foundation for Quality

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Scope 1 and 2 Emissions Assurance Statement (Overseas)

Verification Target

Korean Foundation for Quality (hereinafter 'KFQ') has conducted a verification of Scope 1, 2 Greenhouse Gas Emissions (hereinafter 'GHG emissions') of Hyundai Transys Inc.[1)] (hereinafter 'Company') for 2025. KFQ is responsible for providing an assurance statement on the GHG emissions based on the verification scope and criteria described below, while the responsibility for the claims made regarding the GHG emissions rests with the company.

1) Address (based on headquarters): 11 Dongtan-daero 24-gil, Hwaseong-si, Gyeonggi-do

Verification Purpose

The purpose is to provide an independent verification opinion on the company's voluntary GHG emissions inventories.

Verification Scope

The scope of verification covers all emission facilities, including 16 overseas subsidiaries (limited assurance) and 8 overseas subsidiaries (reasonable assurance), under the operational control of the company as of 2025.

Verification Criteria

The verification was carried out at the request of the company using:

- ISO 14064-1:2018, ISO14064-3:2019
- 2006 IPCC Guidelines for National Greenhouse Gas Inventories
- Rule for emission reporting and certification of greenhouse gas emission trading Scheme (Notification No. 2025-64 of Ministry of Environment)
- Hyundai Motor/Kia Supplier Greenhouse Gas Management Manual (Ver. 2.0)

Verification Approach

The verification was conducted in accordance with the verification principles and standards of ISO 14064-3:2019, with different levels of assurance (limited and reasonable) applied according to the scope.

Conclusion

Based on the criteria and guidelines stated above, KFQ's verification opinion is as follows.

1) GHG emissions Company were properly calculated according to the verification standards.
2) The data and information used in calculating the GHG emissions were appropriate, reasonable, and no significant errors or omissions could affect verification statement were not found. The materiality assessment result of GHG emissions has met the agreed-upon criterion of less than 5%.
3) Accordingly, KFQ provides a verification opinion that is "Unmodified".

March 19, 2026

CEO Ji-Young Song

Korean Foundation for Quality

Hyundai Transys GHG Emissions Assurance Statement

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Appendix. 2025 GHG Emissions Calculation Results

Organization Name: Hyundai Transys Inc.

Emissions Calculation Period: January 1, 2025 to December 31, 2025

Limited Assurance

Unit: tCO_2eq

Reporting Year	Worksites	Scope 1	Scope 2		Total	
			Location-based	Market-based	Location-based	Market-based
2025	Hyundai Transys Mexico Powertrain, S. de R.L. de C.V.	107.642	19,937.197	0	20,044	107
	Hyundai Transys Mexico Seating System, S. de R.L.	68.879	4,797.109	4,797.109	4,865	4,865
	Hyundai Transys Fabricacao de Auto Pecas Brazil Ltda	53.570	92.050	0	145	53
	Beijing Transys Transmission Co., Ltd.	793.008	15,824.057	0	16,617	93
	Hyundai Transys (Shandong) Co., Ltd.	974.209	25,485.829	0	26,460	974
	Beijing Lear Transys Automotive System Co., Ltd.	202.441	1,623.268	0	1,825	202
	Hyundai Transys China Sales Office	4.887	4.365	4.365	9	9
	Hyundai Transys India Private Limited	977.954	19,108.517	0	20,086	977
	Hyundai Transys Lear Automotive India Pvt. Ltd.	201.560	3,828.850	0.085	4,030	201
	Pune Seat Plant	569.546	76.371	76.371	645	645
	Hyundai Transys India Technical Center	15.880	259.575	259.575	275	275
	PT APM Hyundai Transys Indonesia	38.947	1,816.568	1,816.568	1,855	1,855
	Hyundai Transys Czech s.r.o.	501.723	1,959.294	1,959.294	2,461	2,461
	Hyundai Transys Slovakia s. r. o.	44.761	432.475	432.475	477	477
	Hyundai Transys Europe Technical Center	66.210	12.843	12.843	79	79
	Hyundai Transys Inc. Austria	25.188	5.525	5.525	30	30
Total					99,903	14,003

* Because total emissions from each site are truncated, the company's total emissions may differ from the actual values by ±1tCO_2eq.values.

Reasonable Assurance

Unit: tCO_2eq

Reporting Year	Worksites	Scope 1	Scope 2		Total	
			Location-based	Market-based	Location-based	Market-based
2025	HYUNDAI TRANSYS Georgia Powertrain, Inc.	926.164	26,191.854	21,588.046	27,118	22,514
	Hyundai Transys Georgia Seating System, LLC	51.702	2,472.046	2,037.528	2,523	2,089
	Alabama Seat Plant	101.046	1,474.390	1,215.232	1,575	1,316
	Arizona Seat Plant	12.190	292.674	241.231	304	253
	Illinois Seat Plant	662.121	358.689	295.642	1,020	957
	Savannah Seat Plant	10.926	2,042.426	1,683.424	2,053	1,694
	Michigan Sales Office	55.067	28.358	28.358	83	83
	California Sales Office	14.759	8.752	8.752	23	23
Total					34,699	28,929

* Because total emissions from each site are truncated, the company's total emissions may differ from the actual values by ±1tCO_2eq.

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Scope 3 Emissions Verification Statement

Verification Target

Korean Foundation for Quality (hereinafter 'KFQ') has conducted a verification of Scope 3 Greenhouse Gas Emissions (hereinafter 'GHG emissions') of HYUNDAI TRANSYS INC. and its subsidiaries[1] (hereinafter 'Company') for 2025. KFQ is responsible for providing an assurance statement on the GHG emissions based on the verification scope and criteria described below, while the responsibility for the claims made regarding the GHG emissions rests with the company.

1) Address (based on headquarters): 11, Dongtandaero 24-gil, Hwaseong-si, Gyeonggi-do

Verification Purpose

The purpose is to provide an independent verification opinion on the company's Scope3 emissions.

Verification Scope

The verification covered twelve emission categories[2] selected by 2025 HYUNDAI TRANSYS INC. and its twenty four subsidiaries[3] for the year 2025.

2) Category 1,2,3,4,5,6,7,8,10,11,12,13

3) Hyundai Mseat, HYUNDAI TRANSYS Georgia Powertrain Inc., Hyundai Transys Georgia Seating System, LLC, Alabama Seat Plant, Arizona Seat Plant, Illinois Seat Plant, Savannah Seat Plant, Michigan Sales Office, California Sales Office, Hyundai Transys Mexico Powertrain, S. de R.L. de C.V., Hyundai Transys Mexico Seating, S. de R.L. de C.V., Hyundai Transys Fabricacao de Auto Pecas Brazil Ltda, Beijing Transys Transmission Co., Ltd, Hyundai Transys (Shandong) Co., Ltd, Beijing Lear Transys Automotive System Co., Ltd, Hyundai Transys China Sales Office, Hyundai Transys India private Limited, Hyundai Transys Lear Automotive India Pvt. Ltd., Hyundai Lear Automotive India Pvt. Ltd.(Pune Seat Plant), Hyundai Transys India Technical Center, PT APM Hyundai Transys Indonesia, Hyundai Transys Czech s.r.o., Hyundai Transys Slovakia s. r. o., Hyundai Transys Europe Technical Center

Verification Criteria

The following criteria and coefficients used by the company were applied.

- Criteria
  - WBCSD/WRI, Corporate Value Chain (Scope 3) Accounting and Reporting Standard
  - ISO14064-1:2018
  - GHG Protocol Corporate Standard
  - Rule for emission reporting and certification of greenhouse gas emission trading Scheme
  - ISO 14064-3:2019
- Coefficient
  - Hyundai Motor Group Scope 3 Emission Factor Guidelines
  - Environmental Product Declaration evaluation coefficient (2021)
  - Ecoinvent database 3.9.1
  - USEEIO v1.3 by NAICS-6
  - LCA-based emissions disclosed by the manufacturer
  - UK Government GHG Conversion Factors for Company Reporting(2025)
  - Ministry of Environment Guideline for Low-carbon Events(2008)
  - National grid electricity emission factor based on 2023 consumer-end data and GWP values from the IPCC AR2

Level of Assurance

The verification has been conducted in accordance with the verification principles and standards of the 'ISO14064-3:2019' under the limited verification level.

Verification Limitation

GHG emissions verification involves inherent limitations that may arise depending on the organization's data characteristics, calculations and estimates, sampling method, and limited assurance level. Additionally, this verification does not include responsibility for the accuracy of the original data provided by the company.

Conclusion

Based on the criteria and guidelines stated above, KFQ's verification opinion is as follows.

1) GHG emissions of the company for 2025 were properly calculated based on the materials provided, and no material errors or omissions that could affect the verification opinion were identified.
2) The criteria and process established by the company for calculating GHG emissions were transparently documented in the internal calculation process to prevent potential misunderstandings.
3) Accordingly, KFQ provides a verification opinion that is "Unmodified".

kfq Korean Foundation for Quality

IAF INTERNATIONAL ACCREDITATION FORUM

국립환경과학원

June 17th, 2026

CEO Ji-Young Song

Korean Foundation for Quality

Ji Young Song

Hyundai Transys GHG Emissions Assurance Statement

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Appendix. 2025 Scope 3 GHG Emissions Calculation Results

Organization Name: Hyundai Transys Inc. and its subsidiaries

Emissions Calculation Period: The emission calculation period is from January 1st to December 31st, 2025.

Limited Assurance

Unit: tCO_2eq

	Category	Emissions
1	Purchased Goods & Services	2,270,983
2	Capital Goods	83,643
3	Fuel- and Energy-Related Activities Not Included in Scope 1 + 2	87,168
4	Upstream Transportation and Distribution	298,833
5	Waste Generated in Operations	6,767
6	Business Travel	5,716
7	Employee Commuting	46,459
8	Upstream Leased Assets	4,176
9	Downstream Transportation and Distribution	37,945
11	Use of Sold Products	21,438,056
12	End-of-Life Treatment of Sold Products	234,385
13	Downstream Leased Assets	327
	Total	24,514,460

* Because total emissions from each site are rounded, the company's total emissions may differ from the actual values by ±1 tCO_2eq.

HYUNDAI TRANSYS