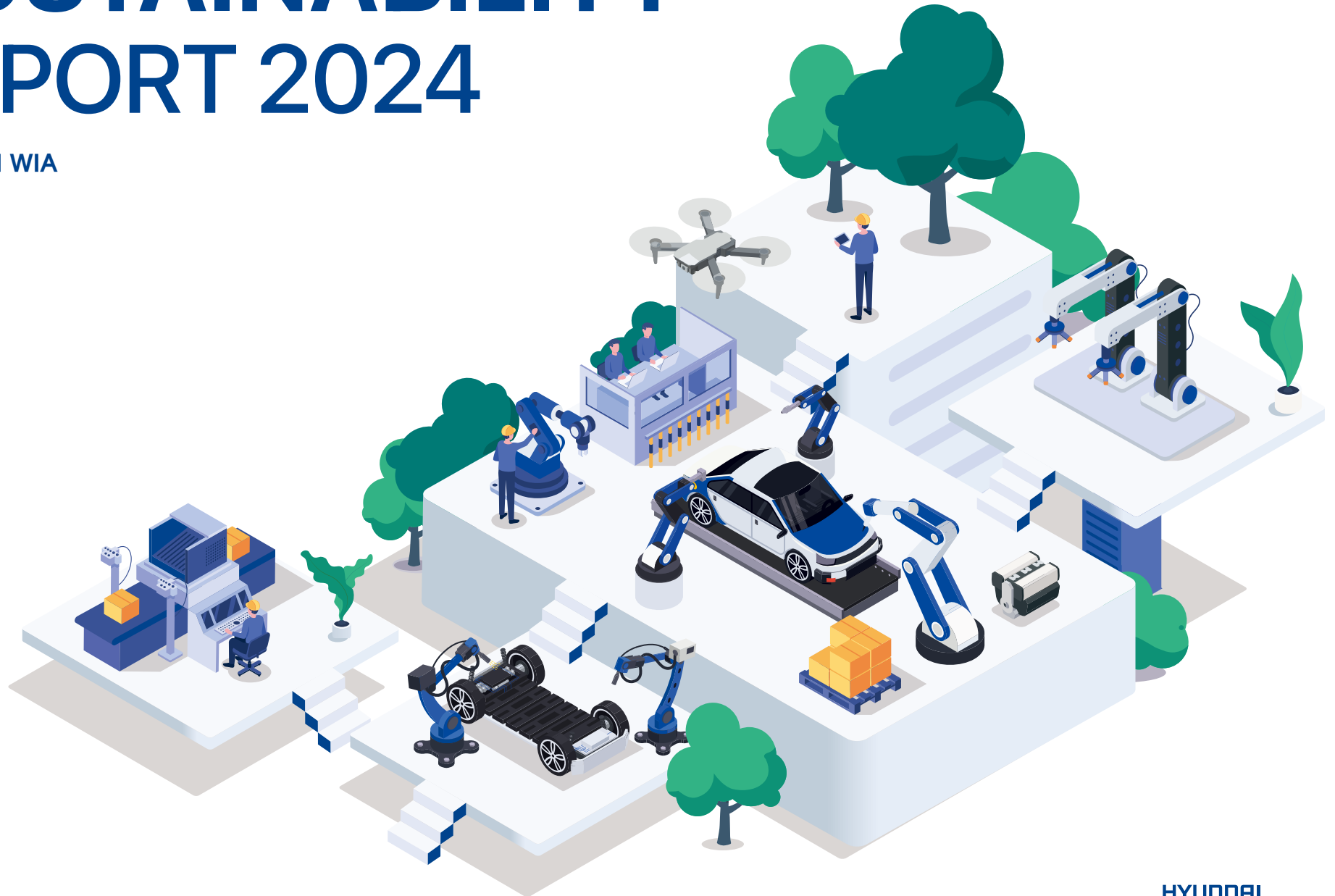


SUSTAINABILITY REPORT 2024

HYUNDAI WIA



CREATING VALUE IN SEAMLESS MOBILITY

HYUNDAI
WIA

HYUNDAI WIA

SUSTAINABILITY REPORT 2024



The HYUNDAI WIA Sustainability Report can be downloaded as a PDF file from the HYUNDAI WIA website.
The PDF version includes interactive features within the report including direct links to relevant pages and webpages.

Contents

01 INTRODUCTION →

Report Overview	005
CEO Message	006
About HYUNDAI WIA	007
Business Brochure	010
Global Network	014

02 ESG MANAGEMENT →

ESG Strategy	016
ESG Governance	017
2023 ESG Highlights	018
Communication with Stakeholders	018
Materiality Assessment	019

03 ENVIRONMENTAL →

Environmental Management	023
Climate Change Response	026
Resource Circulation and Environmental Impact Management	031
Biodiversity Conservation	034

04 SOCIAL →

Sustainable Future Technology Innovation	036
HSE Management	042
Safety and Health Risk Management	046
Sustainable Supply Chain	048
Customer Satisfaction	053
Employees	057
Human Rights Protection	064
Corporate Social Responsibility	067
Information Security	070

05 GOVERNANCE →

Ethical and Compliance Management	073
Risk Management	077
Governance	080

06 APPENDIX →

Ethical Guidelines for Suppliers	086
HYUNDAI WIA Declaration of Human Rights	086
ESG Factbook	087
GRI Standards Index	104
SASB/TCFD	107
WEF IBC Stakeholder Capitalism Metrics	108
UN SDGs	109
Third-Party Verification Statement	110
GHG Assurance Statement	112
Awards and Memberships	114

INTRODUCTION

Report Overview	005
CEO Message	006
About HYUNDAI WIA	007
Business Brochure	010
Global Network	014

Report Overview

Introduction

HYUNDAI WIA's annual sustainability report, which began publication in 2020, is now in its fifth issue. * Through this yearly report, HYUNDAI WIA discloses its ESG management goals and status to stakeholders, aiming to enhance the company's value. To gather stakeholders' opinions, a materiality assessment was conducted to identify key issues. The report highlights these material issues, along with HYUNDAI WIA's efforts and achievements in sustainability management.

* The last sustainability report was published in June 2023.

Reporting Period

This report covers company's of sustainability management performance from January 1, 2023 to December 31, 2023 and presents quantitative data spanning the years 2021 to 2023. Additionally, it includes important qualitative performance data up to the first half of 2024, extending beyond the reporting period.

Reporting Boundaries

This report covers the sustainability activities and performance of all domestic business sites HYUNDAI WIA, including the headquarters, plants, research centers, and business offices. For overseas subsidiaries, additional information (GHG emissions, status of local employees, sales by region, etc.) is also included.

Reporting Standards

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, which provide global guidelines for publishing sustainability reports. Financial information is based on consolidated financial statements, and reporting standards and definitions comply with K-IFRS. Data on energy use and GHG emissions are derived from verified emissions verification. Any significant changes are noted in the relevant sections.

Report Reliability

To enhance the internal and external credibility of the report, third-party verification was conducted by the Korea Management Certification Institute. For GHG emissions and energy use, a third-party verification was performed by DNV to ensure the accuracy and reliability of the data. Detailed opinions from the verification institutions are included in the Appendix.

For Inquiries Concerning Sustainability Report

HYUNDAI WIA Business Planning & Management Team
(+82-031-8068-3404)
CSR@hyundai-wia.com

CEO Message

We are committed to becoming a sustainable company that prioritizes happiness of humanity.



Dear Stakeholders,

I would like to extend my deepest gratitude for your interest in and support for HYUNDAI WIA.

Despite the challenging business environment last year, we achieved outstanding business performance achievement in business. Our sales exceeded recorded more than KRW 8 trillion for the second consecutive year and we are strategically diversifying our business portfolio to align with evolving mobility landscape. As part of those effort, we also laid the foundation for mass production of our integrated thermal management system, an essential future growth driver. This milestone was facilitated through reorganizing related teams and completing the construction of the Thermal Management Test Center. In addition, the commercialization of mobility solutions, such as parking and logistics robots is also contributing to revenue growth.

To strengthen our ESG management, HYUNDAI WIA is proactively preparing for climate change and implementing company-wide initiatives to foster mutual growth with suppliers and contribute to local communities. These efforts have resulted in outstanding rating in ESG evaluations both domestically and internationally.

Last year, we were the sole Korean automotive parts company to attain an A+ rating in the ESG evaluation conducted by the Korea Institute of Corporate Governance and Sustainability (KCGS), and we were selected as the "ESG Company of the Year in Korea" by the Korea Green Foundation. Additionally, we awarded a Gold rating by a global ESG evaluation agency, EcoVadis which indicates our improvements from the previous year.

Going forward, we will continually strive for sustainable growth beyond these achievements. Our ongoing performances and future plans will be transparently disclosed in the annual sustainability report. At HYUNDAI WIA, we are committed to fostering a sustainable company and society, and I would like to share detailed direction of the company for the year ahead.

First, we will pursue businesses that are sustainable by ensuring quality and advancing our technology.

We will make company-wide efforts to boost profitability this year. A cornerstone of this endeavour is achieving "Impeccable quality", reinforcing our reputation as a leading mobility parts company known for excellence. We aim to minimize quality-related costs by practicing stricter quality management practices and gain greater customer trust.

We are also planning to be more proactive in securing technological capabilities to spur our profitability. Through comprehensive collaboration across our organization, we will focus on advancing technologies in the fields of "Thermal management systems" and "Mobility solutions" to ultimately gain global competitiveness.

We will increase the profitability of our organization by achieving excellent quality and technological capabilities, based on which we will aggressively invest in new businesses. We will also strive to build a sustainable business portfolio that includes eco-friendly automotive parts.

Second, we will counter climate change on a wider scale.

To tackle climate change, we joined the RE100 Initiative in 2022 and set a goal of converting 100% of our power source to renewable energy by 2045. To achieve this goal, we have installed photovoltaic panels at our Changwon plants and Uiwang R&D Center. We are also increasing the procurement of renewable energy in India.

To reduce carbon emissions, we plan on developing and adapting a Life Cycle Assessment (LCA) calculation system to better manage carbon emissions throughout the entire production process by the end of the year. This will allow us to gradually reduce carbon emissions from each product.

We have been steadily lowering our actual GHG emissions. Last year, for instance, our greenhouse gases (GHG) emissions amounted to 138,476 tCO₂eq, a 11% drop year-on-year.

Third, we will integrate ESG management into our management strategies and business operations.

At HYUNDAI WIA, we are making various efforts to keep pace with global ESG management requirements. First, we have expanded the organization dedicated to ESG management to streamline related practices across our business management. We have also established a biodiversity policy and provided online environmental courses to all employees. Furthermore, we aim to enhance employee awareness of ESG management's significance through dedicated lectures on carbon neutrality designed for team leaders and key employees.

We are also actively ensuring compliance with domestic and international ESG-related laws and regulations. To proactively prepare for upcoming regulations such as the Carbon Border Adjustment Mechanism (CBAM) and the European Corporate Sustainability Reporting Directive (CSRD), we are conducting thorough analyses of relevant systems and developing a strategic roadmap. Also, in response to mandatory ESG disclosure requirements in Korea and the EU, we are planning and executing a range of initiatives to improve the scope and depth of disclosure.

Building upon the information and data disclosed in this report, we are committed to enhancing our ESG management practices and advancing towards a sustainable future. Your ongoing support is invaluable as we at HYUNDAI WIA endeavor to create a better tomorrow for everyone.

Thank you.

Jaewook Jung
CEO of HYUNDAI WIA

About HYUNDAI WIA

Company Overview

As a global automotive parts manufacturer, HYUNDAI WIA supplies innovative products with the highest quality and performance to automakers around the world.

In addition to manufacturing basic materials for automotive parts, as well as parts and components such as constant velocity joints for engines and modules, we have been keeping up with the anticipated automotive market trends by developing thermal management and electric torque vectoring systems for eco-friendly automotive parts. We have elevated the production and quality control capabilities of global manufacturers to the next level through ultra-precision machine tools, smart factories, and collaborative robots, commonly referred to as cobots.

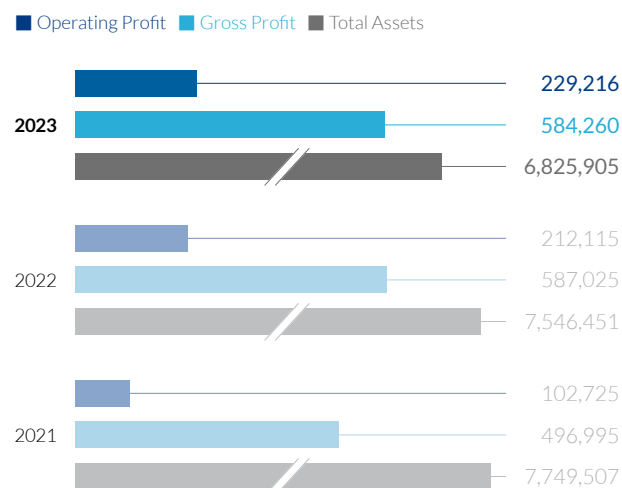
Having laid a solid foundation in the global manufacturing industry, HYUNDAI WIA is now embarking on new challenges for a brighter future, driven by substantial R&D investments and aggressive expansion of its global operations network.

Company Name	HYUNDAI WIA Corp.
Address of Headquarters	153, Jeongdong-ro, Seongsan-gu, Changwon-si, Gyeongsangnam-do, Korea
Chief Executive Officer (CEO)	Jae-wook Jung
Date of Incorporation	March 29, 1976
Key Business Areas	Automotive Parts, Machine Tools, Defense Business
Employees	5,651 (including executives and employees abroad)
Credit Rating	AA-

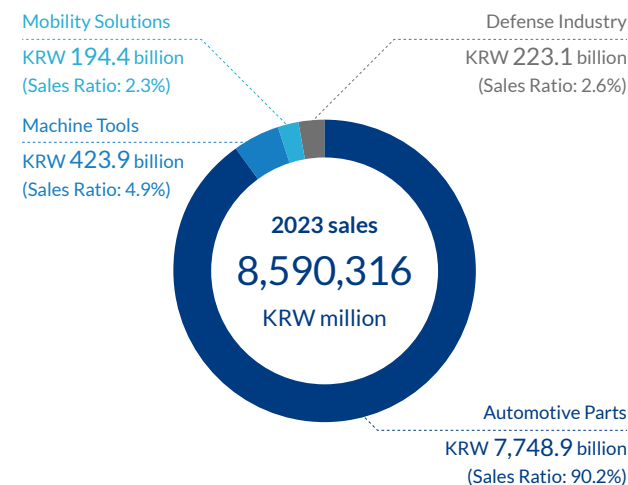
Key Financial Performance (based on Consolidated Financial Statements)

(Unit: KRW million)

Category	2021	2022	2023
Total Assets	7,749,507	7,546,451	6,825,905
Equity	3,695,264	3,733,651	3,766,754
Sales	7,527,739	8,207,614	8,590,316
Gross Profit	496,995	587,025	584,260
Operating Profit	102,725	212,115	229,216
Net Profit	56,071	43,482	52,548



Sales by Business Unit



Company History

1976-1989

1990-1999

2000-2013

2014 - 2023

Foundation and Establishment of Management System

Expansion and Market Development

Rebounding from Crisis and Market Development

Leap Forward

1976 • Company establishment

1978 • Began machine tool production

1979 • Began automotive transmission production

1983 • Developed Korea's first machining center

1989 • Established U.S. subsidiary

1994 • Localized aircraft landing gear

1999 • Incorporated into Hyundai Motor Group

2004 • Established subsidiary in Jiangsu, China

2005 • Acquired Hyundai Motor Company's machine tools division

2007 • Established engine subsidiary in Shandong, China

2010 • Received "Technical Innovation Award" at Korea Product Awards

• Established Indian subsidiary

2011 • Listed on the Korean stock market

2012 • Selected as an "Excellent Job Creation Company"

• Selected as an "Excellent Company for Korea Coexistence Conference"

2013 • Completed construction of the 3rd engine plant in Shandong, China

• Built a new CVJ plant in India

2014 • Established integrated automotive parts production system (Merger of HYUNDAI WIA, Hyundai Metia, and Hyundai Wisco)

• Established technical support centers (Changwon/Uiwang)

2015 • Reached cumulative PTU production of 5,000,000 units

• Launched turbocharger business and began mass production

• Awarded "Grand Prize at Korea Management Awards" for 3 consecutive years

• Awarded for achieving USD 4 billions in exports

2016 • Completed construction of the Mexico plant and began mass-production

• Built a new multi-purpose engine plant in Seosan and began mass production

• First to achieve a milestone of producing 100 million CVJ in Korea

2017 • First to mass-produce rear wheel-based 4WD system in Korea

2018 • Introduced the smart factory solution, iRIS, at 1st plant in Changwon and Seosan

• Announced the new vision "WIA, The Next Solution" and new business strategies

• Completed construction of "Tech Cube", a Technical Support Center in Europe

2019 • Developed the world's first Integrated Drive Axle (IDA)

• First to mass-produce rear wheel-based Electronic-limited Slip Differential (e-LSD) device in Korea

2020 • Signed large-scale contract for Constant Velocity Joint(CVJ) with European and U.S. automakers

• Developed a module of integrated smart manufacturing and logistics solution based on robotics and autonomous driving technology

2021 • Completed the construction of an engine plant in Russia and began mass production

• Developed an Integrated Thermal Management System (ITMS)

• Unveiled the ground propulsion system "E-Taxiing" applied with Urban Air Mobility (UAM) technology

• Opened a digital showroom for automotive parts & machine tools

2022 • Surpassed the 10 million mark in PTU production

• Introduction of "Collaborative Robot and Autonomous Mobile Robot"

2023 • Completed the construction of a thermal management test building

• Commercialized autonomous logistics robots

• Obtained A+ from the Korea Institute of Corporate Governance and Sustainability (KCGS)



Management Principle

VISION

CREATING VALUE IN SEAMLESS MOBILITY


We create the core value of future mobility that expands the experience of movement.

HYUNDAI WIA will provide customers with a seamless mobility experience by combining new technologies necessary for unrestricted movement.



Creating Energy Efficiency & Performance

- Establishment of an Integrated Thermal Management System (ITMS)
- Optimization and modularization of thermal management and electronic components
- 4WD and e-TVTC-based Fun Driving



Creating Intelligent Solution

- Smart manufacturing solutions based on control, robotics, autonomous driving technologies
- Development of optimal electrified production facilities for E-Mobility
- Development of future weapon systems incorporated with artificial intelligence



Creating Environment for Sustainability

- Improving employees' self-leadership to lead change
- Strengthening of the fair trade and win-win growth system with suppliers
- Active social contribution for the development of local communities

Management Philosophy

We aim to realize the dreams of humanity by creating a new future based on creative thinking and endless new endeavors.



Responsible Mindset

Our vision towards a responsible mindset for the safety and happiness of our customers is practiced through quality management, which will ultimately create infinite value for our society.



Realization of Possibilities

We always leap to the next stage after achieving goals in front of us, and create a better future with an enterprising spirit.



Respect for Mankind

We offer value, better products and better services for people, and make the lives of our customers more affluent.

Core Values

The driving force of Hyundai Motor Group always comes from the action to achieve our core values filled with passion and challenges.



Customers First

Customers Oriented Mindset

Customer satisfaction is our top priority in guiding our decision-making processes.



Challenge

Challenge

Our new future begins with today's challenge.



Collaboration

Collaboration

We collaborate with an open mindset to create a greater possibility.



People

People

We respect each other and grow together.



Globalization

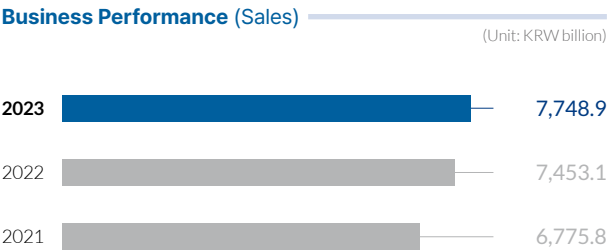
Globalization

We lead the global market based on diversity.

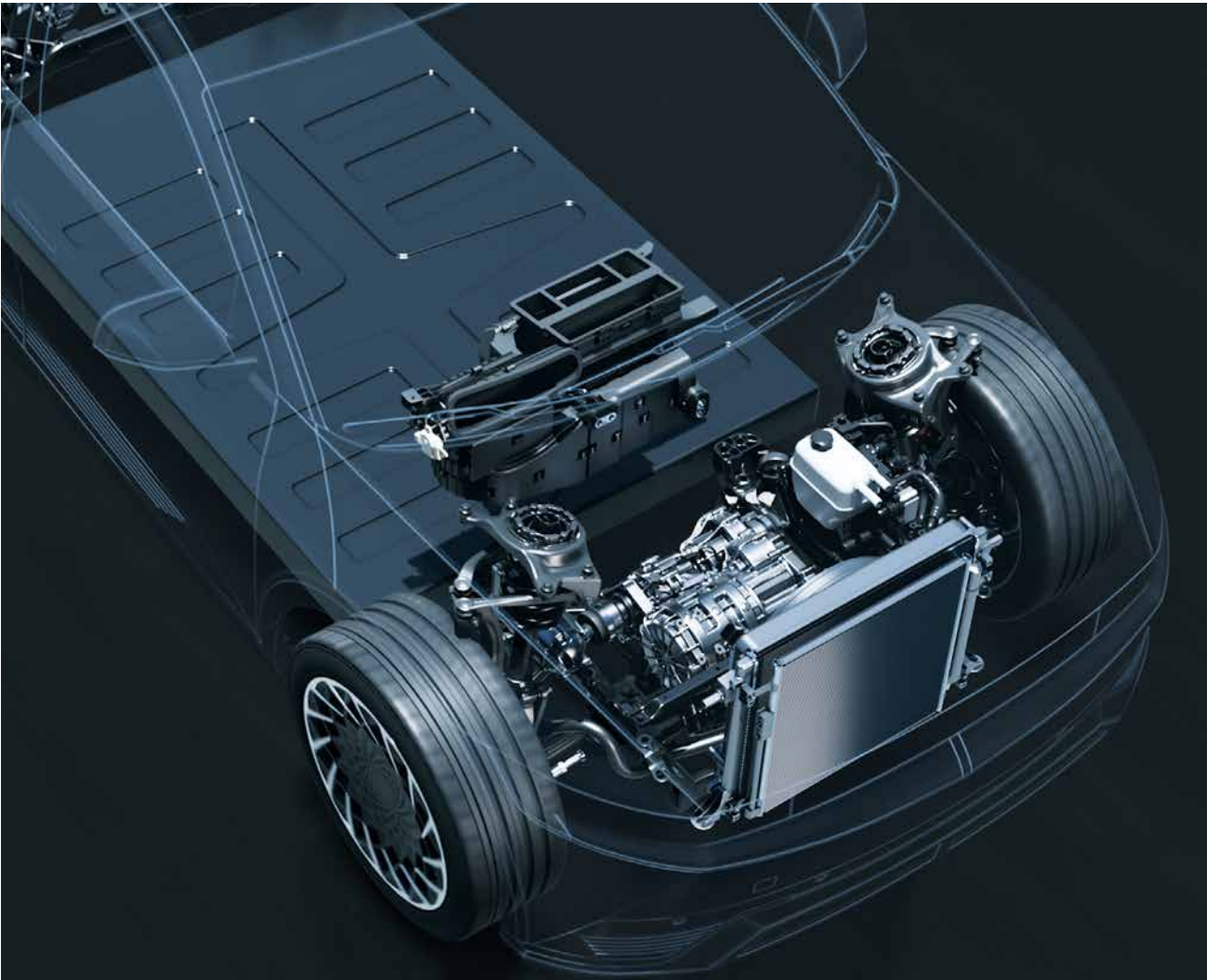
Business Brochure

AUTOMOBILE PARTS

As an expert in the production of powertrain and related parts, HYUNDAI WIA produces innovative and excellent automotive parts based on world-class technology and ultra-precise production processes. We supply core automotive parts worldwide and take the lead in advanced technology and ecofriendly parts, providing a new direction for future automotive paradigm.



Major Products	
Eco-Friendly Automotive Parts	Thermal Management Module / Motorization Torque Vectoring System
Engine	Gasoline / Diesel / Turbocharger
Module	Chassis Module / Axle Module / Tire Module
AWD	Axle / PTU / ATC / e-LSD / Coupling
Constant Velocity	CVJ (Constant Velocity Joint) IDA (Integrated Drive Axle)
Material	Forgings



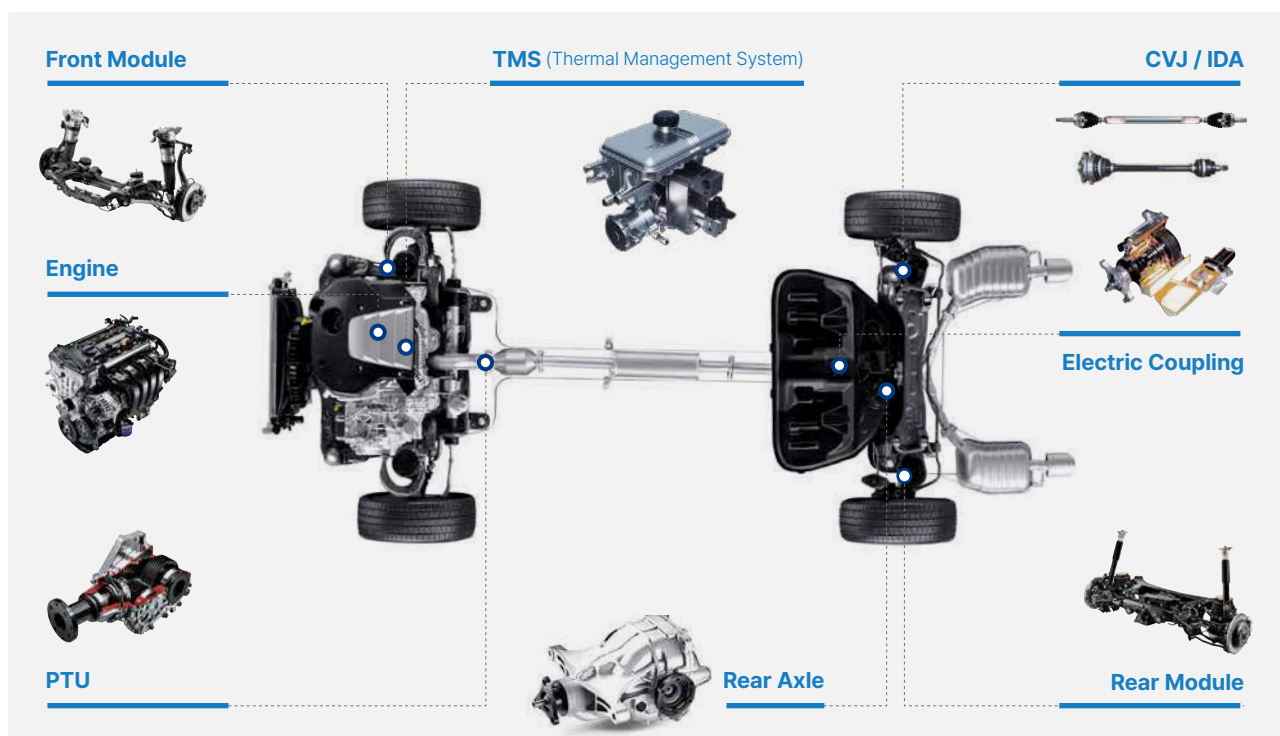
Core Internal Combustion Engine Parts & Components Business

HYUNDAI WIA became a predominant automobile parts company known for its excellence with its frontier technology. As a sole engine manufacturer in Korea, we have gained recognition at home and abroad for our technological prowess by manufacturing high-quality automotive modules, AWD systems, CVJs, and IDAs. Moving forward, we will continue to maintain our reputation as a manufacturer with of high-quality, high-efficiency automotive parts by adopting advanced technologies and processes through continuous R&D and investment.

Eco-friendly Automotive Parts Business

HYUNDAI WIA is at the forefront of the eco-friendly automotive parts market, driven by relentless pursuit of innovation and technological development in response to the global trends eco-friendly automotive parts.* Leveraging our expertise in manufacturing parts for traditional internal combustion engine vehicles, we are leading the R&D of parts for eco-friendly automobiles. We have built an integrated thermal management facility to expand our automotive parts business and restructured the business organization for efficient mass production readiness. Our strategy includes future expansion of our eco-friendly automotive parts business by combining new technologies and deliver a seamless mobility experience to our customers.

*Examples include electric vehicles and hydrogen vehicles



Business Brochure

Machine Tools & Mobility Solutions

To continuously fortify the competitiveness of machine tool business, HYUNDAI WIA is striving to meet the demands of various industries including automotive parts, aviation, and energy industries. In the realm of mobility solutions, our business growth strategy focuses on delivering integrated solutions for smart manufacturing, logistics, and electrified parts production lines. This approach is supported by advancement in control, robotics, and autonomous driving with expanding smart factory market.

Machine Tool Business Performance (Sales)

(Unit: KRW billion)



Mobility Solution Business Performance (Sales)

(Unit: KRW billion)



Major Products	
Machine Tools	Lathes / Machining Centers
Robotics & Autonomous	Machining Automation / Assembly Automation / Robot & Jig System / Smart Manufacturing and Logistics Solutions / Smart Software

Machine Tool Business

In 2005, HYUNDAI WIA's machine tools business was integrated with Hyundai Motor Company's machine tool business unit, allowing our company to achieve both quantitative and qualitative growth. By the integration, the company could target the global market based on enhanced technology, production capacity and brand power.

In the era of smart manufacturing, the company addresses customer needs and adapts changes of the production environment by offering a smart monitoring system that facilitates integrated management remotely.



Lathes



Machining Centers

Mobility Solution Business

HYUNDAI WIA's mobility solution business consists of four business areas: smart factory, electrified production facilities, powertrain processing facilities, and vehicle body and robotic systems. For the smart factory business, we offer flexible production cells and intelligent logistics equipment for small batch production of various products, while providing total solutions for the production of EV motors and fuel cells for electrified production facilities. For powertrain processing facilities, we offer high-performance equipment and advanced automotive production lines, based on our expertise in fabricating world-class automobile manufacturing equipment. The vehicle body and robotic systems offer total solutions for automated production of vehicle bodies, including optimal process design, jig manufacturing, body assembly, and robotic welding.



Mobile Picking Robot



Autonomous Mobile Robot

DEFENSE BUSINESS

As the sole artillery manufacturer in South Korea, HYUNDAI WIA comprises ground weapons, naval weapons, aviation products and future weapon system in defense business. The company is receiving global recognition for its outstanding quality and reliability.

Business Performance (Sales)



Major Products	
Ground Weapons	Howitzers / Tank Guns / Mortars
Naval Weapons	5-inch / 76-mm Guns
Aviation Products	T50 / KUH Landing Gear
Future Weapons	RCWS*

* RCWS : Remote Control Weapon System

Land, Naval, and Aviation Defense Businesses

HYUNDAI WIA is frontier leading company in the defense industry with state-of-the-art technology for the development and production of defense products for the land, sea, and air. Based on our internal design and development capabilities and an impeccable quality assurance system, we produce exceptional defense products and contribute to the preservation of humanity's value and safeguards our national territory. We will continue to develop and improve defense products with the best performance and quality to realize an advanced defense industry.

New Businesses for Future

HYUNDAI WIA is steadfastly investing in R&D to advance future-oriented product development tailored for the Fourth Industrial Revolution and evolving battlefield environment.

Leveraging our R&D experience and core technologies from our traditional defense industry, we have secured core technological capabilities for cutting-edge unmanned automated weapons systems. Furthermore, we are actively exploring high added value business opportunities for the future. We are also expanding into the urban air mobility (UAM) industry, utilizing our defense technology and automotive industry expertise to drive innovation and growth.



Self-propellant Artillery



Mortar



Naval Gun



Landing Gear

Global Network

HYUNDAI WIA has established a global network in eight countries including Korea, the United States, China, Mexico, India, Russia, Germany, and Slovakia to enhance its competitiveness.



Overseas Business Sites

Production Subsidiaries

Shandong HYUNDAI WIA (China)
Jiangsu HYUNDAI WIA (China)
HYUNDAI WIA America (Alabama)
HYUNDAI WIA Mexico (Monterrey)
HYUNDAI WIA India (Chennai)
HYUNDAI WIA Russia (Saint Petersburg)
HYUNDAI WIA Slovakia (Zilina)

Sales Subsidiaries

China Sales Company
(Jiangsu, China)
HYUNDAI WIA America
(New Jersey, USA)
HYUNDAI WIA Europe
(Frankfurt, Germany)

Sales Branch Offices

America Branch Office (Detroit, USA)
India Branch Office (Chennai)
CIS Branch Office (Almaty)

Domestic Business Sites

Headquarters

Changwon

Research Center

Changwon R&D Center
Uiwang R&D Center

Production Sites

Changwon Plant*
Ansan Plant**
Pyeongtaek Plant*
Gwangju Plant**
Seosan Plant*
Ulsan Plant

Sales Offices

Central Office (Gwangmyeong)
Southern Office (Changwon)

* Changwon Plant 4, Pyeongtaek Plant, and part of Seosan Plant transferred to an affiliate (TechZen) in April 2024

** Transferred to an affiliate (Mobient) in April 2024

ESG MANAGEMENT

ESG Strategy	016
ESG Governance	017
2023 ESG Highlights	018
Communication with Stakeholders	018
Materiality Assessment	019

ESG Strategy

HYUNDAI WIA has selected 9 initiatives in line with Hyundai Motor Group's CSR message "The Right Move for the Right Future" and its three pillars, Move for Our Planet, People, and Community to make the right move toward a sustainable future.



ESG Governance

To promote sustainable management, HYUNDAI WIA has established advanced ESG compliances, and the Transparency Management Committee under the BOD is currently managing and supervising ESG management agendas transparently. We have expanded the ESG management system to enable top management and company-wide organizations to make effective ESG-centered decisions. We operate a company-wide consultation process for major ESG decisions by conducting semi-annual working consultations led by the Business Planning and Management Team, a general ESG team under the Planning Sub-Division. The Transparency Management Committee under the executives and BOD deliberates on ESG management-related issues and reviews and supervises performance. Moving forward, HYUNDAI WIA aims to internalize and enhance the company's sustainability management system through seamless collaboration among all relevant teams and proactive engagement from management.

Sustainability Management Organization



Category	Related Departments	Key Agenda
Environment	Asset Management Team	<ul style="list-style-type: none"> Carbon neutrality initiatives and key achievements / issues Renewable energy procurement in relation to RE100 and progress status Annual performance in the emissions trading scheme: actual emissions compared to allowances (including selling off balances)
	Safety and Environment Team	<ul style="list-style-type: none"> Progress related to environmental management (water, waste, and air quality management) Ecological conservation activities (such as biodiversity protection)
	Business Planning and Management Team Win-Win Cooperation Team, etc.	<ul style="list-style-type: none"> Establishment of a product Life Cycle Assessment (LCA) on system Management of carbon footprint and carbon emissions from the company and supply chains
Social	Safety and Health Team	<ul style="list-style-type: none"> Overall health and safety activities (safety incidents, safety personnel, and investment)
	HR Team	<ul style="list-style-type: none"> Protecting and respecting human rights (human rights risk prevention and remediation activities)
	Training & Culture Team	<ul style="list-style-type: none"> Building a diverse and inclusive culture (company-wide activities and programs)
	Talent Acquisition Team	<ul style="list-style-type: none"> Work environment improvement and human resources development policies
Governance	Win-Win Partnership Team	<ul style="list-style-type: none"> Supply chain ESG assessment and improvement: environment, ethics, human rights and labor, and safety and health Policies and performance related to mutual growth with suppliers
	Public Relations Team	<ul style="list-style-type: none"> CSR plans and performance
	IR Team	<ul style="list-style-type: none"> Key achievements and progress on fair trade
	Management Improvement Team	<ul style="list-style-type: none"> Status of ethical management and compliance activities (reporting on internal audit findings)

Highlight

HYUNDAI WIA Selected as ESG Company of the Year by the Green Foundation

HYUNDAI WIA received "Minister of Environment Award" in the Free Consumer Goods Manufacturing Category at the "2023 Korea ESG Company of the Year Award Ceremony" held by the Green Foundation. The Green Foundation evaluated the ESG management performance of 800 listed companies in Korea and awarded three companies, including HYUNDAI WIA. This achievement is clear recognition for the company's effort in various aspects of ESG management, including climate change response, safety management, and CSR. At HYUNDAI WIA, we are committed to maintain leadership in ESG practices in Korea. Our goal is to foster a corporate culture where employees can actively contribute to environmental protection and grow together with various stakeholders.



ESG Company of the Year Award

2023 ESG Highlights

ESG Evaluation Results and Performance



Communication with Stakeholders

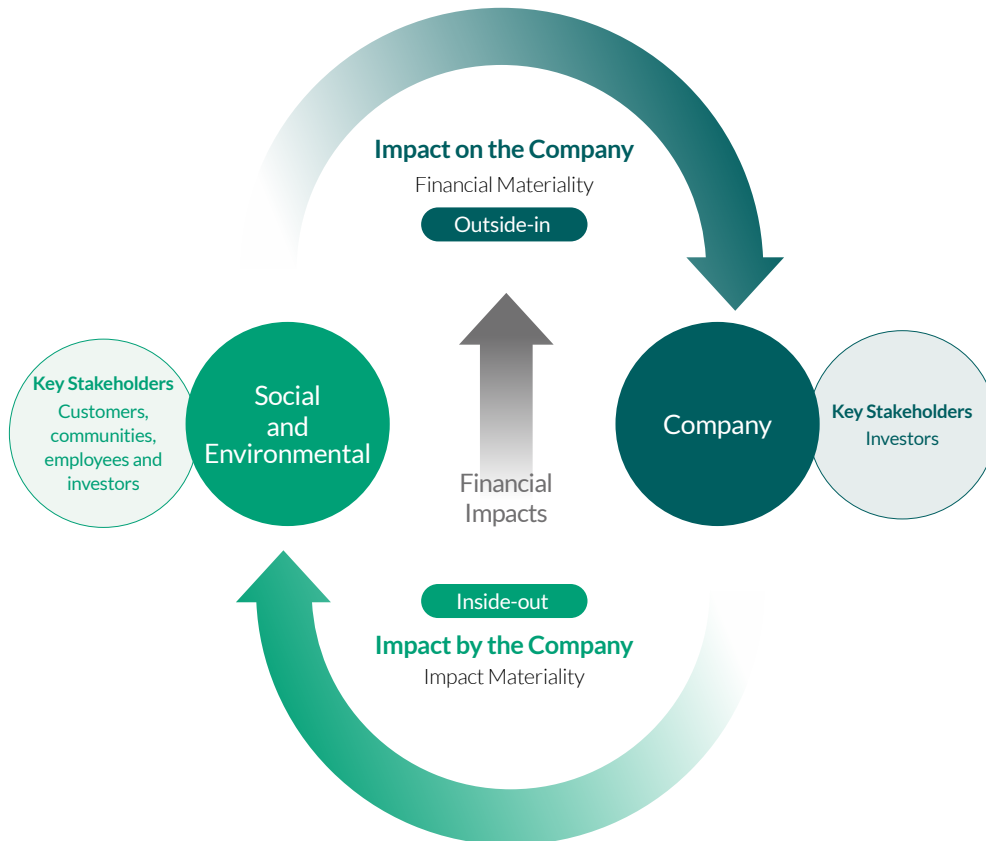
At HYUNDAI WIA, shareholders and investors, customers, local communities, suppliers, government, and executives and employees have been defined as the six stakeholder groups, and dedicated communication channels are operated for each group. Based on smooth communication with stakeholders, we respond to changes in major issues and improve management activities for sustainable management. We aim to take various the opinions of each stakeholder, identify material issues, and actively reflect them in our sustainability management strategies.

Stakeholder Group	Major Interests	HYUNDAI WIA's Activities in Response	Communication Channels	Communication Cycle
Shareholders & Investors	<ul style="list-style-type: none"> Diversification of business portfolio Business risk management 	<ul style="list-style-type: none"> Reporting of business performance through regular disclosures Advancement of mid- to long-term business strategies Establishment of a foundation for future value creation 	<ul style="list-style-type: none"> Shareholder meetings Management disclosures IR activities 	<ul style="list-style-type: none"> Annually Quarterly On-demand
Customers	<ul style="list-style-type: none"> Building competitiveness in product quality Providing transparent product information 	<ul style="list-style-type: none"> Collecting customer opinions and reflecting feedback Sales and marketing activities 	<ul style="list-style-type: none"> Customer satisfaction surveys Face-to-face & non-face-to-face consultation channels Sales & marketing activities 	<ul style="list-style-type: none"> On-demand
Local communities	<ul style="list-style-type: none"> Reinforcement of environmental and safety activities Revitalization of the local economy and social contribution 	<ul style="list-style-type: none"> Reinforcement of workplace environment and safety management Operation of social contribution (CSR) programs 	<ul style="list-style-type: none"> Social contribution (CSR) activities 	<ul style="list-style-type: none"> On-demand
Suppliers	<ul style="list-style-type: none"> Win-win growth and technical cooperation Prevention of unfair practices and corruption 	<ul style="list-style-type: none"> Technical and management support for suppliers Prevention of unfair practices and corruption 	<ul style="list-style-type: none"> Regular general meetings with suppliers Visits to supplies for guidance 	<ul style="list-style-type: none"> Annually On-demand
Government	<ul style="list-style-type: none"> Compliance with laws and regulations Reinforcement of public-private cooperation in the defense industry, etc. 	<ul style="list-style-type: none"> Communication with the government and related organizations Prevention of unfair practices and corruption 	<ul style="list-style-type: none"> Participation in meetings with government agencies Participation in government policies and investments 	<ul style="list-style-type: none"> On-demand
Executives & Employees	<ul style="list-style-type: none"> Improvement of the working environment and organizational culture Capacity building 	<ul style="list-style-type: none"> Activities to improve employee welfare and benefits and organizational culture Professional and leadership capacity building activities 	<ul style="list-style-type: none"> Labor-management council Labor-management meetings Employment Safety Committee 	<ul style="list-style-type: none"> On-demand

Materiality Assessment

Concept of Double Materiality

HYUNDAI WIA accurately determines stakeholder interests and expectations through the Double Materiality Assessment. This helps pinpoint sustainability issues that are crucial for the company to manage and prioritize for disclosure. These issues are then integrated into the company's management strategy. Based on the GRI Standards and the European Sustainability Reporting Standards (ESRS), the Double Materiality Assessment reflects both the company's actual and potential impacts on the economy, environment, and society, and the financial impacts of external factors on the company.



Assessment Process

Step 1 Creation of ESG Issue Pool

- **Analysis of international standards**
Analyze international standards for ESG and determine related impacts, risks, and opportunities (SASB, KCGS, MSCI, UNGC, UN SDGs, EcoVadis, ILO)
- **Benchmarking**
Analyze ESG information disclosed by peers at home and abroad
- **Analysis of previous year's report**
Review material and potential issues from the previous year
- **Media analysis**
Analyze press releases and articles published in 2023

Step 2 Double Materiality Assessment

Social and Environmental Impact Assessment	Analysis of international standards and indicators	Analyze and reflect the standards and indicators specified by GRI, KCGS, UNGC, UN SDGs, and ILO
	Media analysis	Analyze ESG-related media reports on the environmental and/or social impacts of HYUNDAI WIA and the automotive parts industry
	Benchmarking	Analyze ESG information disclosed by peers at home and abroad
	HYUNDAI WIA's management strategies	Review HYUNDAI WIA's management strategies and whether they are aligned with the direction for sustainable growth
Financial Impact Assessment	Stakeholder engagement	Conduct surveys with internal and external stakeholders and analyze results
	Analysis of international standards and indicators	Reflect the requirements of major international standards such as SASB, ISSB, KCGS, MSCI, and EcoVadis
	Analysis of legal/regulatory status	Analyze the status of relevant laws and regulations considering industry characteristics
	Analysis of investor interest	ESG disclosures of HYUNDAI WIA's major investors
	Stakeholder engagement	Conduct surveys with internal and external stakeholders and analyze results

Step 3 Obtain Double Materiality Assessment Results And Communicate with Stakeholders

- Derive priorities for each issue by compiling the results of social, environmental, and financial impact analysis
- Finalize key issues and report Double Materiality assessment results to the BOD

Double Materiality Assessment Results

HYUNDAI WIA selected 10 material issues, including climate change response, reduction of GHG emissions, ethics and compliance management, and selection and evaluation of sustainable supply chains, considering environmental, social, and financial impacts.

Matrix














Double Materiality Assessment Results

Category	Material Issues	Potential Issues
Environmental	<ul style="list-style-type: none">• Response to climate change and reduction of GHG emission• Wastewater and air quality management• Development of eco-friendly automotive parts	<ul style="list-style-type: none">• Energy saving and efficiency improvement• Water management• Workplace waste management and resource circulation• Biodiversity protection
Social	<ul style="list-style-type: none">• Selection and evaluation of sustainable supply chains• Workplace health and safety• Respect for human rights• Active R&D for enhanced technological competitiveness• Product safety and quality	<ul style="list-style-type: none">• Talent recruitment and retention• Employee capacity building through education and training• Guarantee of work-life balance for employees• Win-win growth with suppliers• Employee diversity and equality• Enhanced customer satisfaction• Improved labor relations and internal communication• Community engagement and contribution programs• Information security management
Governance	<ul style="list-style-type: none">• Ethics and compliance management• Integrated (financial and non-financial) risk management	<ul style="list-style-type: none">• Sound corporate governance• ESG management system

New Material Issues of the Year	Major Reasons
Wastewater and air quality management	Reflect financial impacts on the value of the company by analyzing the regulations and international standards concerning wastewater and air quality management
Respect for human rights	Reflect increased stakeholder impact on issues of respect for human rights in light of international standards and customer requirements
Integrated (financial and non-financial) risk management	Reflect the financial impact of regulations and increased investor interest

Management Approach to Material Issues

Material Issue	Reason for Selection and Impact	Response Strategies	Major Achievements and Activities	Page
Response to climate change and reduction of GHG emission GRI 302-1-4 GRI 305-1-5  	Countries around the world, including the United States, have set "climate change response" as a top agenda and are holding companies to high environmental standards. Investors and customers are also demanding specific business plans that align with the zero emissions goal. Going forward, combating climate change will be essential for companies to remain competitive on the global stage.	HYUNDAI WIA has established a dedicated environmental management organization under the environmental management system and established five innovation tasks including GHG and energy reduction. The company has established a carbon neutrality strategy for the purpose of responding to climate change and minimizing environmental impacts and is implementing key initiatives and responding to environmental issues by monitoring them with more stringent standards than legal regulations. The results of the carbon neutrality initiatives and environmental management are reflected in the KPIs of relevant departments and management, and a companywide management system has been established to incorporate climate change and environment-related risks into the company's risk management system.	<ul style="list-style-type: none"> · Obtained A- in the CDP assessment · Invested in solar power generation at Changwon Plant 1 and Uiwang R&D Center · HYUNDAI WIA India achieved RE28 	26-30
Wastewater and air quality management GRI 303-1-5 GRI 306-1 	Water and air, two of the most vital resources for human survival and health, affect industries, the economy, peace, and security of our society. Industrial wastewater and air pollutants are among the leading causes of water and air pollution, and efforts to manage water and air quality in the workplace are essential for a sustainable future.	In order to minimize air pollutants, HYUNDAI WIA applies internal standards that are stricter than the legal standards, and wastewater generated at its business sites is fully treated by wastewater treatment service providers to keep water pollutants below the legal thresholds to minimize environmental impact. Anti-pollution facilities such as air pollution prevention facilities and wastewater storage facilities are checked on a daily basis, and related risk factors are monitored using monitoring systems. The company will continue to manage and reduce wastewater and air pollutants more effectively by gradually lowering the internal caps and increasing investment in environmental protection.	<ul style="list-style-type: none"> · Invested in vacuum evaporation equipment for waste oil and reused water · Reduced water usage and air pollutant emissions over 3 years · Operated wastewater (oil) level and air quality monitoring systems 	32-33
Development of eco-friendly automotive parts / Active R&D for enhanced technological competitiveness GRI 403-1-9 	As global environmental issues drive up demand for eco-friendly automotive parts, product development and research and development (R&D) to minimize environmental impact is becoming an essential part of a company to maintain its competitiveness. By promoting the development of green products, it is possible to pursue sustainable growth and strengthen the company's position in the market.	HYUNDAI WIA has established "Enhancing Product Competitiveness," "Securing New Technologies," and "Flexible R&D Culture" as its strategies to achieve the mid- to long-term goals to develop sustainable products for the future by strengthening core development capabilities. The company is striving to pursue eco-friendly automotive parts development and business diversification as key initiatives and through ongoing R&D.	<ul style="list-style-type: none"> · Developed and mass-produced the "coolant water distribution and supply module" among integrated thermal management systems · Commercialized logistics robots · Developed an anti-drone system (ADS) 	36-41
Workplace safety and health GRI 403-1-9 	Workplace safety and health is essential for employee protection and legal compliance, and a safe work environment contributes to improved productivity and cost savings. Due to the increased emphasis on Corporate Social Responsibility (CSR), companies need to recognize their responsibility for safety and environmental issues and establish relevant strategies.	HYUNDAI WIA has made safety and health a top management policy and prioritizes it in all its business activities. A mid- to long-term goal of reducing safety incidents by 50% by 2026 has been set, and to this end, safety and health targets are set every year. Related activities are monitored regularly for performance management.	<ul style="list-style-type: none"> · Reduced the accident rate (employees and suppliers) · Conducted safety and health management of suppliers · Performed safety and health checks at domestic and overseas business sites 	42-47
Selection and evaluation of sustainable supply chains GRI 308-1-2 GRI 414-1-2 	Seamless communication and win-win relationships with suppliers is essential for a company to achieve sustainable growth. It contributes to increasing operational efficiency and reducing costs by improving the stability and quality of the supply chain. It is also critical to ensuring fair trade and achieving customer satisfaction. Sustainable supply chains have a significant impact on a company's global competitiveness and long-term stability.	HYUNDAI WIA operates a grievance handling process for suppliers to ensure smooth communication with corporate suppliers. The company provides support through various activities such as training, financial support, and R&D cooperation with suppliers, while striving for win-win growth. In addition, when forming a supply chain, financial evaluation, credit rating, and ESG management are taken into account, and regular inspections, including quality inspections, and ESG evaluations are conducted to manage and maintain the supply chain.	<ul style="list-style-type: none"> · Conducted ESG evaluation of suppliers · Provided financial support to suppliers (win-win growth fund, win-win fund, etc.) · Provided ESG education and training to suppliers 	48-52
Product safety and quality GRI 416 	Product safety and quality are essential for protecting consumer health and safety and complying with legal regulations and is the first step to achieving customer satisfaction. A responsible mindset for customer safety and happiness is realized through quality management and leads to the creation of infinite value for our society. Achieving the ultimate product performance and quality is key to gaining a competitive edge in the market, increasing gains, and fulfilling corporate social responsibility.	For product safety and quality, HYUNDAI WIA strives to proactively identify related needs by actively communicating with customers and provide safe products of the finest quality. The company also operates a quality information system to manage quality history and establish a quality system internally, in addition to making efforts to ensure quality from product development to follow-up management in all business areas.	<ul style="list-style-type: none"> · Enhanced quality improvement programs · Conducted periodic inspections and verifications of raw materials · Signed an MOU with Korea University of Technology & Education for improvement of job skills 	55-56
Respect for human rights GRI 405-1 GRI 406-1  	Respect for human rights ensures ethical management and legal compliance of the company. It strengthens people's perception in positive way and improves company's reputation in society. It also increases employee satisfaction and productivity, while reducing reputational risks through risk management, which in turn helps drive sustainable growth and boost competitiveness on the global stage.	HYUNDAI WIA conducts human rights impact assessments and operates a human rights risk reporting channel to promptly resolve related issues. When human rights risks are identified, the company starts an investigation into human rights violations, analyze the results, and takes measures to address the root cause. The improvement measures are continually monitored to realize the best possible human rights management.	<ul style="list-style-type: none"> · Conducted human rights impact assessments · Operated human rights risk reporting channels · Provided human rights education 	64-66
Ethics and compliance management GRI 205-1 GRI 206-1 	Ethical and compliance management plays a decisive role in building and maintaining corporate reputation and trust. Ethical management promotes corporate sustainability and competitiveness through the fulfillment of corporate social responsibilities and in turn brings about positive social changes. As such, ethical and compliance management is directly associated with management risks, and its priority in materiality assessment has been on the rise across industries.	HYUNDAI WIA is fulfilling the basic role of a corporate citizen by operating ethical businesses and endeavoring to establish ethical management as part of its corporate culture by ensuring ethical thinking and practices among its employees. Further, the company is dedicated to increasing corporate value by respecting laws and norms and earning customer trust. Based on various compliance programs, all employees of HYUNDAI WIA strive to promote transparent and fair trade.	<ul style="list-style-type: none"> · Education on ethical management · Voluntary reporting system for transparency · Introduced RMS(Risk Management System) system · Operated an autonomous fair trade compliance program · Selected as designated company for voluntary compliance in international trade of strategic goods 	73-76
Integrated (financial and non-financial) risk management GRI 2-25 GRI 207-1-2 	Integrated risk management is crucial when it comes to determining the company's liability in the event of an ESG-related incident. According to recent judicial precedents, the efficiency and level of risk control procedures implemented by the company are major considerations in determining accountability. In addition, the ESG Disclosure Guidance released in 2021 requires the establishment of a corporate governance structure that can handle ESG factors at the company-wide level and disclosure of management's commitment, so integrated governance and risk management will be essential for companies to be more competitive in the future.	HYUNDAI WIA operates a risk management secretariat centered on the Business Planning and Management Team and hold risk response meetings when necessary. A risk reporting process has been established for each type of potential risks for prompt and systematic response. HYUNDAI WIA has also established a separate process for major accidents and is making additional efforts to reduce tax risks.	<ul style="list-style-type: none"> · Operated the Risk Management Secretariat and held Risk Response Council meetings · Organized a risk management system · Established a process for reporting major accidents and emergencies · Formulated a tax risk management policy 	77-79

03

ENVIRONMENTAL

In recognition of the seriousness of global environmental issues, HYUNDAI WIA aims to minimize its environmental impacts in the course of business operations, such as GHG emissions and damage to the ecosystems, and further contribute to ecosystem restoration.



Key Performance



Established a Biodiversity Policy



Invested in Solar Power Generation at Changwon Plant 1 & Uiwang R&D Center



Awarded CDP Korea Climate Change Carbon Management Sector Honors



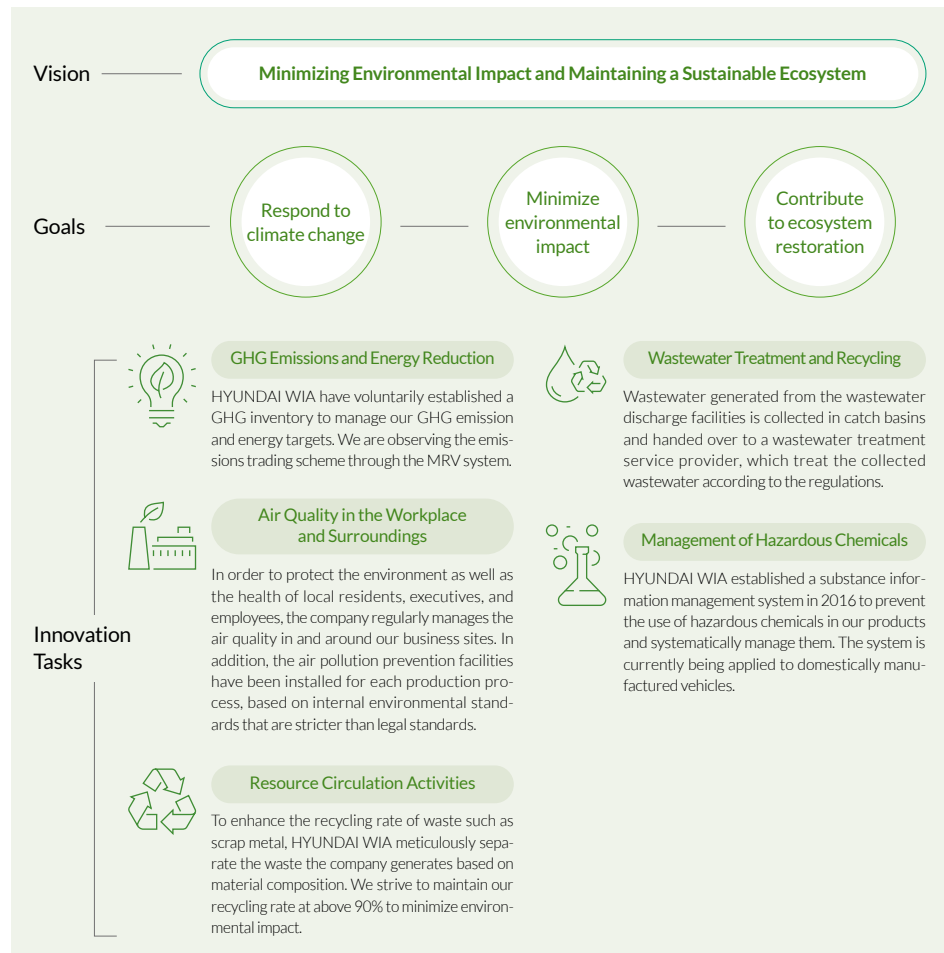
Provided Trainings to Raise Climate Change Awareness

Environmental Management	023
Climate Change Response	026
Resource Circulation and Environmental Impact Management	031
Biodiversity Conservation	034

Environmental Management

Environmental Management System

HYUNDAI WIA is committed to minimizing pollutant generation and reducing our environmental impact. Beyond managing our air pollutant emissions according to our own standards, we actively work to reduce waste and optimize our use of natural capital.



Environmental Management Policy

HYUNDAI WIA have established an environmental management policy to continuously improve the environmental performance based on eco-friendly management practices, while minimizing negative environmental impacts across our business activities and value chains. The company clearly recognizes the importance of environmental issues and practices thorough environmental management in conjunction with our core management strategies by communicating with various stakeholders, including employees, suppliers, and local communities.

HYUNDAI WIA's Environmental Management Policy

- 1 We shall create corporate value through proactive environmental management and fulfill our social responsibility by recognizing the environment as key to corporate success.
- 2 We shall set achievable targets and evaluate implementation performance to address climate change
- 3 We shall actively strive to use resources and energy sustainably and reduce pollutants throughout the entire lifecycle from development, production, sale to use, and disposal.
- 4 We shall actively support suppliers' environmental management activities and establish and implement necessary criteria to execute an eco-friendly supply chain policy.
- 5 We shall comply with domestic and international environmental regulations and conventions and establish and implement necessary policies to promote environmental management.
- 6 We shall establish policies to protect biodiversity and preserve the natural environment.
- 7 We shall communicate our environmental management achievement to corporate members and stakeholders using reasonable and objective criteria.

 Environmental Policy

Application Scope

HYUNDAI WIA's environmental management policy applies to all business sites domestically and globally, including its affiliates and business units operating worldwide.

Supply Chain	Business Sites	Distribution Network	New Businesses & Projects
Sales & Marketing	Recovery & Recycling	Mergers & Acquisitions	Products & Services

Basic Principles by Environmental Element

Raw & Subsidiary Materials	GHG
1. Efficient use of raw materials 2. Recycling of production waste 3. Inspection of raw and subsidiary material production sites 4. Protection of biodiversity 5. Prevention of deforestation	1. Reduction at business sites 2. Reduction across supply chains 3. Reduction in products and services
Energy	Waste
1. Saving energy 2. Introduction of renewable energy 3. Operation of an energy management system	1. Waste treatment and traceability management 2. Improved recycling 3. Recycling of waste
Water	Waste Products
1. Water recycling 2. Water storage 3. Inspection of water supply areas	1. Provision of waste product collection information 2. Collection of waste products 3. Recycling of waste products
Hazardous Substances	Environmental Pollutants
1. Management of hazardous substances	1. Air pollutants 2. Water pollutants 3. Soil pollutants
Local Community	
1. Community impact management and communication with stakeholders	

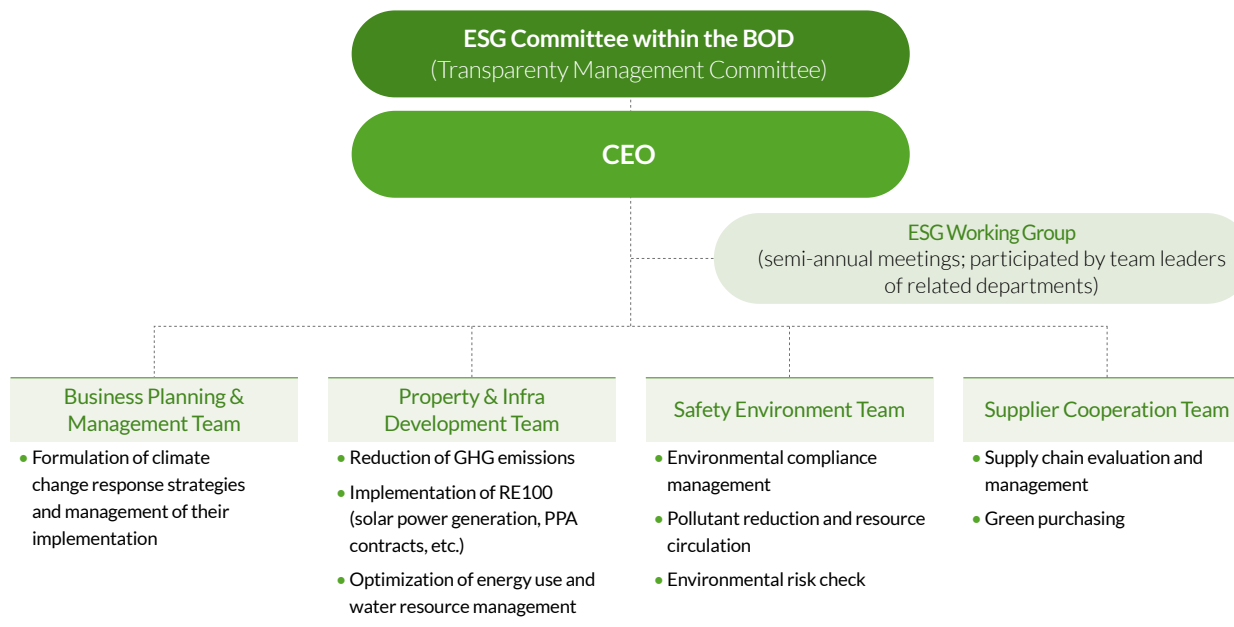
Environmental Management Governance

At HYUNDAI WIA, our environmental management efforts are driven by collaboration across related departments, with a focus on the Business Planning & Management Team within the Planning Sub-Division. This team plays a pivotal role in overseeing our companywide ESG practices and ensures the establishment and implementation of strategies to address climate change. Key stakeholders in our environmental management include the Property & Infra Development Team and Safety Environment Team from Business Support Division. These teams are instrumental in reducing GHG emissions and pollutants, aiming for RE100, and practice compliance and risk management. Additionally, the Supplier Cooperation Team from Procurement Division manages the environmental initiatives across our supply chain. The team lead our efforts in expanding green procurement practices, contributing to our overall sustainability goals.

Top management (C-level) oversees risk management and performance improvement activities in environmental management sector, such as carbon reduction performance and climate change response. Environmental management performance is linked to the KPI of management (C-level) to ensure that decisions are made based on environmental aspect. HYUNDAI WIA works towards attaining the environmental goals of the company by providing compensation to the management when the environmental KPI targets are achieved.

Every first quarter, the BOD at HYUNDAI WIA deliberates on key management policies and budget related to climate change response and HSE (Health, Safety, Environment) issues, set forth by our environmental management organization. The BOD review the outcomes of the previous year's activities and outline plans for the upcoming year. Additionally, the board receives quarterly updates on the results of our environmental management initiatives. Notably, in 2023, a resolution was reached on an investment plan for eco-friendly technology as the main agenda for environmental management and major environmental management achievements, such as investment in solar power and the PPA records of our subsidiary in India, were reported to the BOD.

Environmental Management Organization and System



Environmental Trainings for Employees

The executives and employees of HYUNDAI WIA received environmental training courses in relevant fields, including air, water, waste, and chemicals. They participated in practical training on compliance with ESG regulations to better deal with rapidly changing environmental regulations. In addition, general employees* across the company were trained on biodiversity protection and deforestation prevention to raise awareness of natural capital protection and environmental management. The company has undertaken several initiatives to enhance environmental awareness among our employees. These efforts include creating an ESG webtoon featuring Dodami, our symbolic character, which was shared on our bulletin board. The company also organized an environmental campaign with employee participation through the Blue-Sky Painting/Photo Contest, special lectures on carbon neutrality, and e-trainings on carbon credits.

* General employees: All employees except production employees

Activities to Raise Environmental Awareness of Employees



Environmental Risk Check

HYUNDAI WIA evaluates risks and opportunities related to environmental issues such as biodiversity, resource circulation, and environmental regulations. We respond to environmental risks and opportunities by utilizing a checklist and ultimately reflect them in the investment decision making. The decision making process also considers quantitative factors related to investments, such as impacts of GHG and waste alongside qualitative considerations like the effects on the protection of natural capital.

Risks and Opportunities Related to Major Environmental Issues

Issues	Reinforcement of the Clean Air Act	Enforcement of the Environmental Crime Control Act
Risks & Opportunities	Tightening of the nitrogen oxide emission allowance standards	Increased penalties for environmental incidents
Response strategy	Investment in ad installation of ultra-low-NOx burners	Installation of wastewater level monitoring system
Financial impact	KRW 150 million investment (3 units)	KRW 140 million investment (55 locations)
Effect	Keep discharge cap below 50%	Prevention of risks associated with wastewater leakage

HYUNDAI WIA conducts periodic inspection activities to identify environmental risks in advance and systematically manages target items by environmental media. The company also identifies applicable environmental laws and regulations according to the inspection manual for each environmental medium and monitors its compliance.

Inspection Activities

Category	Inspection cycle		Checklist
	Operating department	HSE department	
Air pollution prevention facilities	Daily	Monthly	Check the operation status of prevention facilities and check its compliance with laws and regulations
Contracted wastewater storage facilities	Daily	Monthly	Check the storage facility management status and check its compliance with laws and regulations
Toxic substance handling facilities	Daily	Monthly	Check for compliance with handling facility installation standards
Waste storage facilities	Daily	Monthly	Check for compliance with waste storage standards
Soil pollution control facilities	Daily	Monthly	Check for oil storage facility management status and leaks

Environmental Accident Response and Prevention

HYUNDAI WIA has established a process for responding to major environmental accidents to minimize damages by ensuring prompt and efficient cleanup on site in the event of an environmental accident such as water pollution, waste leakage, or chemical spills. Major environmental accidents are immediately reported to management board for a systematic response. The company aims to prevent environmental accidents by supplying prevention equipment, conducting preparedness drills for environmental accidents, and maintaining a water level monitoring system for contracted wastewater storage facilities.



Environmental Risk Inspection Activities



Air Quality Monitoring System (IoT)

Environmental Management System Certification

HYUNDAI WIA has continuously maintained the international environmental management system certification (ISO14001) for the business sites by passing the audits for renewal. In 2023, 12 domestic plants and 4 overseas plants successfully maintained their ISO14001 certification. Efforts are made to continuously improve environmental management performance based on a thorough environmental management system.



ISO 14001 Certification

Domestic 12 Overseas 4

Domestic	ISO14001	Overseas	ISO14001
Changwon Plant 1	○	Shandong, China	○
Changwon Plant 2	○	Jiangsu, China	○
Changwon Plant 3	○	Mexico	○
Changwon Plant 4	○	India	○
Changwon Plant 5	○		
Ulsan Plant 1	○		
Ulsan Plant 3	○		
Ansan	○		
Pyeongtaek	○		
Gwangju	○		
Seosan	○		
Uiwang	○		

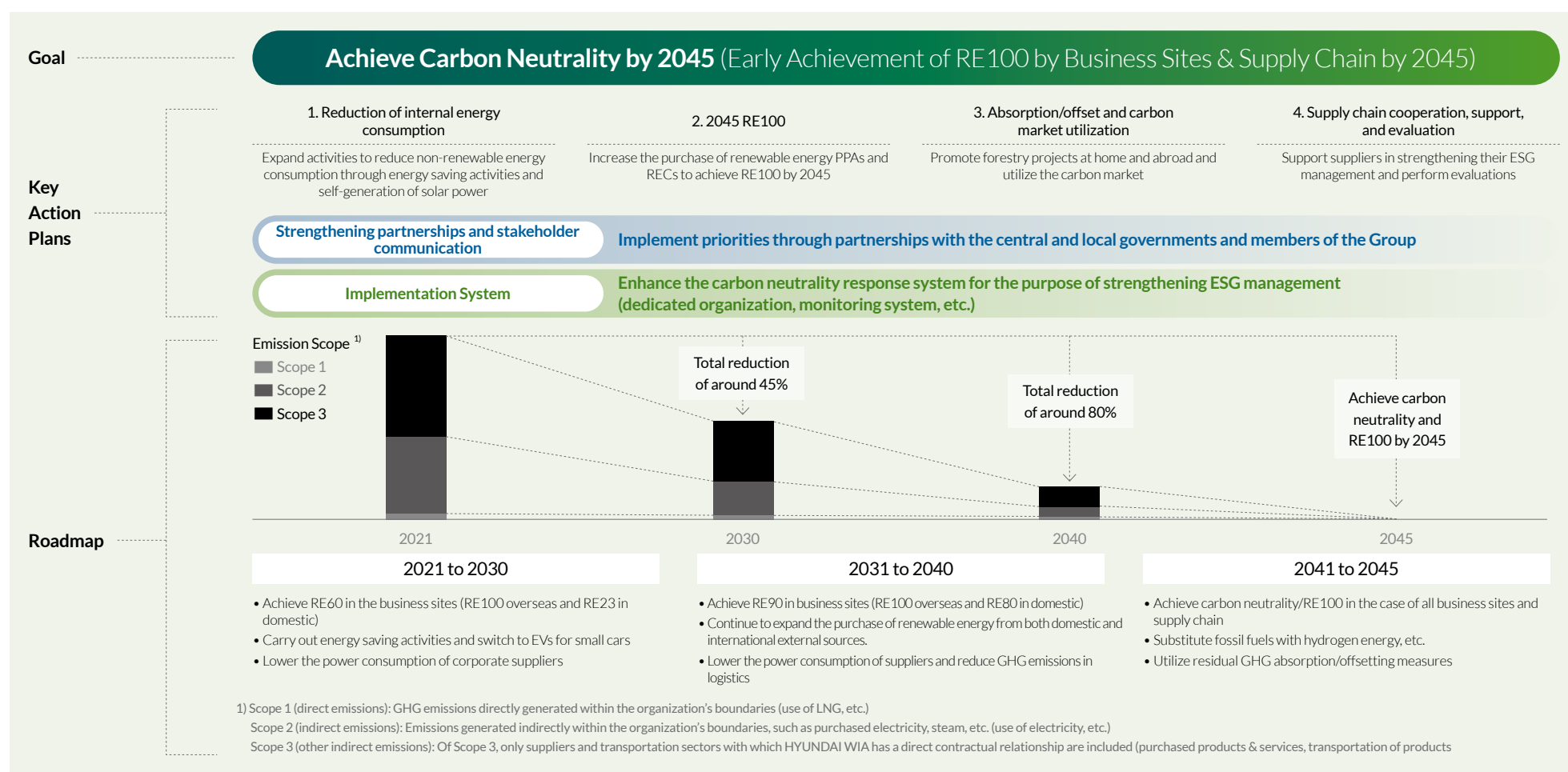
Excellent Company for Environmental Disclosure

HYUNDAI WIA participated in a Pilot Project for Preliminary Environmental Disclosure organized by the Korea Environmental Industry and Technology Institute and received an award from the Minister of Environment Citation in recognition of our excellence in preliminary environmental disclosure. The participants in the pilot projects were required to verify and disclose environmental information six months earlier. We plan to continue efforts to disclose environmental information in a timely and transparent manner.

Climate Change Response

Carbon Neutrality Strategy

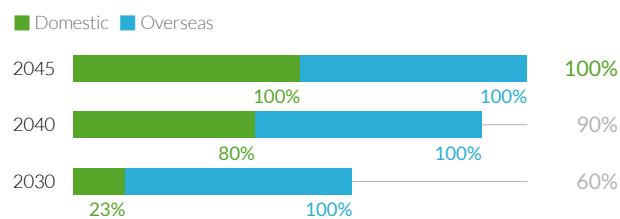
To actively respond to climate change issues, HYUNDAI WIA has set a goal to achieve carbon neutrality by 2045 and achieve RE100 earlier than the initial date. The company has set priority action plans and a mid- to long-term roadmap to materialize these goals. As a leading company in eco-friendly management, the company aims to emerge as the world's top-tier net-zero automotive parts manufacturer and help create a sustainable future by faithfully implementing the tasks according to the carbon neutrality strategies.



RE100 Strategies

HYUNDAI WIA set ambitious mid to long-term targets for renewable energy adoption, which is 60% by 2030, 90% by 2040, and reaching 100% by 2045 to achieve carbon neutrality. This commitment includes final approval of RE100 membership in 2022. To facilitate this transition, the company is implementing strategic initiatives such as self-generation of renewable energy (solar power), expanding scope of power purchase agreements (PPAs), and purchase of renewable energy certificates (RECs).

Renewable Energy Ratio Target



Implementation Measures

Self-generation of renewable energy	Direct production and use of renewable energy through renewable energy facilities owned by the company
Power Purchase Agreement (PPA)	Direct purchase of electricity generated by an external renewable energy plant
Purchase of Renewable Energy Certificates (RECs)	Purchase of a certificate that proves that the supplier has supplied energy using renewable energy facilities

Transition to Renewable Energy

Operation of Photovoltaic (PV) Facilities

HYUNDAI WIA has established and implemented a detailed investment plan for photovoltaic (PV) systems at each of its domestic business sites to increase self-generation of renewable energy. Starting with the installation of solar panels at the headquarters dormitory, Irumjae in 2017, the company increased renewable energy use by installing PV panels at the main building of Changwon Plant 1 and Uiwang Thermal Management Test Building in 2023. We are actively advancing our transition to renewable energy by assessing the feasibility of installing PV panels on vacant areas within our domestic business sites. As part of our solar power generation investment plan, we plan to invest KRW 8.36 billion until 2026 to generate 5,454 MWh of electricity from solar power annually for domestic plants.

HYUNDAI WIA Solar Power System Investment Plan

Category		[Phase 1] 2023	[Phase 2] 2024	[Phase 3] 2025 to 2026
Changwon Plant 1	Rooftop of the main building	Capacity: 64.8kW / Investment: KRW 30 million		
	Parking tower		Capacity: 196kW / Investment: KRW 290 million	
	Office buildings A and B		Capacity: 251kW / Investment: KRW 450 million	
Changwon Plant 2	External parking lot			Capacity: 571kW / Investment: KRW 1.25 billion
	Artillery Building			Capacity: 287kW / Investment: KRW 350 million
Changwon Plant 3	Building C		Capacity: 419kW / Investment: KRW 650 million	
Seosan Plant	Rooftop (monitoring window)			Capacity: 1,350kW / Investment: KRW 2.3 billion
	Parking lot			Capacity: 980kW / Investment: KRW 2.29 billion
Irumjae	Parking lot			Capacity: 100kW / Investment: 240 million
	Rooftop		Capacity: 96kW / Investment: KRW 130 million	
Uiwang R&D Center	Thermal Management Test Building	Capacity: 215.8kW / Investment: KRW 180 million		
	Composite Material Development Building			Capacity: 119kW / Investment: KRW 200 million
TOTAL (KRW 8.36 billion)		Capacity: 280kW / Investment: KRW 210 million Power generation (annually): 316MWh (0.1% of the total in Domestic)	Capacity: 962kW / Investment: KRW 1.52 billion Power generation (annually): 1,228MWh (0.4% of the total in Domestic)	Capacity: 3,407kW / Investment: KRW 6.63 billion Power generation (annually): 3,910MWh (1.3% of the total in Domestic)

Expanding Power Purchase Agreements (PPAs) Scope

HYUNDAI WIA signed a Power Purchase Agreement (PPA) for solar energy for its Indian subsidiary in April 2022 for the transition towards renewable energy. In 2023, an additional PPA was signed to increase the amount of solar energy purchased, and as a result, the Renewable Energy (RE) ratio marked 28%. For the subsidiary in India, we plan to increase the RE ratio to 40% in 2024 through integrated procurement of renewable energy by the Group. We will continue our efforts to transition to renewable energy by signing PPAs and purchasing RECs not only for our Indian subsidiary, but also for all our domestic and overseas business sites.

RE Ratio of HYUNDAI WIA India

Category		Unit	2022	2023
Renewable energy	PPA for solar power		4,428,826	7,842,179
	Hydroelectric power		16,483,012	19,049,821
Non-renewable energy	Self-generation power generation using diesel	kWh	973,160	708,610
Total			21,884,998	27,600,610
RE ratio		%	20	28

Climate Change Risks and Opportunities

Category			Timeline	Risks/Opportunities	Potential Financial Impact	Response Strategies
Transition risk	Regulatory & Legal	Current	Short-to mid-term	• Tightened emissions trading scheme (increase in auctioning, etc.) regulation and increase in carbon credit price	• Increased cost and price of carbon credit * Scenarios Low: Auctioning ratio increased to 20% within the 4th phase of the emissions trading scheme (2026-2030) High: Auctioning ratio increased to 50% within the 4th phase of the emissions trading scheme (2026-2030) * Potential financial impact is determined by the proportion of auctioning by each scenario, expected emissions of each implementation year ¹⁾ , and expected carbon credit price ²⁾ . 1) Scope 1 and 2 emissions estimated in consideration of the operation plan for business sites subject to the emissions trading scheme, RE100, energy saving targets, etc. 2) Based on the consensus on the KAU23 forecast in April 2024 (KRW 8,160 per ton, on average); Assumed that there will be a 10% increase every year from the 4th phase, regardless of scenario	• Establish a mid- to long-term carbon neutrality strategy • Transit to renewable energy (plan to invest about KRW 8.36 billion in solar power generation systems in Korea by 2026) • Manage and reduce energy consumption and GHG emissions through WEMS
		New	Mid-term	• New or stricter carbon regulations (e.g., procurement target system for eco-friendly automotive parts to transition to zero-emission vehicles, Carbon Border Adjustment Mechanism (CBAM), etc.)	• Increased costs for compliance with tighter or new carbon regulations (e.g., higher costs due to the switch to eco-friendly automobiles)	• Monitor domestic and international trends and regulations • Establish and implement strategies to respond to climate change risks (participation in Korea's Zero Emission Vehicle (K-EV100) campaign, etc.)
	Market		Mid-term	• Changes in customer (car maker) behavior	• Decline in sales of internal combustion engine vehicle parts during customers' transition period of electrification	• Increase production of volume eco-friendly automotive parts and secure technological competitiveness • Diversify business portfolio (smart factory, robotics, UAM landing gear, etc.)
	Technology		Short-to mid-term	• Substitution of existing products due to the introduction of low-carbon products and services	• Increased R&D costs related to low-carbon products and services	• Develop technology for low-carbon products and services
	Reputation		Mid-term	• Negative feedback from stakeholders due to poor ratings related to climate change	• Decrease in company value due to poor reputation and difficulty in attracting investment	• Disclose climate change response status and strengthen ESG assessment response • Participate in global initiatives such as RE100 • Actively communicate with stakeholders
Physical risk	Acute		Short-term	• Damage to business sites due to an more frequent extreme weather events such as typhoons and localized heavy rain	• Maintenance costs incurred from maintaining business sites and production facilities and sales drop due to production disruptions	• Establish and implement a major disaster response manual • Conduct regular inspection/maintenance of facilities
	Chronic		Long-term	• Heat waves and droughts due to rising average annual temperature	• Decrease in sales due to disruption in production caused by insufficient water supply as a result of heat waves and drought	• Carry out activities to reduce water consumption (installing high-efficiency water-saving devices in business sites, etc.)
Opportunity	Resource efficiency		Short-term	• Improvement of energy efficiency of business sites	• Reduced electricity bills with the use of high-efficiency products that has lower operating costs	• Establish and implement energy consumption monitoring and saving plans for business sites
	Product & Service		Mid-term	• Expanding market and increasing demand for eco-friendly automotive parts	• Increased sales of eco-friendly automotive parts along with the increasing eco-friendly automotive sales	• Expand the eco-friendly automotive parts business portfolio and R&D
	Market		Mid-term	• Higher expectations of stakeholders due to full-fledged ESG management • Expansion of the eco-friendly automotive market	• Increased value of the company thanks to improved ESG ratings (or increased ESG activities) • Increased sales of eco-friendly automotive parts	• Carry out PR in relation to the pursuit of carbon neutrality, RE100, CDP assessment, etc. • Pursue climate change response activities that meet customer requirements

Flexibility in Business Management Strategy Considering Various Climate Change-Related Scenarios Including the Below 1.5°C Scenario

HYUNDAI WIA establishes management strategies to adequately address the potential financial impacts of climate change risks and opportunities across various scenarios. In accordance with the TCFD recommendations, the company examine risks primarily focusing on their impact on caused by the climate change centering on business model, categorizing them into transition risks and physical risks. The company manage these identified financial impacts over the short, medium, and long term by integrating them into our management strategies. For transition risks, the company reviewed our GHG reduction targets, budget, and roadmap for eco-friendly technology development based on the International Energy Agency (IEA)'s Net-Zero Emissions (NZE) by 2050 scenario and reflected them in our management strategies. Regarding physical risks, the company analyzed disaster risks and potential financial impacts impacts at the business sites, considering physical environment of sites and weather condition based on the RCP 8.5* scenario in an Intergovernmental Panel on Climate Change (IPCC) report. The company has taken proactive measures to respond to these risks.

* RCP 8.5 (Representative Concentration Pathways): Applicable scenarios when GHG emissions continue on their current trajectory without any reduction

Climate Change Risk Identification, Assessment, and Management Process

The environmental management organization of HYUNDAI WIA identifies and evaluates climate change risks monthly. In addition, the company is developing companywide action plan for climate change risks and supporting the the execution of related investment decisions. The identified climate change risks that are evaluated as material issues are reported to the CEO and the BOD for final decision-making. To structuralize and manage climate change-related risks, HYUNDAI WIA stipulates environmental policies and management regulations, manages GHG inventory through environmental management system, and continuously monitors the laws and regulations relevant to environmental management. Moreover, HYUNDAI WIA has established a system to integrate climate risks into the company's risk management system. This was done by reflecting ESG assessment results into KPI and including environmental management indicators such as improvement rate of GHG emissions intensity in the KPIs that are evaluated by relevant department's employee with team leader position or above.

GHG and Energy Management

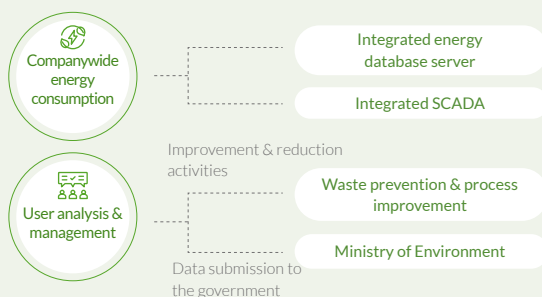
HYUNDAI WIA has established and is operating WIA Energy Management System (WEMS), an MRV* system for monitoring GHG emissions and energy use at its business sites. Based on the GHG emissions and energy use data measured by the WEMS, the company set the reduction targets and manages its performances across the company. We also receive verification of GHG emissions** of our domestic and overseas business sites from reputable third-party verification bodies for more reliable management of our environmental data. In 2023, we expanded the management scope of GHG emissions by conducting third-party verification of domestic subsidiaries' GHG emissions that are not subject to the domestic trading scheme. Meanwhile, the company utilizes various indicators such as the number of products produced and sold, sales revenue, and the amount of R&D investment in eco-friendly technologies to ultimately manage climate risks and opportunities and reflect them in our management strategies and investment direction.

* MRV: Measurement, Reporting, Verification

** For Scope 3, only domestic business sites receive verification of their respective GHG emissions.

WEMS (WIA Energy Management System)

WEMS has been established for the purpose of reducing energy costs through monitoring and analysis of usage pattern, and also to proactively respond to the government policies (GHG emissions trading scheme).



In 2023, GHG emissions from domestic business sites and subsidiary (HYUNDAI WIA Turbo) decreased by 17,147 tons year-on-year, and GHG emissions from overseas worksites decreased by 8,434 tons year-on-year.

GHG Emissions

Category	Unit	2021	2022	2023
Domestic Business Sites	Scope 1	15,629	9,760	7,659
	Scope 2	166,317	145,870	130,823
	Subtotal	181,938	155,623	138,476
Overseas Business Sites	Scope 1	9,900	9,132	9,328
	Scope 2	161,576	142,597	133,967
	Subtotal	171,476	151,729	143,295
Business Sites Scope 1 and 2; Subtotal		353,414	307,352	281,771
Domestic Subsidiary	Scope 1	-	21	22
	Scope 2	-	1,297	1,024
	Subtotal	-	1,319	1,046
Total		353,414	308,671	282,817

* The sum of Scope 1 and Scope 2 may differ to the value that is calculated with the standard sum calculation after truncated by each business site's value.

* The data is disclosed as domestic subsidiary, HYUNDAI WIA Turbo Co., Ltd. received third-party verification of GHG emissions since 2023 (calculated since 2022); GHG emissions of joint venture, WIA Magna Power Train Co., Ltd. are calculated from Scope 3 category 15.

Energy Consumption

Category	Unit	2021	2022	2023
Domestic Business Sites	Electricity (indirect energy)	3,475	3,048	2,734
	Fuel (direct energy)	197	168	148
	Others (steam, etc.)	-	-	-
	Subtotal	3,665	3,209	2,876
Overseas Business Sites	Electricity (indirect energy)	1,004	980	965
	Fuel (direct energy)	142	137	143
	Others (steam, etc.)	26	5	-
	Subtotal	1,172	1,122	1,109
Business site subtotal		4,837	4,331	3,985
Domestic Subsidiary	Electricity (indirect energy)	-	27.1	21.4
	Fuel (direct energy)	-	0.4	0.4
	Others (steam, etc.)	-	-	-
	Subtotal	-	27.5	21.8
Total		4,837	4,359	4,007
Domestic business sites		0.0137	0.0142	0.1542
Overseas business sites		-	15.944	28.232
Business site subtotal		0.0137	15.9582	28.3862
Domestic subsidiary		-	-	-
Total		0.0137	15.9582	28.3862
Domestic business sites		3,665	3,209	2,876
Overseas business sites		1,172	1,138	1,137
Business site subtotal		4,837	4,347	4,013
Domestic subsidiary		-	27.5	21.8
Total		4,837	4,374	4,035
Energy consumption intensity at domestic business sites	TJ / KRW 10 billion	5.74	4.80	3.98

* Due to the regulation of emissions trading scheme, the sum of direct and indirect energy consumption is different from the total energy consumption (energy consumption is rounded for each business site and then added together).

* In accordance with the third-party verification of GHG emissions from domestic subsidiary HYUNDAI WIA Turbo Co., Ltd. since 2023, related energy consumption is disclosed (calculated since 2022)

* In 2023, the total calorific value was applied as it better reflects the actual energy consumption overseas. The corresponding values for 2021 and 2022 were modified to total calorific value to better reflect the actual energy consumption.

* Energy consumption intensity at domestic business sites was calculated based on the sales in separate financial statements.

GHG Emissions and Energy Consumption Targets and Performance

For 2023, we set targets for GHG emissions and energy consumption intensity at domestic business sites at 2.33 tCO₂eq per KRW 100 million and 0.05 TJ per KRW 100 million, respectively. We improved the GHG emissions and energy consumption intensity by relentlessly endeavoring to make improvements. The efforts include improving energy efficiency and switching to renewable energy.

GHG Emissions and Energy Consumption Targets and Performance (Domestic)

Category	Unit	2023 target	2023 performance	Reduction rate
GHG emissions intensity	tCO ₂ eq per KRW 100 million	2.33	1.91	17.8%
Energy consumption intensity	TJ per KRW 100 million	0.05	0.04	17.2%

* The intensity targets and performance were determined based on sales in separate financial statements.

Carbon Footprint Certification

HYUNDAI WIA measures the environmental impacts of our products across the entire production process to transparently disclose each product's environmental footprint to our stakeholders. We are committed to achieving net-zero emissions and have demonstrated this commitment by becoming the first member of Hyundai Motor Group certified by the Korea Environmental Industry and Technology Institute for the Environmental Product Declaration. This certification quantitatively reflects the environmental impact of our products throughout its life cycle from raw material collection, through production, transportation, distribution, use, to disposal. As of 2023, the company maintains the certification. Moving forward, the company plans to expand the carbon footprint assessment to encompass a wider range of products and develop low-carbon alternatives through rigorous environmental impact analysis, which are integral to our strategic efforts towards carbon neutrality.

Implementation of the GHG Emissions Trading Scheme

HYUNDAI WIA compares allocated emission allowances under the emissions trading scheme with the expected GHG emissions to determine whether we have excessive or insufficient emission allowances. If the estimated emissions exceed the allocated credits, we endeavor to strictly manage the GHG emissions from our business sites and comply with legal obligations. The Property and Infra Development Team, responsible for overseeing this part, conducted thorough reviews of significant revisions to relevant laws, including updates to carryover standards. The team reported these findings internally and disseminated the information through meetings. Strategies were devised to adapt to shifts in organizational boundaries and enhance energy efficiency, ensuring a flexible response.

(Unit: tCO₂eq)

Category	2022	2023	2024	2025
Emissions allowance	193,249	161,218	125,012	102,244
Emissions (estimated)	155,623	138,476	126,127	135,621
Excess/Shortfall	37,626	22,742	-1,115	-31,377

* Emission allowance = Free allocation by the government (including allowance cancellation) + Carryover from previous year

* With Ansan Plant 2 excluded from our organizational boundary, the emission allowances from 2023 to 2025 were changed.

CDP Score and Awards

Since 2020, HYUNDAI WIA has been proactively responding to climate change by issuing an annual climate change report under the Carbon Disclosure Project (CDP) after a third-party verification. As a result of these efforts, the company received Leadership A- in the "2023 CDP Climate Change Response" evaluation by the CDP Korea Committee, and it was also selected as a member of the Carbon Management Honors Club for optional consumables. As evident from these achievements, HYUNDAI WIA is positioning itself as a leader in climate change response.



Carbon Management Honors Club Award

Energy Efficiency Improvement Activities

To reduce GHG emissions and energy use, we measure the energy efficiency of energy-intensive facilities at its plants on a regular basis and actively replaces and improves them. We also participate in the resource trading market for electricity users and make continued efforts to rationalize energy.

Starting in 2023, we will periodically review the power factor of water supply facilities at domestic business sites and invest in the installation and replacement of condensers to improve the power factor. As a result of energy efficiency improvement activities, a total energy cost reduction of KRW 604 million was achieved in 2023.

Investments to Raise Energy Efficiency	Target Business Sites
Establish a PV system	Changwon and Uiwang R&D Center
Check and mitigate compressed air leaks	Changwon and Pyeongtaek
Improve of pneumatic ventilation windows	Changwon
Improve the operational efficiency of factory water pumps	Ulsan
Remove pumps due to a change in the water supply method	
Improve the power factor of power receiving facilities	Pyeongtaek



Establish a PV system

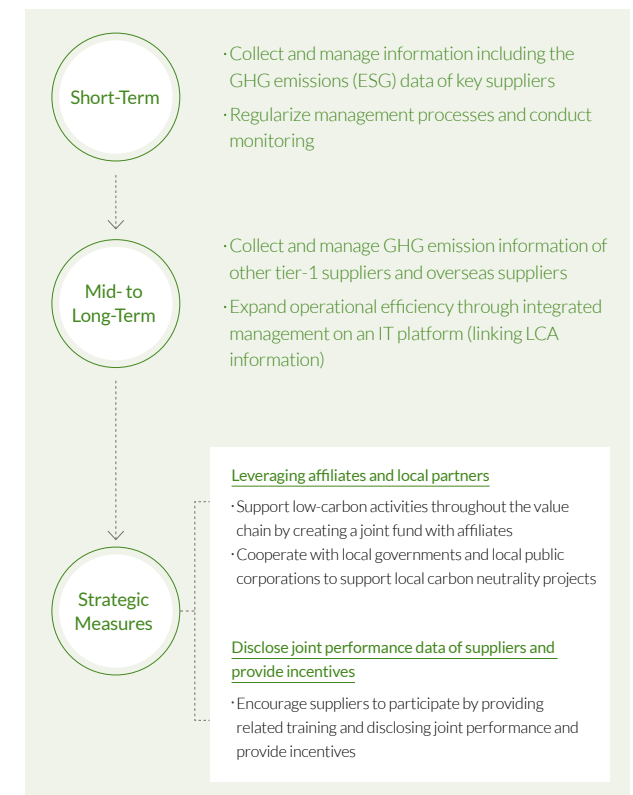


Compressed air leak check

Carbon Neutrality Management of Supply Chains

At HYUNDAI WIA, we have established a carbon neutrality roadmap for our supply chain to achieve net-zero emissions in the value chain. We collected GHG data from our suppliers using the ESG information management system and evaluated their carbon emissions management and reduction activities. We plan on introducing the life cycle assessment (LCA) methodology into the supply chain carbon emissions management system to upgrade the management system, and we will continue our efforts to achieve carbon neutrality more methodically by supporting our suppliers in their GHG management activities in a multi-faceted manner.

Carbon Neutrality Roadmap for Supply Chains



Resource Circulation and Environmental Impact Management

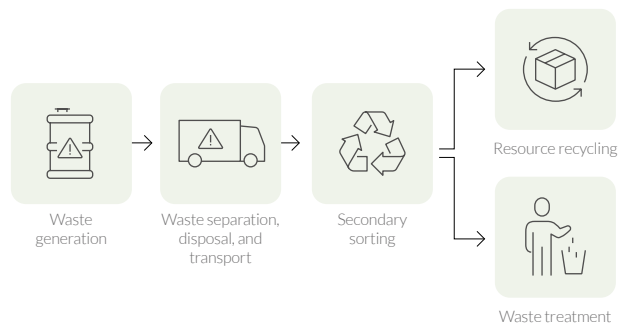
Waste Management

HYUNDAI WIA monitors the entire waste management process from waste disposal to transport and treatment, seeking to minimize waste generation and encourage recycling. Wastes that can be recycled are kept separately for treatment, contributing to the recycling of waste and resource circulation.

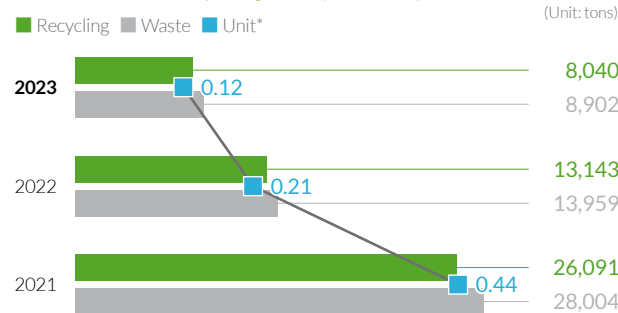
Through our waste treatment process, we have been reducing the amount of waste generated and increasing the recycling rate each year. We also recycle synthetic resins among the general waste generated by our business sites. The synthetic resin waste gets transported to a recycling company to be recycled (crushed and ground) into solid recovered fuel (SRF, non-molded) and intermediate processed waste in a waste-to-energy process. SRF, in particular, is considered as renewable energy and is used as a supplementary fuel for power plants, district heating, and industrial boilers.

We also continued our efforts to maximize recycling with the waste circulation system and successfully exceeded the targets for resource circulation management indicators. To reach our goal of achieving a 90% recycling rate by 2027, we will strengthen our leadership in resource recycling. This involves minimizing waste in our production processes and collaborating with suppliers known for their active recycling processes.

Waste Treatment Process



Waste Volume/Recycling Rate (Domestic)



* Waste discharge intensity (Unit: tons/KRW 100 million)

Waste Resource Circulation Performance Indicators in 2023

Business Site	Circulation and Utilization Rate (%)	
	Target	Performance
Changwon Plant 1	49.2	85.6
Changwon Plant 2	50.0	92.8
Changwon Plant 3	61.6	91.0
Changwon Plant 4	56.7	95.0
Changwon Plant 5	11.3	94.7
Ulsan Plant 1	5.4	55.0
Pyeongtaek Plant	35.9	78.9
Seosan Plant	47.3	85.9
Total	317.3	678.8
Average	39.7	84.9

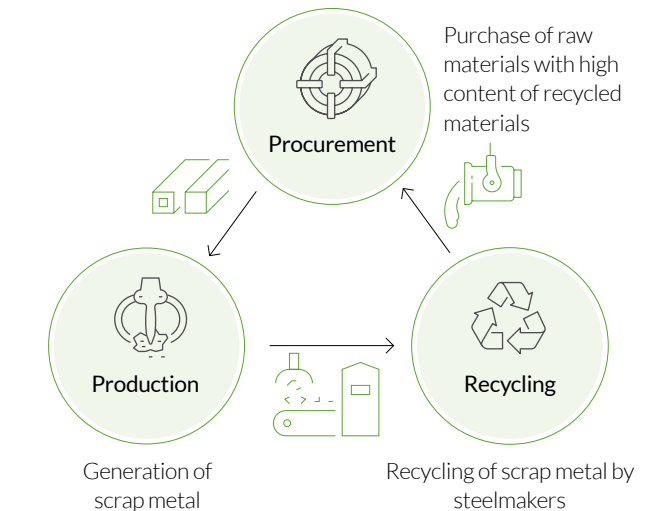
* Circulation and utilization rate: (Actual recycling rate + Recognized amount of circulated resources) / (Amount of waste generated + amount of circulated resources) X 100

Waste Resource Circulation System

Hyundai Motor Group became the first company in the world to establish a system to circulate resources, seamlessly integrating steel into production of automobiles. This intricate system extends across all process from steel to ultimately automobiles. By implementing an intricate resource circulation system in each business area, including steel, vehicle parts, and automobiles, valuable by-products generated after the production process are reused as waste resources.

As a subsidiary of Hyundai Motor Group, HYUNDAI WIA supplied 15,220 tons of waste materials generated in the production process to steelmakers in 2023 so that the wastes could be recycled into new steel materials. The company is also putting additional efforts in resource circulation, including purchasing 112,024 tons of raw materials composed of 70% or more recycled materials on average.

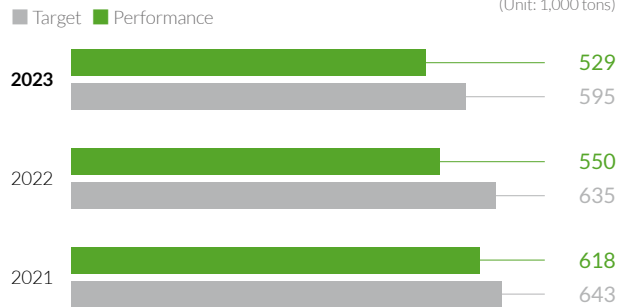
Waste Resource Circulation System



Water Management

HYUNDAI WIA is committed to safeguarding water resources and minimizing environmental impact through water conservation initiatives across all business sites. As part of this endeavor, the company invested approximately KRW 680 million to install a vacuum evaporation and concentration system for waste oil at the Seosan Plant. This system allows us to reuse distilled water generated by evaporating waste oil on the production line, thereby conserving water and reducing waste emission but managing concentrated waste oil appropriately. By August 2023, the vacuum evaporation system had treated a total of 204 tons of wastewater (oil), with 186.5 tons of distilled water successfully reused. This outcome underscores our effective water management efforts, achieving water consumption levels below our initial target. Looking ahead, the company will further reduce our annual water consumption targets through ongoing water conservation practices, reinforcing our commitment to efficient water utilization and environmental stewardship.

Water Consumption Targets and Performance (Domestic)

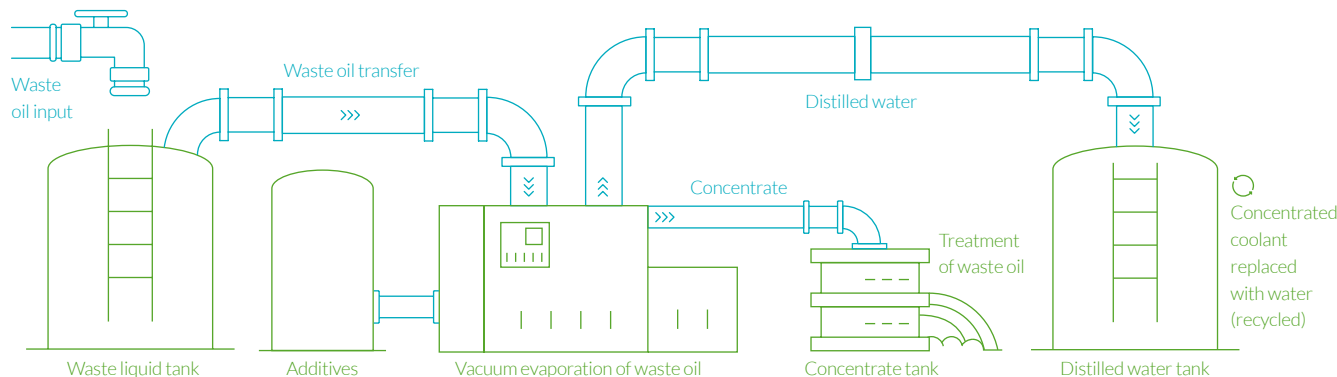


* Data revised due to an error in the groundwater consumption data on Changwon Plant 5 in 2021



Vacuum Evaporation and Concentration System for Waste Oil at Seosan Plant

Vacuum Evaporation and Concentration Process for Waste Oil

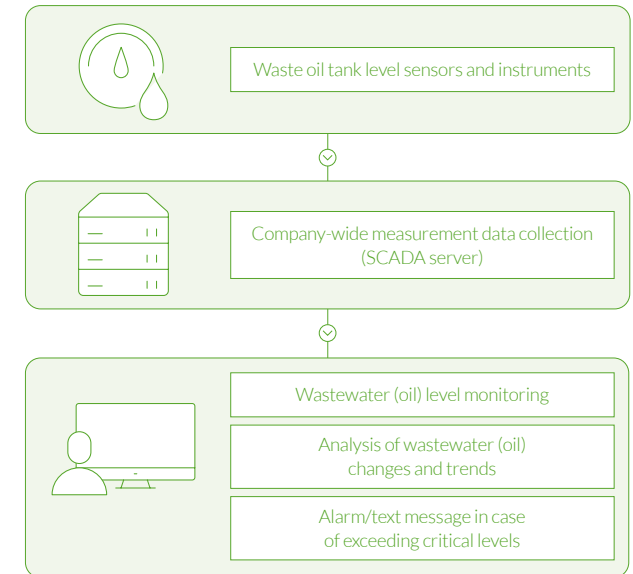


Water Pollutant Management

HYUNDAI WIA manages sewage and wastewater from our business sites separately. Sewage is transferred to the sewage treatment plant for treatment in compliance with applicable law and regulation. Meanwhile, wastewater undergoes thorough treatment by specialized service providers to keep water pollutants remain well below legal limits, thus minimizing our impact on the water environment.

The company is also dedicated to preventing environmental accidents by employing a real-time wastewater (oil) level monitoring system to manage storage tanks level efficiently. Water level sensors and instruments are installed in the waste oil tanks to analyze fluctuations and forecast wastewater (oil) generation using real-time data. Continuous monitoring is conducted to check whether the critical water level is exceeded.

Wastewater (Oil) Level Monitoring System



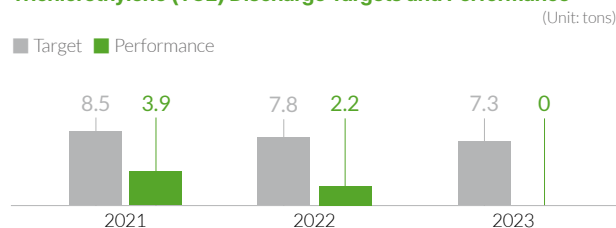
Air Quality Management

To reduce air pollutant emissions, HYUNDAI WIA applies stringent internal emission thresholds that are, on average, 20% less than the legal limits for pollutants from air pollution prevention facility. The company is currently employing an air monitoring system, ensuring they are within proper temperature ranges and that pollution prevention facilities are operating as intended for optimal efficiency. Our commitment extends to conducting daily, monthly, and thematic inspections to keep the facilities in optimal working condition. Moving forward, we will continue to monitor our air pollutant emission thresholds on a regular basis and strictly comply with our high emission standards to maintain clean business sites.

Hazardous Chemicals Management

HYUNDAI WIA ensures the safety of handling all types of chemicals used across our business sites through our HSE system, which is integrated with the procurement system to avoid the use of hazardous chemicals. Chemical products used at production sites undergo thorough review during procurement stage in accordance with the Chemical Substances Control Act, Occupational Safety and Health Act and Safety Control of Hazardous Materials Act to ensure safe handling practices. In addition, the company prioritizes substituting existing chemicals to non-hazardous chemical at all sites, thus proactively adopting new toxic substances and strengthening hazardous chemical standard. We have established and implemented a five-year plan to reduce the discharge of trichloroethylene (TCE), a hazardous chemical, and eliminated the use of TCE by replacing it with non-hazardous chemicals.

Trichloroethylene (TCE) Discharge Targets and Performance



Green Procurement

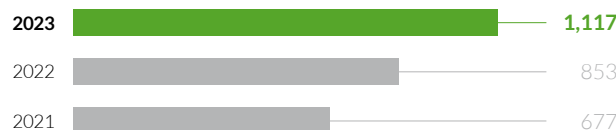
Green procurement refers to the purchase of eco-friendly products (products with an environmental mark, energy-saving mark, etc. and recycled or reused products). HYUNDAI WIA prioritizes the purchase of eco-friendly products in accordance with the Green Procurement Guidelines and encourages its suppliers to engage in eco-friendly activities as a result.

Green Procurement Guidelines

- The Procurement Team shall register and manage eco-friendly product manufacturers as suppliers.
- The Procurement Team shall prioritize the purchase of eco-friendly products, instead of re-tender, if there are bidders whose scores are the same.
- The Procurement Team shall regularly disclose green procurement performances in the Sustainability Management Report.

Green Procurement Performance

(Unit: KRW million)



Environmental Impact Reduction Activities

Agreement to Save Masan Bay

HYUNDAI WIA established organic partnerships with sixteen organizations, including Changwon City, to foster clean Masan Bay. Together with our partners, the company has actively participated in reducing pollution in the specially managed water area, Masan Bay and helped local community to have clean environment by cleaning up the sea and coastal area. In 2023, executives and employees of our company collaborated with officials from Changwon City Hall on an ocean cleanup project in the Deok-dong mudflat area of Masanhappo-gu, Changwon.

Corporate Environmental Mentoring

HYUNDAI WIA is participating in the "Corporate Environmental Mentoring Program" organized by the Gyeongsangnam-do Provincial Government. The program aims to enhance the autonomous environmental management capabilities of mentee companies, providing them with relevant technology and information sourced from mentor companies known for their excellence in environmental management. Each year since 2022, HYUNDAI WIA has been matched with a supplier by the organizer to mentor the other companies every year. The main activities include an assessment of the production processes and environmental facility management status, technology exchange and information sharing, an evaluation of environmental issues, and exchange of ideas on solutions about the environmental issues. Mentees and mentors in Gyeongsangnam-do Province have been matched for the year 2024, and mentoring activities will be conducted from May to October. HYUNDAI WIA will strive to improve the environmental management level of the corporate suppliers by supporting them to improve their environmental management and build a sustainable management system.

One-Company, One-River Campaign

To improve the water quality of local rivers and restore the biodiversity of aquatic ecosystems, the One-Company, One-River Campaign is carried out every year in the Gaumjeongcheon Stream area in Changwon, Gyeongsangnam-do Province. Through this campaign, executives and employees voluntarily participate in various activities such as cleaning up rivers, removing plants that disrupt the ecosystem, and monitoring water quality, to ultimately create clean waterfront areas.



One-Company, One-River

Biodiversity Conservation

Establishment of Biodiversity Policy

HYUNDAI WIA has established a biodiversity protection policy to prevent the risk of biodiversity degradation and loss that may occur in the course of business operations and to conserve and broaden biodiversity. Based on the biodiversity protection policy, we will establish a biodiversity conservation management system and plan and implement strategic initiatives.

[Biodiversity Conservation Policy](#)

Biodiversity Conservation Activities

Planting Endangered Species

HYUNDAI WIA Green School is a program where trees and flowers are planted at schools for students to be near nature. Through this program, the company planted about 4,000 plants of 80 different species and 60 wetland plants such as cowbane (*Cicuta virosa*) and bogbean (*Menyanthes trifoliata*), classified as Class 2 endangered wild plants by the Ministry of Environment, thereby contributing to biodiversity conservation. We will set forth and pursue mid- to long-term goals in planting endangered species to expand the biodiversity and habitats of our local communities.

Mid- to Long-Term Goals of Planting Endangered Species

Category	Goal
Period	2024 to 2028 (5 years)
Goal	Create a viable habitat for endangered species <ul style="list-style-type: none"> • Select 2 species to be restored in connection with local communities • Create a "Green School" as a habitat for the selected species
	Plant endangered species <ul style="list-style-type: none"> • Total planting rate at 500% (300 plants)

Survey related to Endangered Species

HYUNDAI WIA signed a Memorandum Of Understanding (MOU) between public-private-industry-university for urban biodiversity conservation in Changwon, which was to conduct research on the local biota with the city government and other organizations as well as biodiversity conservation activities. Support for various biodiversity conservation projects in Changwon includes annual monetary donations. As part of this corporate biological surveys, periodic population surveys and ecological conservation activities are conducted for otters, an endangered species in Korea.

Along the Namcheon Stream near Changwon plants 1, 2, and 3, we have installed otter observation cameras around the areas where otter feces have been spotted to locate their habitats and determine population. The company also carried out habitat protection activities by removing thorny vines that can damage otter fur, and Japanese hops (*Humulus japonicus*), an invasive specie at otter's habitat and travel routes. We recognize the value of biodiversity and remains committed to striving for sustainable ecological conservation by participating in the creation of an ecological city where humans and nature can coexist harmoniously.

Spotting of Endangered Species (Otters) in 2023

Item	Unit	APR	MAY	JUN	JUL	AUG	SEP	OCT	Total
of times spotted	times	-	9	5	2	1	1	10	28

Item	Unit	APR	MAY	JUN	JUL	AUG	SEP	OCT	Max. number of otters spotted
Max. number of otters spotted	otters	-	1	2	1	1	1	3	3



Convention on Biological Diversity - Civic Biological Survey Group

Aquatic Ecosystem Impact Analysis

The environmental impact of our corporate activities on the aquatic ecosystems is carefully analyzed and managed through annual surface water quality managements at Changwon Plant 1. HYUNDAI WIA hired a water quality analysis agency designated by the Ministry of Environment to measure BOD and 26 other water pollutants in the surface water at the final discharge outlet of Changwon Plant 1 and found that the levels were within the thresholds and did not have a significant impact on the aquatic ecosystem. By conducting regular assessments and analyses, we are committed to safeguarding the environment, preserving biodiversity, and mitigating associated risks.

Acorn Feeder

Acorns are a food source for many wildlife species, including squirrels, chipmunks, and jays. When these animals are unable to find food in the forest, they are forced to leave their habitat to search for food elsewhere, which ultimately leads them to get killed while crossing roads. To address this issue, HYUNDAI WIA has been running a campaign to install "acorn feeders" to provide acorns for wild animals. Starting with the 1st acorn feeder at the entrance of Jangboksan Mountain in 2023, acorn feeders have been set up in 10 places in total. This campaign gives employees the joy to be a part of environmental protection and creation of healthy forests where wild animals do not starve.



Acorn Feeder

04 SOCIAL

HYUNDAI WIA prioritizes “Customer Satisfaction” first and foremost for decision-making. This philosophy demonstrates our unwavering responsibility to ensure the safety and happiness of our customers. We will continue to do our best to fulfill the “Customer Satisfaction” through win-win growth and development with our corporate suppliers, executives and employees. HYUNDAI WIA will also make the utmost efforts to bring forth value that will create a new future and enrich people’s lives.



Key Performance



Acquired the Health-Friendly Company Certification



Strengthened Supply Chain Risk Management



Conducted Human Rights Impact Assessment



Operated Mobility School

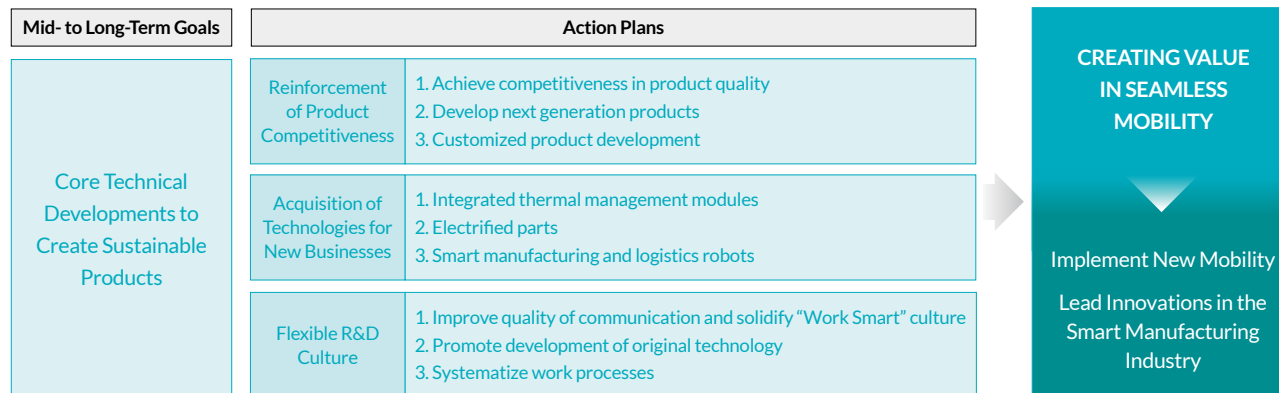
Sustainable Future Technology Innovation	036
HSE Management	042
Safety and Health Risk Management	046
Sustainable Supply Chain	048
Customer Satisfaction	053
Employees	057
Human Rights Protection	064
Corporate Social Responsibility	067
Information Security	070

Sustainable Future Technology Innovation

Future Value Creation Framework

HYUNDAI WIA aims to develop sustainable products by building product competitiveness, acquiring new technologies, and creating a collaborative R&D culture. To strengthen the competitiveness, we plan to develop advanced products and customized products, and expand the R&D investments to acquire technologies related to integrated thermal management modules, electrified parts, smart manufacturing/mobile robots and other new businesses. Furthermore, we will continue to put effort into boosting communications with staff and systematizing processes to generate a more collaborative R&D culture and value in the future.

Future Value Creation Framework



R&D Network

HYUNDAI WIA's Uiwang R&D Center is currently undertaking a project to develop automotive parts and smart manufacturing and logistics technology, including green technologies related to electrification. Meanwhile, the Changwon R&D Center is applying new technologies to develop ultra-precision machine tools and modern weapons systems.

Category	R&D Center	Major Activities
Domestic	Uiwang	Driving system, ITMS, HVAC system, and collaborative robot development
	Changwon	Development of machine tools, test research, and development of new defense technologies

R&D Personnel



R&D Investment



CASE Study

Completion of HYUNDAI WIA Thermal Management Test Center

In September last year, we completed the construction of the thermal management test center and began the development of the integrated thermal management system in full swing. More than 50 types of tests are carried out at the center to check the system modules, components, and vehicles for development, durability testing, and so on. Major tests include the intermittent variable speed test and thermal shock test. With the completion of the construction project, we will begin full-fledged development of the ITMS. We plan on further upgrading the coolant hub module that has been in production since May last year and focusing on researching HVAC systems, with the aim of manufacturing the ITMS starting in 2025.



Development of Eco-friendly Automotive Parts

Over the past few years, the eco-friendly automotive market has grown steadily, becoming a global trend. Aware of the worldwide popularity of EVs, we are endeavoring to switch the focus of our parts business portfolio from internal combustion engines to high value-added parts for eco-friendly automobiles. In addition, we will continue to invest in building infrastructure in the areas of integrated thermal management system and electrification control to gain leadership in the mobility parts market in the future.

Integrated Thermal Management System

The performance of integrated thermal management system is pivotal when it comes to eco-friendly automotive as critically impacts the vehicle performance. Accordingly, the importance of integrated thermal management is expected grow exponentially. We are focusing on developing technologies and establishing step-by-step strategies to attain customer satisfaction beyond what they request and to gain market leadership. In May 2023, we applied one of our thermal management systems called 'Coolant Hub Module' to Hyundai Motor's EV platform E-GMP for the first time in the domestic automotive parts industry. Along with it, we are currently developing an 'Integrated Thermal Management System (ITMS)' with the aim of starting mass production in the first half of 2025. Our plan is to expand the ITMS business to other various fields aside from the automotive sector such as UAM.

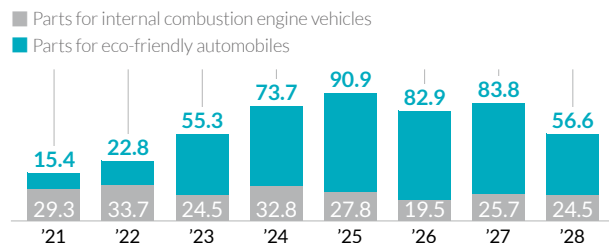
Integrated Thermal Management Development Strategy



HYUNDAI WIA invested KRW 55.3 billion (about 69% of the total investment) in 2023 and is planning to invest KRW 73.7 billion (about 69% of the total investment) in 2024 to develop eco-friendly automotive parts. We are striving to develop world-class products by continuously investing in the development of eco-friendly automotive parts such as the ITMS.

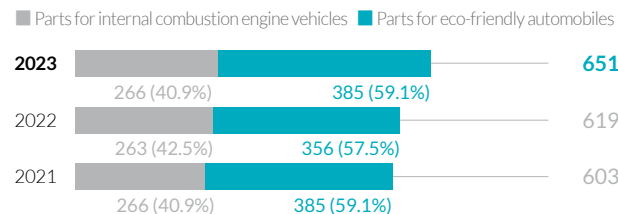
Automotive Parts R&D Performance and Plans

(Unit: KRW billion)



Total Intellectual Property Registrations of R&D Patent for Automobile Parts and TMS Businesses (Cumulative)

(Unit: Cases)



CASE Study

Showcasing EV Thermal Management Technology at Aachen Colloquium

RWTH Aachen University in Germany hosts the Aachen Colloquium in the second half of every year, bringing global auto makers and research institutions together to share the latest technologies. HYUNDAI WIA participated in the Aachen Colloquium from October 9 to 11 last year and garnered attention by showcasing its thermal management products for EVs, including coolant modules and integrated modules. The outstanding performance and efficiency of the coolant modules and integrated modules were highlighted, triggering interest among buyers and experts. We will continue to maintain our technological edge in the field of EV thermal management and strengthen our competitiveness in the global market through ceaseless R&D efforts.

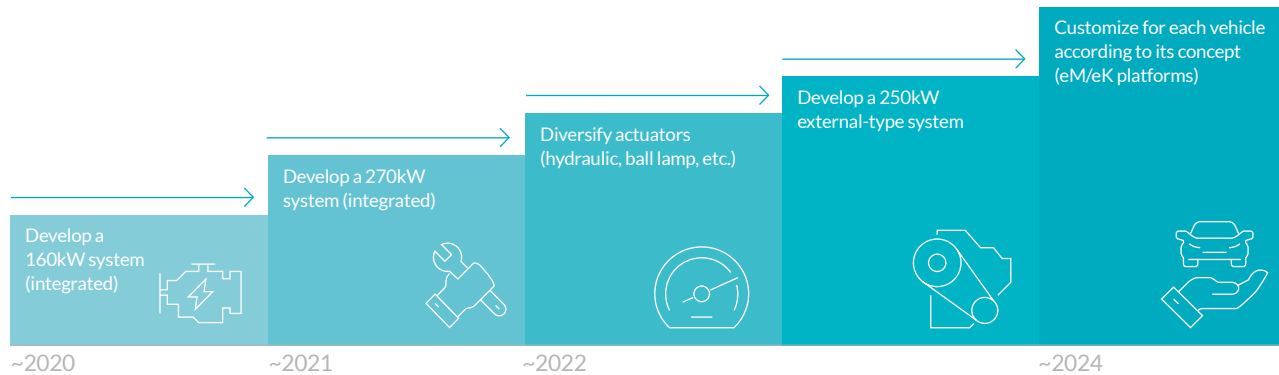


Electric Vehicle Torque Vectoring System (eTVTC)

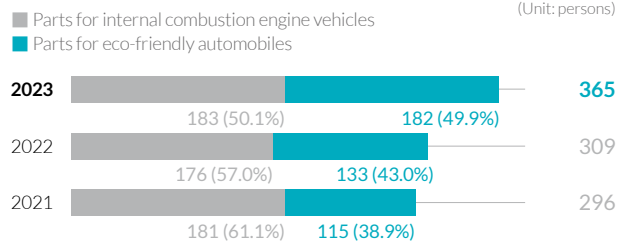
HYUNDAI WIA relentlessly tried to bring forth innovative products to satisfy EV drivers' desire for 'Fun Driving Experiences' through left-right wheel power distribution, rather than just front-rear wheel power distribution in the existing 4WD systems. As a result, we have completed the development of torque vectoring system technology in combination with our 4WD technology and are in the process of customizing it for each vehicle platform with a target completion date of July 2024. The application of ball lamps allowed the system to have a fast response speed within 250 m/s. There is also a self-disconnect function, which can help improve the maintenance aspect.

Torque Vectoring System Development Strategy for EVs

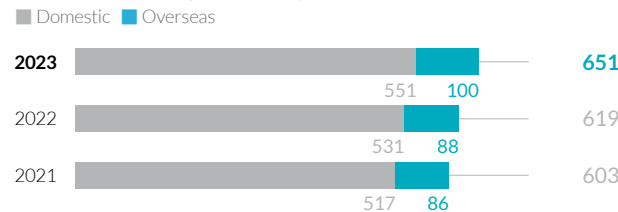
Step-by-step torque vectoring system development and customization according to vehicle concept



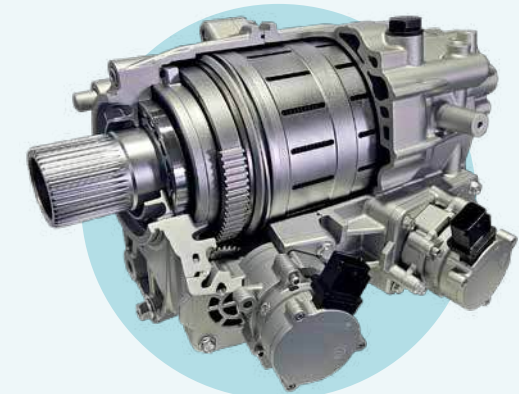
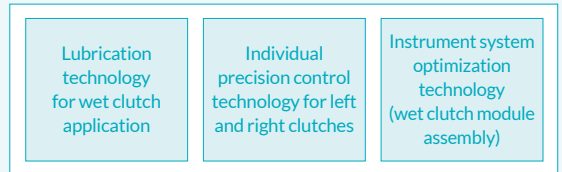
Automobile Parts and TMS Businesses R&D Personnel



Total Intellectual Property Registrations of Domestic and Overseas R&D Patent for Automobile Parts and TMS Businesses (Cumulative)



Electric Vehicle Torque Vectoring System (eTVTC)



Expected Effects

Improved handling performance with left and right active torque vectoring function

Improved environment with better fuel efficiency (expanding the area of flexible driving/regenerative braking)

Mobility Solutions

HYUNDAI WIA is leading the innovation of future manufacturing by providing integrated solutions for smart manufacturing and logistics and electrified parts production lines based on control, robotics, and autonomous driving. The company developed, diversified, and upgraded smart factory and robotics technology that can lead to flexible production cells and intelligent logistics devices as well as optimal automation lines and production solutions in line with the e-Mobility trend.

Smart Manufacturing and Logistics Robots

HYUNDAI WIA is developing and providing a product group of intelligent robots that form the core of smart factories. The company is seeking to improve the flexibility and efficiency of manufacturing sites with collaborative robots that can work together with humans. The company is also looking to maximize logistics automation and efficiency through autonomous mobile robots (AMR) that can transport goods without any guidance, automated guided vehicles (AGV) that transport goods along a predetermined optimal route, and automated parking robots (AGV-Parking) that are capable of entering under vehicles and equipped with tire lifting devices.

Along with this, a variety of smart manufacturing and logistics robots are being developed, ranging from autonomous mobile robots for cleaning (AMR-Cleaning), autonomous guided vehicles used as forklifts (AGV-Fork Lifter), mobile picking robots (MPRs) that can transfer, transport, and assemble parts using an integrated interface system to, outdoor parking robots that transport vehicles without restrictions in indoor and outdoor environments. HYUNDAI WIA will continue to expand our product lineup to offer customized solutions, based on our extensive robot development technology.

AI Logistics Robot Control Solution

HYUNDAI WIA has developed a "Mobile Robot Integrated Control System" that controls various types of multiple robots and conducts logistics monitoring in real time based on algorithms optimized for manufacturing and logistics processes. In addition, the company also developed the "Parking Control System" that controls parking robots and monitor parking lots, and the "AI Logistics Robot Control Solution" that can be combined with the customer's system to maximize manufacturing flexibility and profitability. The "AGV Control System (ACS)" that enables task scheduling and fleet management of logistics robots, and a web-based control solution that improves design and usability, were also developed. HYUNDAI WIA offer smart manufacturing and logistics robots and various AI-based control solutions tailored to each customer to help them create a smart manufacturing and logistics environment.



CASE Study

HYUNDAI WIA Launches Robotics Business, Introducing Parking Robots and Logistics Robots

HYUNDAI WIA has entered the robotics business in earnest, showcasing its Autonomous Mobile Robots (AMRs) and parking robots. The company unveiled Korea's first unmanned parking robot and this innovative machine can lift a vehicles, maneuver underneath, and efficiently park the vehicles, marking a significant advancement in automated parking solutions. Our focus remains steadfast on smart manufacturing and logistics, aiming to bolster the company's position as leader in this field. By relentlessly pursuing R&D, we are committed to enhancing our competitiveness in the industrial robot market offering solutions that optimize efficiency in various manufacturing and logistics sectors.



Establishment of Smart Factory for Cell Production

By applying collaborative robots, industrial robots, and 3D machine vision, HYUNDAI WIA is dedicated to establishing a smart factory system employing cell production methods ideal for agile manufacturing of diverse product types in smaller batches. Furthermore, the company plans to deliver the most efficient production system to customers through a smart logistics system in combination with AMR/AGV. HYUNDAI WIA aims to meet customer demands with tailored solutions and provide, leveraging cutting-edge 3D simulation analysis of production, assembly, and logistics to provide production systems and digital twin systems.

Electrification Facilities

HYUNDAI WIA is actively advancing the commercialization of new technological facilities based on the expertise in building automated mass production lines and pioneering core facilities for EV hairpin motor stators. Expanding our horizon, the company is also expanding the business scope into the development of production facilities for Power Electric (PE) systems by internalizing the technology for EV front and rear wheel motor reducer lines. Based on the extensive technical and analytical capabilities, we are poised to further grow our electrification facility business through diverse initiatives, including the development of hydrogen component production facilities tailored to meet customer needs.



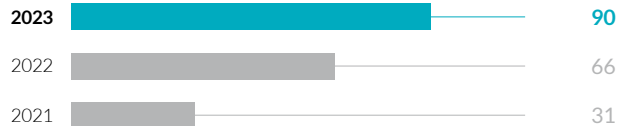
Cell Production Method Smart Factory



Electrification Facilities

Mobility solution development personnel

(Unit: persons)



Total Intellectual Property Registrations of Patent for Mobility Solutions(Cumulative)

(Unit: cases)



CASE Study

HYUNDAI WIA Commercializes the World's First Robotic Parking System for Private Commercial Building

HYUNDAI WIA has spearheaded parking innovation through robotics. In collaboration with Hyundai Motor Group, the company successfully commercialized the world's first robotic parking for a private commercial building, showcased at Factorial Seongsu. The innovative service will provide a convenient and efficient parking experience for those working at Factorial Seongsu. Beyond delivering automated parking robots, HYUNDAI WIA is committed to enhancing user experience (UX) to provide efficient and user-friendly robotic parking solutions and solve parking problems of commercial buildings with innovative approach. These initiatives underscore HYUNDAI WIA's steadfast evolution as an leading provider of smart manufacturing and logistics solution.



Defense Business

To ensure the national security, defense policies are increasingly centered on integrating Fourth Industrial Revolution technologies into weapon systems. This includes prioritizing advancements in AI, unmanned robots and enhancing defense capabilities with a focus on minimizing size and achieving ultra-precision. HYUNDAI WIA is intensifying efforts to develop innovative future weapon systems to meet these evolving requirements. Additionally, there are plans to expand into manufacturing parts for Urban Air Mobility (UAM) and Unmanned Aerial Vehicles (UAVs), in line with the growing demand for eco-friendly and unmanned products.

Remote Firing Control System

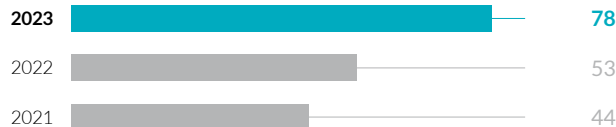
HYUNDAI WIA is actively evaluating army weapon systems that can maximize survivability and operational effectiveness during missions. The vehicle-mounted RCWS* is a weapons system that integrates a strike system like a machine gun and automatic grenade launcher with a surveillance system, all operated via remote control. Currently, this system is undergoing internal testing and evaluation phase. Through ongoing development and acquisition of core technologies in the related field, we aim to lead the forefront of the new defense market by delivering cutting-edge weapon systems that contribute significantly to advancing Korea's national defense.

* RCWS : Remote Control Weapon System



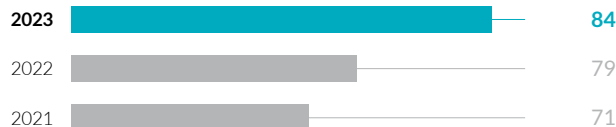
Special Business R&D Personnel

(Unit: persons)



Total Intellectual Property Registrations of Domestic Intellectual Property for Special Business (Cumulative)

(Unit: cases)



Anti-Drone System

The Advanced Anti-drone System (ADS*) that HYUNDAI WIA developed to counter drone attacks which is rapidly evolving and becoming sophisticated, are at its development phase. By applying AI software technology and 40mm air burst munitions (ABMs), we have secured a technology that can significantly increase the probability of interception and allow us to respond to a fleet of drones at the same time. As the paradigm of the defense industry is chaining, HYUNDAI WIA will further accelerate the development of related technologies to nurture our special business through export and contribute the enhancement of Korea's defense capabilities.



Urban Air Mobility

With "Urban Air Mobility(UAM*)" garnering attention as a game changer in the mobility market, there is a global race to lead in technological advancement and market dominance. Anticipating the reshaped aviation landscape, HYUNDAI WIA is leveraging 30 years of experiences in aviation component development to pioneer landing gear and key electrified components for UAMs. The company began the development of the landing gear in 2023, completing the basic design phase and currently advancing into detailed design stages. Notably, our Korean-made landing gear will be equipped with real-time self-monitoring capabilities, enhancing safety and affordability, which are crucial factors in the UAM business. By combining our technologies from the aviation and automotive sectors, we aim to drive forward the mobility industry's expansion and introduce groundbreaking technologies in the future.



Development of Close-In Weapon System (CIWS- II)

The Korean Navy recently has finalized a decision to domestically develop a 30mm-class Close-In Weapon System (CIWS-II*) aimed at safeguarding naval vessels against advanced anti-ship missiles, enemy aircraft, and small high-speed crafts. Since 2022, HYUNDAI WIA has collaborated with international partners to develop the pivotal gun system, which is the key equipment responsible for the firing function of the CIWS.

CIWS-II is expected to significantly boost Korea's naval capabilities through the integration of latest cutting-edge technologies surpassing current operational equipment. Leveraging our expertise in manufacturing 76-mm and 5-inch guns deployed in active field operations, HYUNDAI WIA is committed to accelerating the development of CIWS-II. This initiative aims to bolster naval vessel survivability and self-defense capabilities significantly. Furthermore, it will pave the way for entering new export markets, showcasing our leadership in advanced defense technologies.

CASE Study

Unveiling Next-Generation Weapon Systems at Korea's Largest Defense Industry Exhibition, ADEX

In September 2023, HYUNDAI WIA unveiled its next-generation weapon systems at ADEX, the largest defense trade show in Korea. Among the highlights was the showcase of an Advanced Defense System (ADS) tailored for small tactical vehicles for the first time in Korea. This product, meticulously crafted for the Korean military's operational environment, features advanced radar and optical devices, augmented by AI technology to significantly improve its drone identification and shooting accuracy. As we strive for continuous growth and innovation in the defense industry, we are steadfast in our commitment to bolstering global competitiveness through strategic initiatives.



HSE Management

HSE Control System

HSE Management System

At HYUNDAI WIA, we uphold the safety and well-being of employees as our highest priority. This commitment is reflected in the company's Safety and Health First Management Policy, which applies across all business sites, including overseas production plants. The company also has earned ISO 14001 and ISO 45001 certifications for multiple business sites. By adhering to these standards, HYUNDAI WIA strives to cultivate a safe and clean work environment for all.

[Health and Safety Management Policy](#)

Vision & Goals

"Together Towards Happier Life"

Safety is the first step for a better future together.



ISO 45001 Certifications of Domestic and Overseas Business Sites

Category	Target	ISO 45001 Certification	Certification Rate (%)
Domestic	12	12	100
Overseas	4	4	100
Total	16	16	

Innovation Tasks

Strengthen preventive safety against environmental risks

- Establishing a proactive preventive response system
- Ensuring the golden hour in emergency situations
- Establishing standardized safety models for facilities

Improve professional capabilities for autonomous safety

- Strengthening the on-site safety support system
- Enhancing employees' safety competencies effectively
- Standardizing the safety management system

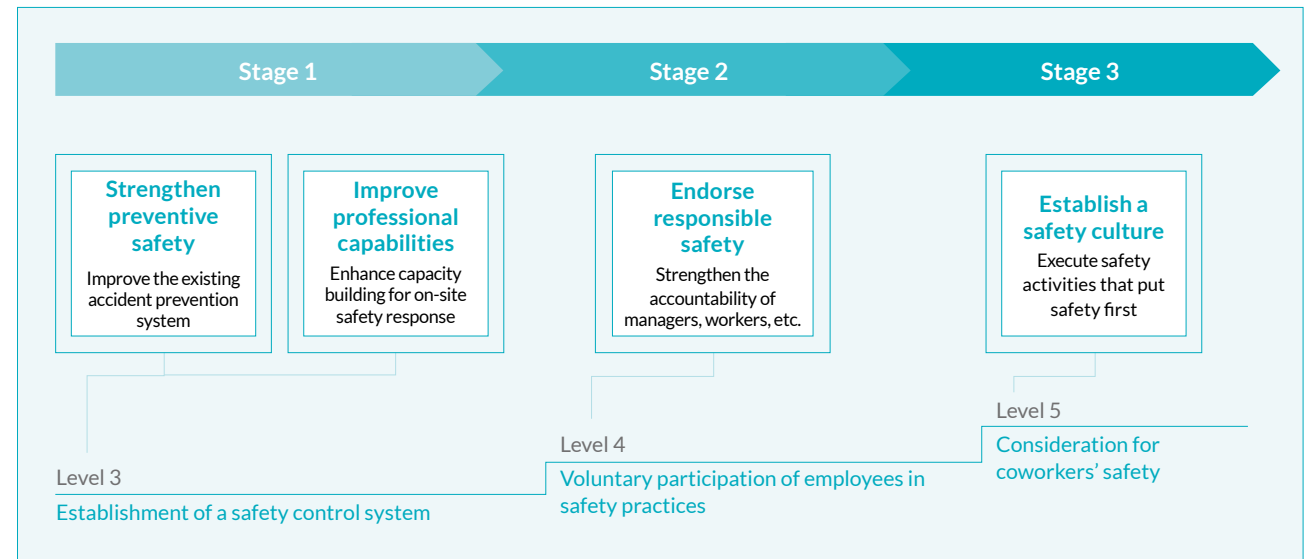
Endorse responsible safety based on an evaluation system

- Diagnosing and improving the level of understanding safety controls
- Strengthening the penalty system to reinforce legal compliance
- Ensuring safety controls of the same level at suppliers and the parent company

Establish a safety culture through communication and cooperation

- Practicing safety culture on-site
- Establishing a safety training network for employee participation
- Expanding contents and services to promote safety culture

Roadmap



HSE Governance

HYUNDAI WIA has organized the Safety Management Committee to discuss domestic and overseas safety activities, implementation measures, and recommendations on HSE issues on a quarterly basis. Monthly safety inspection meetings are also held for the review of HSE issues under the leadership of the CSO.

Safety Management Committee



HYUNDAI WIA proactively addresses potential risks in the workplace through the Occupational Safety and Health Committee. Each business site convenes the Safety Management Committee on a quarterly basis for an in-depth discussion of critical issues related to safety conditions. The members of the committee also handles identified hazards and risk factors at industrial sites, and seek for improvement measures to address the issues. With the goal of achieving zero accidents, HYUNDAI WIA actively engages in comprehensive safety and health management activities and is striving to establish a robust safety management system to ensure a secure work environment.

Key Discussions in 2023

- Improvement of heavy pinion box transfer
- Increase in comprehensive medical checkup allowance
- Improvement of safety shoes
- Deployment of outdoor cleaning vehicles at Changwon Plant 3
- Establishment of measures to improve jobs associated with musculoskeletal hazards
- Additional emergency relief supplies across all plants
- Prevention of musculoskeletal diseases for the CVJ Production Team

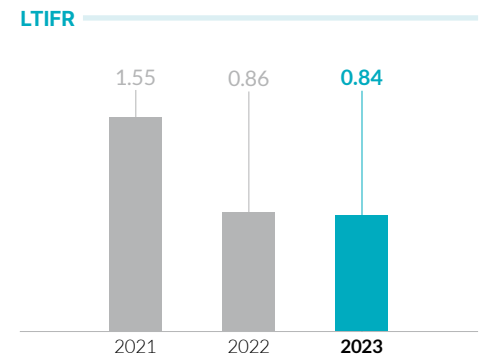
Key Achievements in 2023

HYUNDAI WIA has set a mid- to long-term goal of reducing safety accidents by 50% by 2026. To achieve this, the company has defined specific Health, Safety, and Environment (HSE) targets aimed at improving and managing safety conditions, with ongoing monitoring of related performance indicators. In 2023, our efforts resulted in a reduction of 524 lost workdays through proactive health and safety risks mitigation measures. Moving forward, we remain committed to further reduce safety accidents and provide a safe and healthy work environment for all employees by tirelessly pursuing improvement and innovation.

Category	Key Achievements in 2023
Safety	Number of industrial accidents - medical fee paid by company: 3 cases > 4 cases (+1 case) Number of industrial accidents - medical fee reimburse by company after the employee pay first: 39 cases > 19 cases (△20 cases) Lost work days: 1,273 days > 749 days (△524 days) Operation of dedicated on-sited management personnel
Suppliers	Consulting and supporting suppliers in fulfilling their obligations under the Serious Accident Punishment Act Operation of win-win programs with suppliers
Expanded participation	Operation of a safety council (top management) and safety exchange meetings for overseas subsidiaries Safety workshops for top management Expanded on-site participation in risk assessment
Risk management	Comprehensive reporting on the fulfillment of CEO obligations and minimization of legal risks for risk management under the Serious Accident Punishment Act
Investment	Strengthened the accident response system and increased investment in safety
ESG	Rated A+ (32 environmental issues and 8 social issues)

HYUNDAI WIA strives to reduce lost time injury frequency rate by complying with a global standard, the Lost Time Injury Frequency Rate (LTIFR). The company is also utilizing additional global indicators such as the Total Recordable Injury Rate (TRIR) and Occupational Fatal Injury Rate (OFIR) to manage safety indicators.

HYUNDAI WIA engages in activities to identify accident risks and determine root causes to minimize safety incidents proactively. Through meticulous analysis of processes and operations, potential risk factors are identified and they're systemically addressed to ultimately foster a safe working environment.



Mid- To Long-Term Goals for Safety and Health

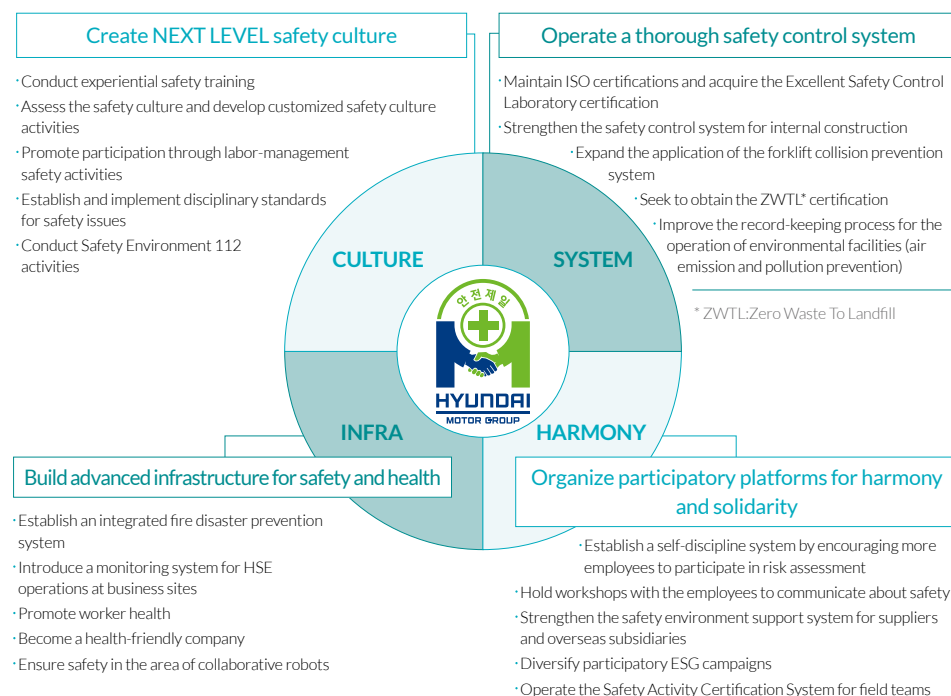
Reduce Safety Incidents by 50% by 2026
(Zero major accidents / environmental accidents)

(No. of safety accidents as of 2021)

Key Strategies for 2024

Goal:
Realizing a sustainable accident-free and eco-friendly workplace where all employees are happy

Advancement of the safety control system and infrastructure
'ADVANCEMENT OF SAFETY CULTURE'



Safety Reporting Center

HYUNDAI WIA operates the Safety Reporting Center to raise safety awareness among its suppliers and employees and to establish an efficient integrated safety control process. It plays a critical role in promptly responding to accidents and proactively identify potential hazards, preparing improvement measures in advance, time through the Safety Reporting Center, which enables real-time reporting of on-site risks, all employees can be directly involved in safety initiatives, thereby enhancing the effectiveness of accident prevention efforts.

Safety Reports Handled in 2023

Safety Reporting Center	Unit	Number of Reports Received	Number of Reports Processing Completed
Processing status	cases	189	155*

* Excluding incidents not related to safety and health

HSE Management of External Suppliers

HYUNDAI WIA conducts on-site safety inspections on suppliers annually to provide safety training to fulfill the social responsibility of occupational safety and foster win-win growth. The company is assisting twelve suppliers in maintaining the ISO45001 and ISO14001 certifications and constantly manages the suppliers to maintain safe workplaces along with HYUNDAI WIA.

Safety Training for Suppliers and On-Site Inspections

Category	Unit	2021	2022	2023
Safety training	times	12	12	12
Safety training target		808	687	552
On-site inspection of the environment & safety	suppliers	-	15	9

* Conducted for external suppliers of HYUNDAI WIA

Safety and Health Management of Internal Partners

In compliance with Article 67, paragraph 2 (Inspection of Safety and Health at Contractors' Workplaces) of the Occupational Safety and Health Act, HYUNDAI WIA conducted a safety and health assessment for 10 of its internal suppliers in the first half of 2023. The company conducts monthly joint inspections with the internal suppliers, devises improvement measures, and monitors the progress through regular meetings of the Safety and Health Council.



CASE Study

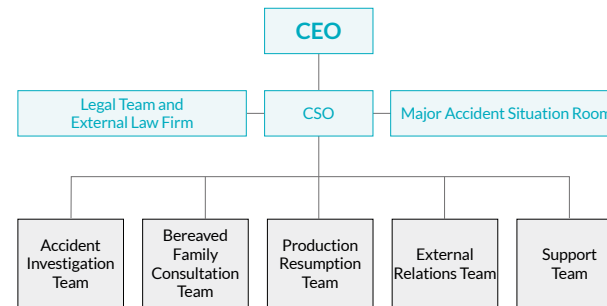
On February 29, 2024, HYUNDAI WIA was designated as an outstanding workplace in the evaluation of the Safety and Health Win-Win Cooperation Project for Large and Small Companies. This is a key project executed by the Ministry of Employment and Labor in response to the roadmap to reduce serious accidents. Companies with outstanding efforts and performance in fostering win-win cooperation with their suppliers are awarded by this project. HYUNDAI WIA is devoted to assist our suppliers to better prepare for the Serious Accident Punishment and establishing robust safety and health management systems. This collaborative effort not only promotes mutual growth with the suppliers but also positions the company at the forefront of fostering a safe and healthy work environment.



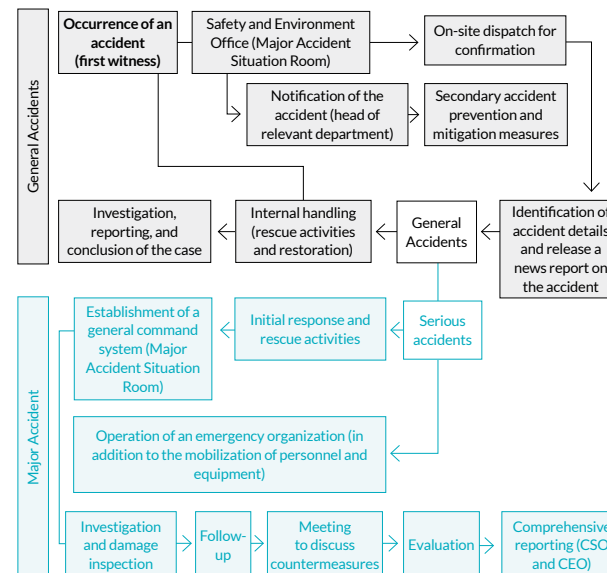
Emergency Response System for Major Accidents

HYUNDAI WIA operates a major accident response system that delineates responsibilities of business owners, CEOs, managers, and legal entities. This system aims to ensure safety rights of workers and general public and to prevent major accidents that could result from gaps in the company's organizational culture and safety control system.

Command System for Responding to Major Accidents



Major Accident Response Manual



CASE Study

HYUNDAI WIA Conducts Large-scale Drill to Prepare for Major Accidents

HYUNDAI WIA successfully conducted a large-scale major accident prevention drill at Changwon Plant 1 in Changwon, Gyeongsangnam-do Province. The drill focused on enhancing skills necessary for responding to fire emergencies, including in the containment of hazardous material fires and efficient workplace evacuating practices. The drill was held in collaboration with the Seongsan Fire Department, which is part of the Changwon Fire Department Headquarters with over 100 employees. Through this exercise, employees gained practical experience and honed their ability to effectively respond to real-life accident situations.

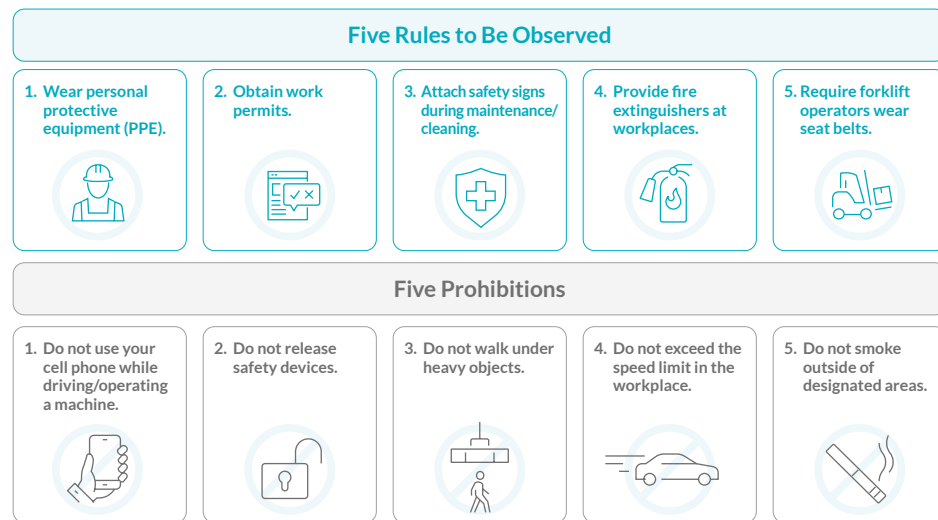


Safety and Health Risk Management

Internalization of Safety and Health Culture

HYUNDAI WIA has established the “10 Essential Safety Rules” to prevent accidents and enhance safety awareness among employees. This contributes to enhancing the safety level of the working environment by presenting basic safety principles that all employees must comply on a daily basis at work.

10 Essential Safety Rules



CASE Study

HYUNDAI WIA Acquires Health-Friendly Company Certification

HYUNDAI WIA has been certified as a Health-Friendly Company by the Ministry of Health and Welfare and the Korea Health Promotion Institute. This certification is awarded to exemplary companies that operate health-related programs for their employees. Our company exemplifies this commitment by offering regular health check-ups to ensure employees have an accurate understanding of their health status and access necessary medical treatment. Through these comprehensive health management programs, we actively promote employee well-being and spearhead the creation of workplaces that prioritize health.



Safety Training for Employees

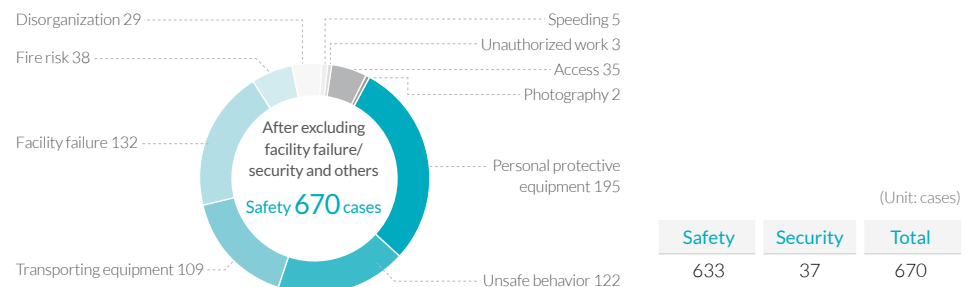
HYUNDAI WIA provides safety training for employees to prevent accidents at work sites and raise safety awareness. The HSE workshops comprises risk assessment training, first aid training, and safety and health training and through this, we strive to improve safety awareness.

HSE Training for Employees in 2023

Program	Target	Method	Details	Cycle
HSE workshop	• Person in charge of HSE from each department	Collective training	• Direction of the HSE policy • Discussion of current HSE issues • Lectures by external lecturers, etc.	Annually
New employee training	• New recruits	Collective training	• Introduction of HSE policies and tasks • Introduction of major safety and environmental laws and regulations • Case studies of accidents, etc.	Annually
Overseas resident employee training	• Person in charge of HSE from each department	Collective training	• Direction of the HSE policy • Discussion of current HSE issues • Lectures by external lecturers, etc.	When dispatching the employee abroad
Special training	• Department heads, etc.	Collective training	• Sharing of HSE issues, response and preventive measures, etc.	When an issue arises
Training after job change	• Employees who have been transferred to a different department	Collective training	• HSE compliance • Case studies of accidents, etc.	Before the job change
Risk assessment training	• Manager/supervisor from each dept.	Collective training	• Practical training on risk assessment techniques • Information on safety and health risks, etc.	Annually
First aid training	• Field manager/supervisor, person in charge of HSE from each dept., etc.	Collective training	• Necessity of first aid and action guidelines in case of emergency • Hands-on training on CPR, AED operation, etc.	Second half of the year
Regular Safety and Health Training	• All management staff	Online	• Education on the Occupational Safety and Health Act and the Industrial Accident Compensation Insurance Act • Practical training on risk assessment techniques, etc.	Quarterly
	• All production staff	Collective training	• Education on the Occupational Safety and Health Act and the Industrial Accident Compensation Insurance Act • Instructions on how to handle hazardous/dangerous machinery and equipment and practical training	Quarterly

Monitoring Status in 2023

All departments conduct daily HSE inspection at their work sites and inspect dangerous machineries and equipments that can potentially cause serious accidents, such as cranes and pressure vessels. In addition, an integrated control center monitors all business sites to prevent safety incidents such as fires, disasters, and security accidents as well as to execute relevant action immediately in the event of an accident.



HSE Performance and Activity Plan

HYUNDAI WIA conducts various HSE inspection activities at domestic and overseas worksites every year to ensure employees' safety. In 2023, the company conducted safety assessments, safety inspections of dangerous machinery and equipment, and drills to prepare for major accidents to promote safety. In 2024, in-house medical clinics and safety training centers were opened to foster a safer work environment. At HYUNDAI WIA, we remain committed to prioritizing the safety and health of our employees through rigorous safety inspections and continuous trainings. Our goal is to foster a work environment where all employees can work with peace of mind.

Major HSE Inspection Activities Planned for 2024

Category	Schedule	Target	Details
Safety diagnosis of domestic/overseas business sites	Semi-annually	All business sites	<ul style="list-style-type: none"> Establish safety goals Conduct safety activities in the management and field
Safety inspection of dangerous machinery and equipment	Semi-annually	All business sites	<ul style="list-style-type: none"> Improve robots and conveyor facilities Conduct safety inspections and maintenance of dangerous machinery and equipment
Fire/safety inspection of external suppliers	3Q	External suppliers	<ul style="list-style-type: none"> Ensure safety and health compliance Check and instruct on legal compliance Conduct on-site inspection and provide guidance
Winter fire prevention campaign	4Q	All business sites	<ul style="list-style-type: none"> Conduct a campaign with the participation of workers
Drills for serious accidents	Semi-annually	All business sites	<ul style="list-style-type: none"> Emergency evacuation training and fire suppression using fire extinguishers/hydrants Provider trainings to prepare for falls, compression, and suffocation accidents
Internal construction safety management	On-demand	All business sites	<ul style="list-style-type: none"> Safety control plan for large-scale construction work
General/special health checkups	First and second halves of the year	All business sites	<ul style="list-style-type: none"> General health checkups for all employees
Measurements of working environment conditions	First and second halves of the year	All business sites	<ul style="list-style-type: none"> Noise, dust, heavy metals, etc.
Occupational Safety and Health Committee	Quarterly	All business sites	<ul style="list-style-type: none"> Regular and ad hoc Occupational Safety and Health Committee meetings Take workers' opinions in consideration and make improvements
Internal medical clinic (newly established in 2024)	On-demand	All business sites	<ul style="list-style-type: none"> Enable workers to focus on their work by providing convenient medical services (staffed with doctors, nurses, and physical therapists)
Safety training center (newly established in 2024)	On-demand	All business sites	<ul style="list-style-type: none"> Indirect experience of dangerous situations using experiential equipment (18 types)

CASE Study

Comprehensive Safety Inspections of Domestic Business Sites

- Proactive Identification and Improvement of Critical Risk Factors

In 2023, HYUNDAI WIA conducted a comprehensive safety assessment on all business sites in Korea to identify and improve critical risk factors and hazards in advance. Top management directly participated in this assessment for close inspections of the safety conditions and explore avenues for improvements. By these assessment activities, we aim to cultivate a safe and pleasant working environment across all sites, promoting sustainable management practices.



CASE Study

Comprehensive HSE Assessment of Overseas Subsidiaries

- Minimizing HSE Risks and Enhancing Management Capabilities

In 2023, HYUNDAI WIA conducted a comprehensive HSE assessment on overseas subsidiaries to identify critical risk factors and hazards in advance and to enhance each subsidiaries' HSE (health, safety, environment) management capabilities. By providing support for related affairs, the company is minimizing HSE risks. The assessment provided an opportunity to enhance the level of HSE management at each overseas subsidiary.



Sustainable Supply Chain

System for Promoting Win-Win Growth with Suppliers

HYUNDAI WIA also prioritize fair trade with suppliers and actively supports their growth for sustainable management. The company fosters genuine partnerships by sharing our cultures and visions, believing that cooperation and win-win relationships create greater value than competition alone. Moreover, we uphold strict compliance with relevant laws and regulations, including the Fair Transactions in Subcontracting Act, to ensure fair subcontracting and strengthen mutually beneficial partnership.

HYUNDAI WIA actively supports suppliers in strengthening their financial strength and developing their capabilities to foster win-win partnerships and create a fair and transparent business environment. Our ongoing commitment has been recognized through the highest rating in the Fair Trade Agreement Implementation Evaluation and Shared Growth Index by the Korea Fair Trade Commission for three consecutive years. Additionally, we were honored as the top company with the Highest Honor in the win-win partnership category.

Fair Trade Agreement Implementation Evaluation & Win-Win Growth Index Evaluation Results

Category	2021	2022	2023	2024 (Target)
KFTC	Top Excellence	Top Excellence	Top Excellence	Top Excellence
KCCP	Top Excellence	Top Excellence	Top Excellence	Top Excellence

* Based on the year of publication

* Fair Trade Agreement Implementation Evaluation by the KFTC & Win-Win Growth Index Evaluation by the Korea Commission for Corporate Partnership (KCCP)

CASE Study

HYUNDAI WIA Selected as Company with Highest Honor in Win-Win Partnership

HYUNDAI WIA was selected as the Company with the Highest Honor in the win-win partnership category by receiving the highest rating in the Win-Win Growth Index Evaluation of the Korea Commission for Corporate Partnership for the three consecutive years. The company shared patents and is currently conducting joint R&D to strengthen the competitiveness of our suppliers, in addition to supporting smart factory construction projects and training for suppliers' employees.



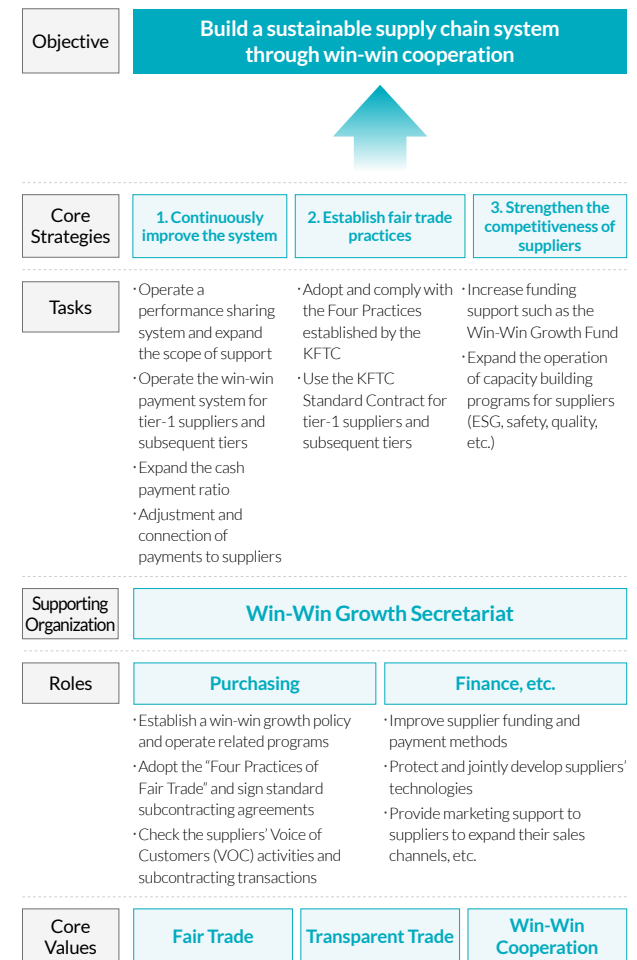
Operation of Dedicated Organization for Win-Win Growth

HYUNDAI WIA operates the Win-Win Cooperation Team dedicated to fostering mutual growth with suppliers. This team oversees a range of responsibilities aimed at strengthening win-win relationships, such as managing risks related to subcontracting law compliance, compliance with Fair Trade Agreements, and customer satisfaction surveys. All activities conducted by this team are devoted to fostering fair and transparent relationships with suppliers and focusing on establishing a system that supports win-win growth.

Tasks of the Win-Win Cooperation Team

Fair Trade Agreement	<ul style="list-style-type: none"> Signing Fair Trade Agreement between KFTC & HYUNDAI WIA Performance management of Fair Trade Agreements Management of Basic Transaction Agreements and Four Practices for Fair Subcontracting
Perception Surveys	<ul style="list-style-type: none"> Introduction of win-win growth programs and visiting VOC activities Promotion of a performance sharing system and performance management Participation in government-initiated purchasing consultations
Subcontracting	<ul style="list-style-type: none"> Mediation of disputes with suppliers Discovery and improvement of internal risks of legal violations in purchasing related to subcontracting
Cooperative Association	<ul style="list-style-type: none"> Formation of a cooperative association and organization of regular general meetings and discussions
Government Affairs	<ul style="list-style-type: none"> Participation in government policy briefings such as those of the KFTC and KCCP Participation in the Group Win-Win Growth Working Council

Win-Win Growth System



Supply chain management system

Supplier Management and Status

In 2023, HYUNDAI WIA conducted business with 1,570 domestic and overseas suppliers. We encourage our suppliers to adhere to the Code of Conduct and as a result, 72% of our suppliers signed the Code of Conduct. HYUNDAI WIA upholds win-win growth with suppliers, thereby help them to fulfill the social responsibility. We evaluate and monitor our suppliers' compliance with the Code of Conduct on a regular basis through ESG inspections on various sectors such as supply chain. HYUNDAI WIA's commitment towards a fair and transparent trading environment is demonstrated by the Fair Trade Agreements with suppliers each year. The company also takes diverse opinions from suppliers through periodic visits and meetings to address problems and prevent unfair practices.

[🔗 Code of Conduct for Suppliers](#)

Supplier Status

(KRW billion)

	Category	Domestic	Overseas	Total
2023	No. of Companies	1,344	226	1,570
	Purchasing Scale	6,454.4	152.2	6,606.6
2022	No. of Companies	1,325	226	1,551
	Purchasing Scale	5,576.1	143.1	5,719.2
2021	No. of Companies	1,313	220	1,533
	Purchasing Scale	5,140.9	431.4	5,572.3

Highlights of Supply Chain Management Policy

Category	Description
ESG evaluation indicators	· Environment: Establishment of environmental goals, implementation of environmental training, GHG and air pollutant emissions, and other environmental performance indicators
	· Society: Labor, human rights, safety, health, ethics, etc.
	· Governance structure: Board of Directors operation, internal reporting and whistleblower protection, supplier grievance handling, etc.
Code of Conduct for Suppliers	Requests for fulfillment of corporate social responsibility by including various indicators based on domestic and international laws and regulations and global sustainability report guidelines in the Code of Conduct
Capacity building for ESG practices	· Capacity building of suppliers' employees · Capacity building of HYUNDAI WIA's procurement and purchasing organization
Cyber Audit Office	· Reporting of violations such as irrational practices, human rights violations, corruption, etc. and protection of whistleblowers

[🔗 HYUNDAI WIA's Supply Chain Management Policy](#)

Supplier Evaluation and Selection

At HYUNDAI WIA, we evaluate and select suppliers with the goal of maintaining a "Sustainable Value Chain" while prioritizing customer stratification first and foremost. The evaluation of suppliers comprises not only their quality management systems, quality performance, and credit ratings, but also non-financial factors such as their practices related to the environment, ethics, human rights, and safety, and how they reflect the findings from those activities in their selection process. In particular, we regularly conduct the Q5 Star and supply chain ESG evaluation once a year on our key suppliers and major suppliers of each business division.

Supplier Evaluation and Selection Process



* Periodic evaluation of suppliers (Q5 Star) is conducted once a year, and the results are reflected in the selection of suppliers by considering the above evaluation criteria in the bidding process.

Classification of Suppliers

Business division Transaction type	Automotive part	Specialized	Machine tools and mobility solutions
Direction development ¹⁾	Key supplier	Supplier	Supplier
Direct transaction ²⁾	Supplier	-	-

1) Direct development: Direct supplier selection and pricing by HYUNDAI WIA

2) Direct transaction: Direct supplier selection and pricing by HYUNDAI WIA for fully built units for reasons of quality, security, etc.

New Supplier Evaluation Items and Q5 Star Evaluation Items

Evaluation for registration of new supplier	Management assessment	1. Organization and policy management 2. HR and labor management 3. Employee education and training 4. Standardization of internal operations
	Credit assessment	1. Credit rating 2. WATCH rating 3. Cash flow 4. Reliance on borrowings
Q5 Star evaluation	Quantitative assessment	1. Defect rate of delivered goods 2. Process defect rate 3. Claim reimbursement rate
	Qualitative assessment	1. Outsourced parts/mass production process management 2. Disaster prevention and safety control 3. Idea proposal and technological prowess

* When registering a new supplier, some of the Q5 Star evaluation items are additionally evaluated depending on the type of supplier.

Regular Supplier Evaluation Performance and Plans

(Unit: companies)

Category	2021	2022	2023	2024 (Target)
Q5 Star Evaluation	143	133	135	131
Supply Chain ESG Evaluation	-	123	214	164

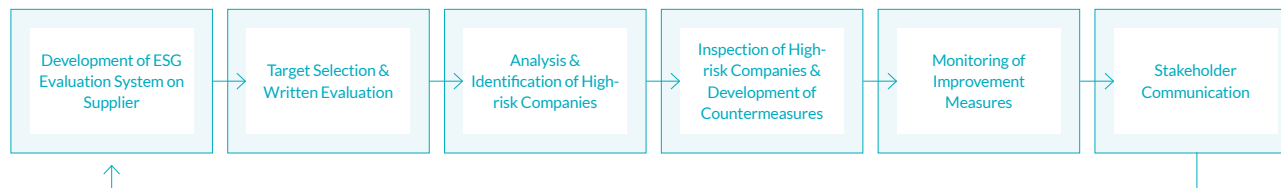
* Includes key suppliers as well as other suppliers subject to general transactions

Supply Chain ESG Risk Assessment and Management

ESG Evaluation of Suppliers

HYUNDAI WIA implements supply chain management policies aimed at enhancing competitiveness and reducing ESG risks to grow together with suppliers. In 2023, the company conducted written evaluations of 214 major suppliers and on-site evaluations and consulted 40 companies classified as high-risk. We also established a supply chain ESG system to rigorously monitor the implementation of improvement measures. Out of 40 suppliers, we confirmed 32 have completed corrective actions. The ESG evaluation results of suppliers and their operational status are regularly reported to the Board of Directors. Furthermore, we run diverse support programs to help our suppliers to build their ESG-related capabilities to align with industry and customer requirements. These efforts include evaluations and the implementation of support policies designed to mitigate ESG risks throughout our supply chain.

ESG Evaluation Process on Suppliers



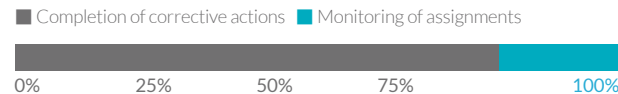
Supply Chain ESG Evaluation Items

Category	Key evaluation checklist
Environment	• Obtaining of environmental policy within the company and environmental management system certifications
	• Violation history of any environmental laws and regulations
Labor & Human Rights	• Employment of human rights charter
	• Management of conflict minerals
	• Compliance of minimum wage requirements
	• Prevention measure status for sexual harassment and workplace bullying
	• Acquisition of a health and safety management system certifications
Ethics	• Violation history of any laws and regulations related to health and safety
	• Employment of an ethics charter
	• Management of tracking conflict minerals
	• Donation status
Governance	• Administrative sanction history related to business operations
	• Operation of reporting channels for employee corruption and conflicts of interest
	• Disclosure of sustainable management performance
	• Training status on anti-corruption and compliance

ESG Evaluation of Suppliers in 2023

Item	Target	Details
Written assessment	214 companies	Self-assessment using an online system
On-site assessment	40 companies	Verification based on a joint evaluation by HYUNDAI WIA and an assessment agency

ESG Improvement Performance of Suppliers in 2023



Supplier ESG Evaluation Plan

HYUNDAI WIA will establish a mid to long-term plan to conduct ESG evaluations on a wider scale by 2027 to expand its sustainable supply chain. The company plans to maintain an ESG due diligence rate of 90% or higher for our key domestic suppliers by 2027. Furthermore, we plan to establish a plan for supply chain management of overseas subsidiaries this year and upgrade it by 2027.

	Domestic	Overseas
2024		Establish a due diligence response plan for overseas subsidiaries
2025	Due diligence rate of 90% or higher	Select overseas subsidiaries subject to due diligence
2026		Conduct due diligence on overseas subsidiaries
2027		Increase the due diligence rate for overseas subsidiaries in phases

Management of Conflict Minerals

HYUNDAI WIA is participating in a policy that restricts the use and procurement of conflict minerals. The policy on conflict minerals is posted on the official website. To comply the policy, the company is thoroughly investigating containment of conflict minerals in products, such as tin, tantalum, tungsten, and gold that are illegally mined and distributed, as well as major minerals mined from cobalt mines associated with child human rights violations. We also monitor and inspect our suppliers proactively to ensure that conflict minerals are not used throughout the supply chain. These efforts are building a sustainable supply chain system of HYUNDAI WIA. Furthermore, we will continue our efforts to ensure our secondary suppliers to also fulfill socially responsibility and comply with the policy when purchasing mineral.

[🔗 Responsible Mineral Purchase Policy](#)

Win-Win Development Activities

HYUNDAI WIA recognizes that sustainable win-win growth can be achieved by building trust and transparent relationships with suppliers. To this end, we comply with the 4 Practices for Subcontracting Transactions established by the Korea Fair Trade Commission and faithfully fulfill the Fair Trade Agreements. In addition, the company strives to build a sustainable win-win management ecosystem by a bidding system that grants points to tier-1 suppliers that have signed the Fair Trade Agreements, with second-tier suppliers.

Four Practices for Fair Subcontracting

Sign agreements with suppliers, register new suppliers, and improve operations

Support for Enhancing Competitiveness

Support and protect suppliers' technologies and strengthen quality competitiveness

Strengthening of the Growth Foundation

Form transparent and healthy relationships with suppliers and create a culture of mutual respect

Win-Win Growth Events

Promote mutual cooperation and exchanges with suppliers

Financial Support

Operate various financial support programs for suppliers

Grievance Handling for Suppliers

HYUNDAI WIA actively collects suggestions from suppliers through VOC (Voice of Customer) online and offline. After careful review of those VOC, we provide feedback and communicate the results of making improvements. The 23 cases reported in 2023 were appropriately handled, strengthening communication with the relevant suppliers. This approach focuses on maintaining a transparent and effective relationship with our suppliers and contributes to building mutual trust and strengthening cooperation.

Category	Unit	2021	2022	2023
Reports filed	Complaint	4	5	1
	Others	15	19	22
Subtotal	cases	19	24	23
Cases handled		19	24	23
Case handling rate	%	100	100	100

Creating Growth Foundation for Suppliers

HYUNDAI WIA operates various win-win growth programs such as R&D cooperation, supplier training, and financial support to strengthen the capabilities of suppliers.

R&D Collaboration

HYUNDAI WIA conducts a wide variety of R&D collaborations including joint R&D and sharing patents with suppliers to strengthen suppliers' R&D capabilities.

Technical Data Escrow System 51 cases

Allowing suppliers to use the technical data escrow system to protect their technologies

Joint R&D 30 cases

Conducting joint R&D such as localization of automotive parts

Joint Patent Application 3 cases

Filing joint patent applications for joint R&D products

Non-Exclusive Patent License 4 cases

Granting non-exclusive licenses for our patents and utility models for free

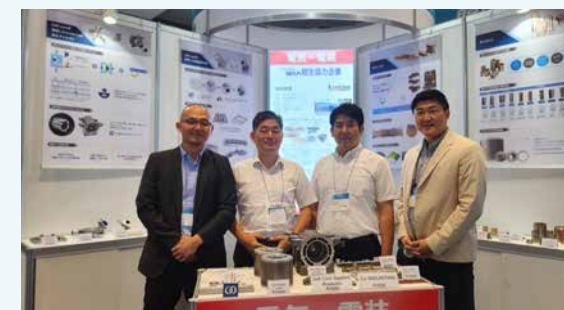
Supplier Training

HYUNDAI WIA conducts comprehensive training programs to support suppliers build their capabilities to improve quality and maximize customer satisfaction. Follow by the growing demand for sustainable management and zero carbon policies in globally, the company is committed to provide systematic training and consulting and strengthen our suppliers' ESG capabilities. By utilizing the Hyundai Motor Group's dedicated training facility, the Global Win-Win Cooperation Center, we provide all our suppliers with the necessary training to equip them with the competencies essential for future technologies. This is an important step toward enabling our suppliers to obtain global competitiveness and drive innovation.

CASE Study

HYUNDAI WIA Helping Suppliers Develop Overseas Markets

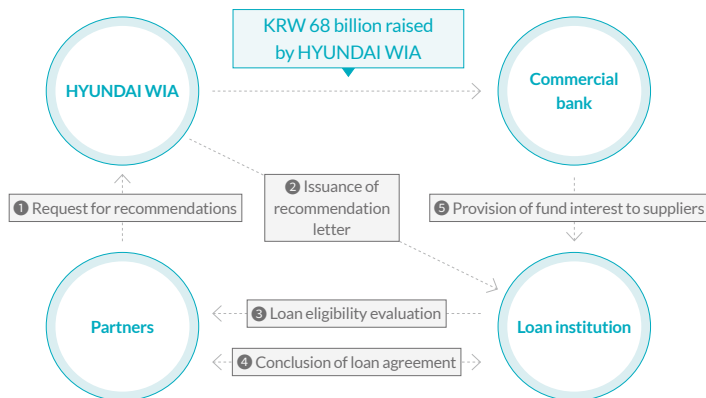
Pursuing partnerships that drive innovation, HYUNDAI WIA supported suppliers in expanding overseas by covering their participation costs for 2023 Next Generation Mobility Technology Exhibition organized by KOTRA. This initiative aimed to boost their growth potential in the global market and bolster their competitiveness on the global stage.



Financial Support

HYUNDAI WIA has helped suppliers in overcoming financial challenges and securing liquidity through a Win-Win Growth Fund and improved payment terms and conditions. Notably, we offered low-interest financing totaling KRW 68 billion through this fund to 78 suppliers in 2023, with plans to increase the number of beneficiaries in 2024. In addition, we have expedited cash payments to suppliers with annual sales of less than KRW 100 billion within 10 days to reduce their financial burden and improve their liquidity in 2023. These efforts play a pivotal role in enhancing the financial stability of our suppliers and it also cultivate a thriving business ecosystem focused on mutual growth.

Win-Win Growth Fund



HYUNDAI WIA's Terms and Conditions of Payment

Category	Payment Method
· SMEs with sales of less than KRW 100 billion	Cash
· Medium-sized companies with sales of less than KRW 300 billion	60-day secured loan of credit sales
· Other companies	90-day secured loan of credit sales
· Common factors: Less than KRW 100 billion at the end of the week/month	Cash

Cash Payment Rate for Fair Trade Partners

Category	2021	2022	2023	2024 (Target)
Cash Payment Rate	95%	96%	94%	95%

Win-Win Growth Events

HYUNDAI WIA organizes a wide range of win-win growth events to build stronger partnerships with suppliers. The Partnership Day and Each Division of Supplier Association Meetings were among the most representative events. At the Partnership Day 2024, executives and employees of HYUNDAI WIA and 120 major suppliers gathered together to share management visions and exchange opinions on strategies for win-win growth. The Partnership Day also provided an opportunity to facilitate in-depth exchanges between business units and suppliers, highlight the progress of future technology projects and win-win growth programs, and obtain suggestions and comments directly from suppliers.



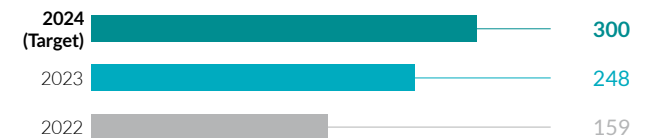
Operation of Win-Win Fund

HYUNDAI WIA donates funds to the Korea Foundation for Cooperation of Large and Small Businesses and Rural Affairs under the Korea Commission for Corporate Partnership to operate various with suppliers. The main program provide necessary financial aid and professional consulting to help suppliers obtain the Authorized Economic Operator (AEO) certification. The company also support suppliers in advancing into the global market by supporting their participation in overseas exhibitions, including covering their participation fee and their accommodation expenses. In 2024, we plan to provide ESG and safety training on a wider scale for our suppliers and strengthen support for their participation in overseas exhibitions.

In addition, HYUNDAI WIA plans to also support instrument calibration costs and work environment measurement costs for second-tier suppliers to help them strengthen their capabilities and enhance their working environment. By leveraging these diverse win-win programs, HYUNDAI WIA is deepening the partnerships with suppliers and forging a path toward win-win growth.

Performance of Win-Win Programs

(Unit: KRW million)



Customer Satisfaction

Customer Satisfaction Management

HYUNDAI WIA is training leaders in proactive customer monitoring and customer satisfaction to fulfill customer satisfaction. In particular, we are systematically strengthening internal service quality and customer management capabilities by conducting customized improvement programs for underperforming departments. Through this, we will deepen our customer satisfaction expertise and continuously improve customer satisfaction to realize customer satisfaction.

Customer Satisfaction Management

Improving Customer Satisfaction

- Activities to strengthen customer service effectiveness
- Customer satisfaction surveys
- Customer satisfaction campaigns
- Proactive monitoring activities
- Activities for improving customer priority and importance

Internalization of Customer Satisfaction Management

- Customer satisfaction management training (companywide customer satisfaction leaders)
- Improvement program for underperforming departments

Satisfaction of Customers, Internal Customers, and Suppliers

- Proactive monitoring activities for customers, internal customers, and suppliers
- Activities for improving customers, internal customers, and suppliers' priority and importance

Training Programs for Underperforming Departments

Category	Details
Objective	Improve customer satisfaction by leveling up the customer satisfaction-oriented mindset and making improvements based on VOC
Target	24 teams that need to improve their customer satisfaction level in 2023 (Based on 2022 customer satisfaction survey results)
Schedule	2023.4.3 ~ 2023.4.7
Contents	Training on customer satisfaction theory (peak-end effect, proactive customer monitoring) and monitoring of major customer satisfaction activities of each team

We conduct various activities across all business sites to improve customer satisfaction. The company provide adequate training, such as customer satisfaction management theory and best practices in customer satisfaction management for the selected leaders from 128 teams who obtained high customer satisfaction rates. We also conduct customer related campaigns with customers three times a year, such as one-on-one VOC and expressing gratitude to customers and partners. HYUNDAI WIA also rewards teams/leaders with excellent customer satisfaction practices at the end of the year and continually improves the customer satisfaction.



Customer Satisfaction Leader Training in 2023

HYUNDAI WIA relentlessly strives to improve the quality of its services and products through regular customer satisfaction surveys, with "Customer First" as its core value. The customer satisfaction survey covers all products and services provided by HYUNDAI WIA, from the purchase stage to the product usage stage, including contract, salesperson, delivery, product performance, convenience, and after-sales service, for both domestic and overseas customers. In 2023, we achieved a customer satisfaction score of 84.8, a new business customer satisfaction score of 87.1, and an internal customer satisfaction score of 73.6.

Category	Satisfaction Survey Contents	
Client company	<ul style="list-style-type: none"> • Proactive of employees • Service and attitude 	<ul style="list-style-type: none"> • Customer support • After-sales service process
Internal customers	<ul style="list-style-type: none"> • Communication • Joint goals 	<ul style="list-style-type: none"> • Professional competencies • Work ethic and attitude

Satisfaction Survey Process



2023 Satisfaction Survey Results and Achievement Rate

Category	Cycle	Target	Actual	Target Attainment Rate	No. of Participants
Customer Satisfaction (CS)	Every year	85.8	84.8	98.8%	721
Internal Customer Satisfaction (ICS)	Odd-numbered years	76.4	73.6	96.3%	1,252

* Supplier satisfaction surveys are conducted in even-numbered years.

Customer Satisfaction Score

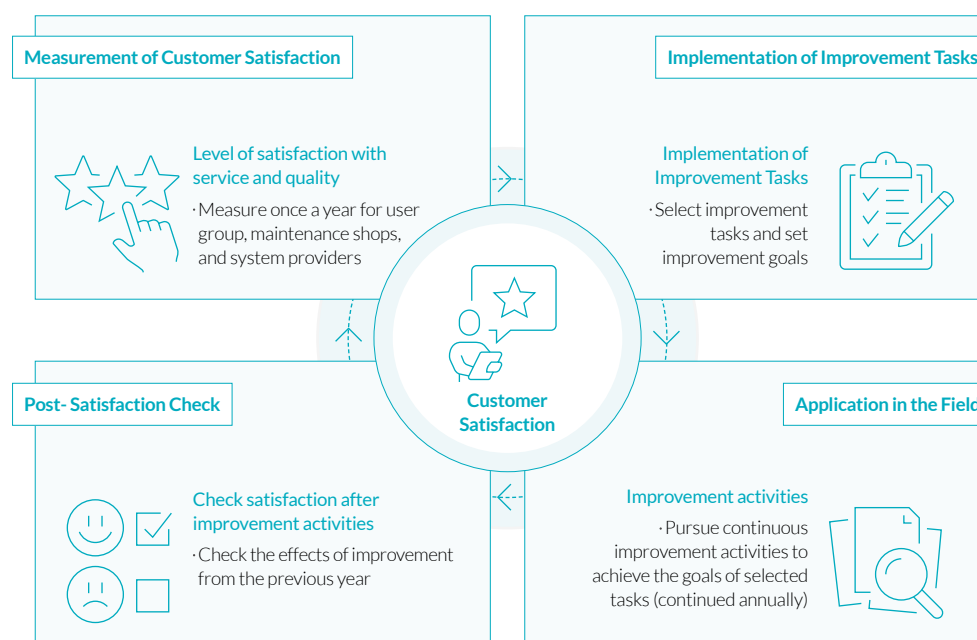


HYUNDAI WIA goes beyond simply conducting customer satisfaction surveys and actively improves the issues discovered to continuously boost customer satisfaction. By extending the proactive monitoring program to all teams, each division has formulated plans to enhance new technology design capabilities for proactive quality improvement and employees' capacity building. Additionally, the company maintains regular communication with suppliers to enhance their professional expertise.

Key Plans for 2024

Category	Key Plans
Customer Satisfaction (CS)	<ul style="list-style-type: none"> Strengthen quality and technical expertise Obtain more feedback on after-sales service and design quality
Internal Customer Satisfaction (ICS)	<ul style="list-style-type: none"> Strengthen professional expertise Strengthen interdepartmental communication

Customer Satisfaction Improvement Process



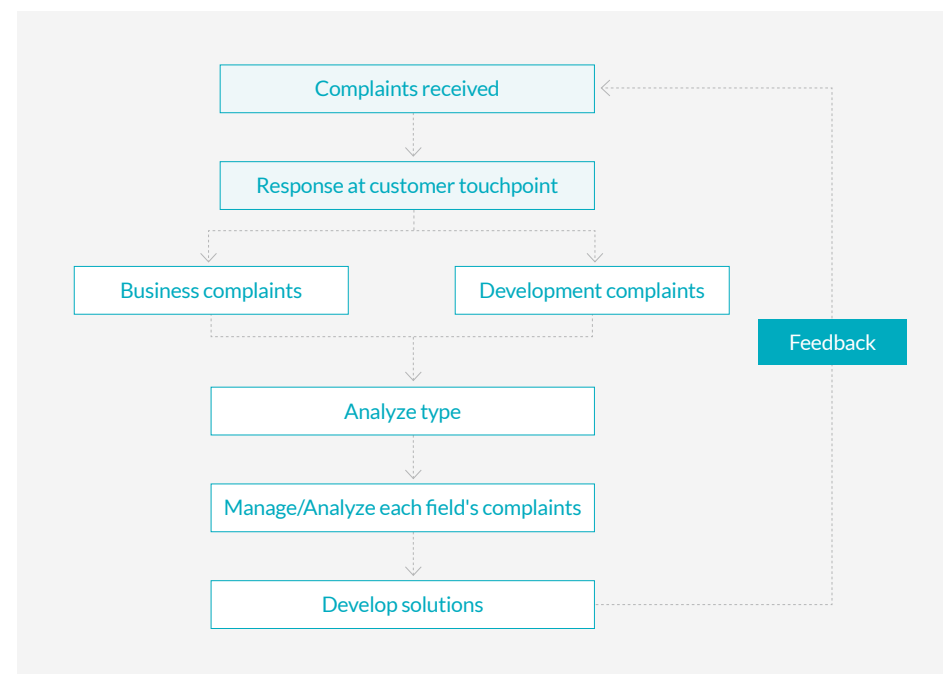
Voice of Customers (VOC) System

HYUNDAI WIA operates a VOC system to collect customer opinions. The system is designed and built to obtain customer perspectives as well as complaints effectively and pass them to the relevant departments immediately to resolve the issue. Each case is responded on one-on-one basis for customer convenience. The customers' opinions and complaints submitted through the VOC system are also reflected in our action plan to provide the optimal customer service.

VOC Operation Status

Category	Unit	2021	2022	2023
Received	cases	97	114	129
Processed		97	114	129
Processing Rate	%	100	100	100

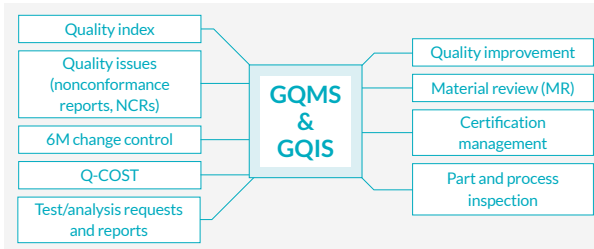
Customer Complaint Handling Process



Quality Management System

HYUNDAI WIA is concentrating on improving its capabilities for quality improvement by establishing “Ensuring good quality,” “Producing reliable products,” and “Improving quality costs” as key strategies. Internally, we operate quality information systems (GQMS/GQIS) to manage the quality history and build a quality system. By maintaining certifications associated with IATF16949, which is the quality management system standard for the automotive industry, ISO 9001, the quality management system standard for the machine tool sector, and KS Q9100 (Changwon Plant 1) and KDS0050-9000 (Changwon plants 1 and 2) for the special industry, we have laid the groundwork to ensure quality throughout all processes from product development to follow-up management across all business areas.

Quality Information Systems Quality Management System



CASE Study

KOREATECH & HYUNDAI WIA Partner up for Job Skills Improvement Program



In 2023, HYUNDAI WIA signed an educational agreement with Korea University of Technology & Education (KOREATECH) to improve employees' occupational skills. A technical training program consisting of about 500 different curricula (quality, materials, processing, control, big data, etc.) was created, and it is administered on an online platform. As a result of this partnership, HYUNDAI WIA employees will be able to receive the latest technical training, which is expected to further strengthen their job competencies.

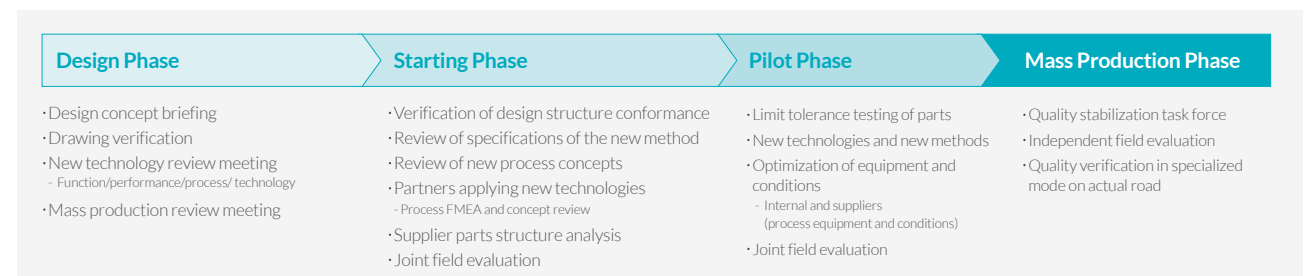
Quality Improvement Program

HYUNDAI WIA has secured industry leading quality competitiveness in the areas of automotive parts, machine tools, and defense business by setting forth a companywide quality policy and strengthening the quality system. The company is committed to continuing our quality improvement efforts even after the product purchase. This is practiced through corrective actions, implementing customer quality management processes, conducting satisfaction surveys, collecting customer complaints, and taking improvement measures to secure a competitive advantage and fulfill the customer satisfaction.



HYUNDAI WIA aims to stabilize the quality in the early stages of mass production by strengthening the quality verification system at the development stage of new technologies and new verification structures related to automotive parts. The company has enhanced the quality verification process for new technologies by strengthening design verification, process optimization, process joint review, and on-road specialized mode quality verification at each stage of development. Additionally, we have optimized the quality inspection stage for initial products of new vehicle models (18 steps → 7 steps) to improve the work efficiency of our company as well as our suppliers. The company is devoted to ensure internal quality by verifying parts and components based on reliability engineering (utilizing Weibull distribution analysis), and in 2023, five items were selected for improvements. Since 2020, we have been conducting basic, practical, and expert training annually to bolster reliability capabilities across the company. Moving forward, our focus remains on continuous quality verification and improvement activities to improve product reliability.

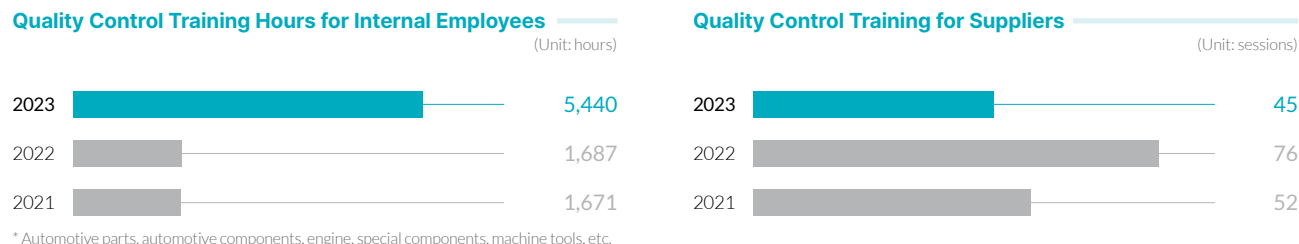
Quality Verification Procedure for New Technologies by Development Stage



HYUNDAI WIA conducts a thorough verification process for all raw materials purchased from first, second, and third-tier suppliers to maintain the quality level of products. Newly developed parts undergo ISIR inspection to examine raw material composition, material integrity and and to check harmful substances. Mass produced parts are inspected and verified according to a regular inspection plan established each year according to the inspection cycle. In case nonconformities found during the verification process, the nonconforming parts are isolated and the cause of the nonconformity is determined according to the nonconformity handling process, and corrective actions are taken to prevent recurrence. Automotive parts requiring security measures are inspected twice a year, while critical and general parts are inspected once a year. These measures underscore our commitment to ensuring product quality stability through systematic inspection and verification activities.



HYUNDAI WIA provides quality control training to our employees, thereby boosting their awareness of quality management. Those in charge of quality control are provided with more in-depth and detailed training through thematic quality training programs to improve their professional expertise. In addition, we seek to further improve quality control by offering specialized training and essential training related to each part's quality control to suppliers with poor performance or low score in quality awareness. In 2023, total of 45 quality training sessions were held for suppliers, and additional, quality training will be administered to 180 suppliers in 2024. Our commitment to advancing quality standards remains steadfast, as we persist in conducting training and quality improvement programs.



HYUNDAI WIA conducts a range of quality control improvement activities including system advancement and supporting suppliers' quality control management. We firmly believe that customer safety and satisfaction are only achievable through outstanding quality management. HYUNDAI WIA is committed to designing and implementing continuous quality improvement programs aimed at delivering superior products and services to a broader customer base.

Key Quality Improvement Activities in 2023

Category	Activities & Achievements
Proactive Quality Activities	Proactive quality assurance activities ahead of new business operations and new projects <ul style="list-style-type: none"> Thermal management: SE activities prior to TMS control development (HW/PCB design review and physical verification) RnA: Outdoor parking robot and DAL-e drawing/physical verification (improvement of drawing completeness) Special: Establishment of standards for quality assurance of major parts such as defense equipment and UAM
	Quality consulting activities for suppliers through expert groups <ul style="list-style-type: none"> 12 companies in 6 areas: Engine, Drive, CVJ, Module, Machine Tool, and Special Business (Worst Suppliers in 2022) 167 consulting cases (reanalysis of persistent issues, additional assessment of process control, etc.)
	Selection of special process (coating, heat treatment, non-destructive, painting) level-up targets and establishment of control standards <ul style="list-style-type: none"> Specialized processes (3 MIPs and 21 LPs): Establishment of control standards for each process and development of process checklists through on-site inspections
Smart Quality Activities	Systematization of IT-based quality work DX <ul style="list-style-type: none"> Digitization (8 items), increased work efficiency and effectiveness (5 items), and enhanced traceability of parts (5 items)
Specialized Quality Capabilities	Enhancement of predictive management capabilities through big data analysis <ul style="list-style-type: none"> Enhancement of HIPIS abnormal symptom prediction management system (derivation of abnormal symptom patterns), etc.
	Operation of quality and technical academy for capacity building of employees in relation to quality <ul style="list-style-type: none"> Regular collective training (18 times, 6 technologies, etc.) and online training (500+) based on agreements signed with KOREATEACH & NGV

Employees

Recruitment and Personal Growth Support

Recruitment

HYUNDAI WIA pursues sustainable growth by recruiting talented individuals with the characteristics of “WIAness” through data-based recruitment verification processes and strong recruitment branding power. The company strives to attract individuals with technological capabilities through on-demand recruitment of new and experienced employees, research scholarships as well as overseas recruitment. The recruitment process adheres strictly to relevant laws to protect sales confidentialities and ensure a fair hiring process. Interviewers receive training to prevent discrimination and maintain unfair practices. The company also conducts evaluations based solely on job competencies, thereby effectively eliminating biases related to gender, educational backgrounds, regional background, and other factors. The company fosters a positive employee experience through comprehensive onboarding programs, including internal mentoring and retention programs. Support is also offered throughout the employee lifecycle via systems like the Career Development Program (CDP), improved support infrastructure, and tailored programs for retirees.



CASE Study

Mentoring Presentation and CEO Dinner Meeting to Celebrate 100th Day of Employment



HYUNDAI WIA celebrated the 100th day of employment for new hires with a special event. This event featured presentations by new employees (mentees) and their superiors (mentors) on various topics. Following the presentations, a dinner meeting with the CEO offered new hires an opportunity to interact directly with company leaders. We plan to continue organizing diverse onboarding programs to support new employees to adapt to and grow together at our company.

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Reemployment Program for Skilled Workers

HYUNDAI WIA's reemployment program for skilled workers aims to offer retirees both a sense of belonging and financial stability in their post-retirement years. This program recruits eligible retirees for short-term contracts ranging from six months to a year, facilitating their transition into retirement and enhancing workforce diversity. In recent years, the program engaged 86 retirees in 2021, 76 in 2022, and 82 in 2023, contributing to a more diverse and experienced workforce.

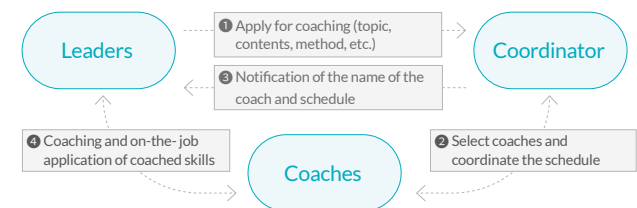
Supporting Personal Growth

HYUNDAI WIA is committed to enhancing organizational capabilities to drive future value. The efforts includes fostering a creative organizational culture, improving job expertise, boosting global competency, and developing talented leaders capable of adapting to evolving business paradigms such as integrated thermal management and smart manufacturing solutions. The company will continue to support employees' personal growth, equipping them to lead industry changes with innovative and creative thinking.

Strengthening Leadership Skills

In response to the challenging business environment, HYUNDAI WIA conducts early-bird seminars for management to strengthen their leadership capabilities. These seminars provide executives and team leaders insights from leadership and business perspectives. Trainings are also provided to potential team leaders to nurture key human resources early on. In addition, the Leadership Coaching Center was opened to address leadership issues in a timely manner and provide coaching solutions.

HYUNDAI WIA Leader Coaching Training



Early Bird Seminar for Top Management

Strengthening Job Competencies

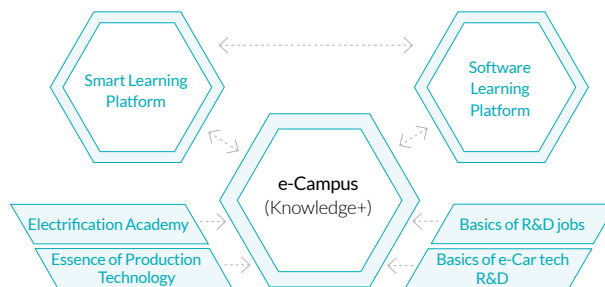
HYUNDAI WIA runs a wide range of job competency enhancement programs to strengthen employees' capabilities related to future technologies. We help our employee development through a range of core and future technology training programs. These include tailored training and specialized lectures for each division, technical insight lectures, digital transformation (DT) training, and the Big Data School. Additionally, the company provides job training via external educational institutions and our in-house Learning Cell system, fostering a self-directed learning environment. These initiatives are designed to strengthen technical capabilities of our employees and promote sustainable growth.

Key Activities on Strengthening Job Competencies

Job Training Field	Key Activities in 2023
Customized Job Training by Division	<ul style="list-style-type: none"> Quality and technical school Reliability engineer qualification program Training to improve purchasing capabilities
DT Training	<ul style="list-style-type: none"> Big Data Campus - Big Data School
Special Lectures on Technology Insights	<ul style="list-style-type: none"> Insight lectures at the Automotive Parts Research Center
Online Technical Courses	<ul style="list-style-type: none"> Smart learning platform Software learning platform
External Job Training	<ul style="list-style-type: none"> 504 courses (completed by 711 trainees)

HYUNDAI WIA has introduced "Smart Learning Platform," a continuous learning platform for job skills and software that help employees improve their job skills.

Platform Composition



HYUNDAI WIA conducts satisfaction surveys to improve the effectiveness of new employee training courses. These surveys enable a systematic evaluation of training outcomes, subsequently allowing for data-driven adjustments to course contents and development of more innovative training courses.

Measuring the Effectiveness of Onboarding Training for New Hire

Based on a maximum score of 5 points



Training Status in 2023 and Targets for 2024

Key indicator	2023 Status	2024 Target
Training hours	111,434 hours	115,000 hours
Number of trainees	39,754 persons	40,000 persons

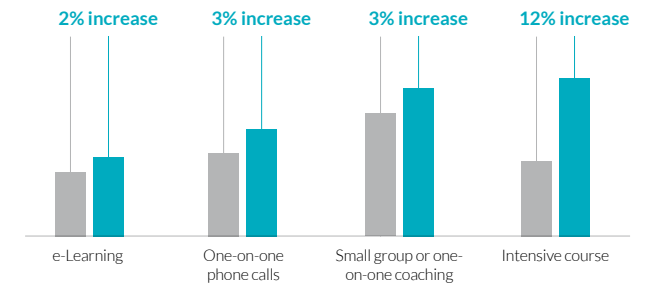
HYUNDAI WIA offers a wide range of in-house language courses and intensive language courses to help employees thrive in a global business environment. These offerings include small group sessions and video/telephone English classes. Additionally, we provide language contents to employees and organize language campaigns that to enhance their global competency along with the effort to foster a culture that values learning. The company is committed to continually developing and refining its global competence programs to cultivate employees with strong global leadership skills.



Measuring the Effectiveness of Internal Language Courses

■ Before the course ■ After the course

Changes in the SPA score change and after the course



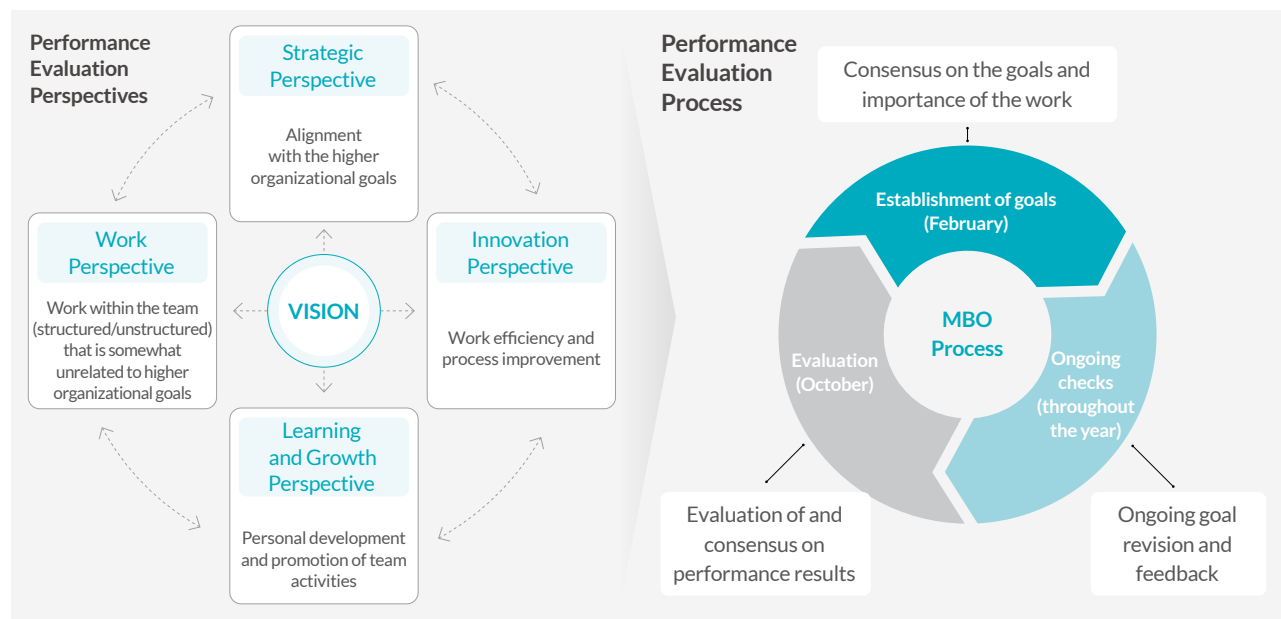
Direction of Job Competency Enhancement



Performance Evaluation and Compensation

Performance Evaluation System

HYUNDAI WIA is dedicated to fostering an environment where employees can focus on achieving their goals and developing their capabilities. This is achieved through obtaining employees with proactive performance management skills and implementing a personnel evaluation system that reflects the characteristics of each organization. HYUNDAI WIA's personnel evaluation system incorporates both performance evaluation-based KPIs and MBO* and competency assessments, which evaluate job-specific skills, leadership skills, and common skills. Employees set personal goals aligned the company's mission. The evaluation process is designed to ensure fairness and objectivity through ongoing regular feedback process and opinions from diverse employees.



* MBO: Management By Objectives

HYUNDAI WIA 2023 HR Evaluation (Performance/Competency Evaluation)

Category	Target (persons)	Actual (persons)	Evaluation Completion Rate
Performance Evaluation (General Employees)	1,899	1,899	100%
Competency Evaluation (General Employees)	1,773	1,773	100%
Performance Evaluation (Production Employees)	968	968	100%

* For employees hired mid-year, the decision to include them in the evaluation process is based on factors such as the evaluation period, the purpose of evaluation, and internal standards

Remuneration System

HYUNDAI WIA has developed a compensation system that ensures all employees are fairly evaluated and rewarded according to their performance- and competencies. This system is designed to be both reasonable and transparent accurately reflecting employee performance regardless of gender or nationality. This performance evaluation applies to various HR affairs including compensation, promotion, and job placement. The company is also pursuing sustainable management by reflecting ESG performance indicators in the performance evaluation of executives (C-level). By implementing reward systems, such as the Exemplary Employee Award and the Idea Suggestion Award, we are motivating employees and effectively implementing a performance-based HR policy.

Operation Status of HYUNDAI WIA Reward System in 2023

Award	Description
Contest awards related to CVJ/engine	• In recognition of strengthening company-wide cost competitiveness in the CVJ/engine sector and its excellent cases
R&D Innovation Challenge Award	• In recognition of outstanding R&D activities
Exemplary Employee Award	• In recognition of outstanding employees across the company
WIAness Award	• In recognition of best practices of WIAness
Safety Reporting Center Award	• In recognition of excellent safety reports
Risk Assessment Award for Excellent Department	• In recognition of departments for raising awareness of the importance of risk assessment as well as safety awareness
Customer Satisfaction Management Award for Excellent Team/Leader	• In recognition of teams/individuals for excellence in customer satisfaction and related activities
Excellence Award for Small Group in the Field	• In recognition of best practices in the field
Excellent Suggestion Award	• In recognition of profit improvement activities
[Group-wide] Idea Contest	• In recognition of Idea discovery innovative ideas in each area such as new business, marketing, production quality, and CSR
[Group-wide] Award for Change and Innovation	
Outstanding Employee Award for Strengthening Business Competitiveness	• In recognition of outstanding employees for strengthening business competitiveness

KPIs for C-level ESG

Transition to carbon neutrality (reduction of GHG emissions)	ESG performance management (external evaluation ratings), etc.
Strengthening of safety and health management	

Employee Diversity

Diversity Policy

HYUNDAI WIA has established a diversity policy to create an organizational culture where diverse talents can maintain a creative and enterprising mindset and contribute to boost an inclusive society. The company is committed to preventing discrimination based on gender, race, ethnicity, nationality, cultural background, disability, age or religious beliefs ensuring a work environment where employees from all backgrounds feel valued and included. To advance these goals, HYUNDAI WIA aims to increase proportion of female employees to 6.58% and employees with disabilities to 3.1% by 2030. We remain dedicated to enhancing workplace diversity and promoting an inclusive culture.

[Diversity Policy](#)



International Women's Day Event (Shandong)

HYUNDAI WIA ERG* Activities

HYUNDAI WIA encourages ERG activities that enable employees with common interests in diversity and inclusion and from diverse backgrounds to interact with one another and share their cultures.

* ERG: Employee Resource Group (exchanges among employees and stakeholders from diverse backgrounds)

Category	Major Activities & Details
Women ERG	HYUNDAI WIA, which supports the growth of employees both domestically internationally, held "Women's Networking Day" in 2023 to commemorate International Women's Day and bring female employees together for discourses and communication.
Foreign/Overseas ERG	To foster a culture that respects local culture and local employees, various activities are carried out to celebrate local traditional events such as Ayudha Pooja Day* in India. In addition, the company actively promotes communication and interactions between Korean employees and local employees.
Elderly ERG	The company assists in planning employees' post retirement lives and provides ongoing support through continuous communication and engagement among retirees.

* Ayudha Puja: A religious celebration in India



Ayudha Pooja Day

Organizational Culture and Employee Welfare

Direction of Organizational Culture Change: WIAness

HYUNDAI WIA is striving to foster organization with greater flexibility to ensure that all employees can actively engage in their roles and achieve results independently as we move towards the future of mobility. To support this transition, the company is emphasizing guiding our team with a focus on WIAness and materializing our vision through the value generated by their contributions.



Regular Checkup on Organizational Culture

HYUNDAI WIA participates in the annual Culture Survey conducted by Hyundai Motor Group. The results of the 2023 Culture Survey have shown that employees need to feel confident in their personal growth to help drive organization progress. Leaders are therefore encouraged to actively support employees personal development by sharing their experiences. Moreover, the survey underscored the importance of bold initiatives and ongoing communication with employees during business transition period. Keeping employees informed about the company's strategic changes helps foster a positive outlook about the company's future and to allow them to feel and experience tangible progress.

Results of the Culture Survey

(Unit: points)

Category	2021	2022	2023
Score	76.4	74.2	78.5

Organizational Culture Programs

A number of organizational development programs are in place for employees to understand and agree with the company's direction and experience tangible changes. We are striving to create a corporate culture where employees lead changes and generate outcomes based on positive experiences.



WIA Awards

Organizational Culture Programs in 2023

Program	Description	Result
Vision Wave	A communication program for leaders to share their thoughts and promote communication platform	<ul style="list-style-type: none"> Strengthened connection and consensus of the company, leaders, and members Bilateral communication
Culture Newsletter	A newsletter published to share corporate culture activities and spread messages of the changes	<ul style="list-style-type: none"> Improved communication among members and fostered better understanding of the direction of change
CEO Letter	Letters from CEO issued with employees' participation	<ul style="list-style-type: none"> Form employees' interest and consensus over company's vision and management boards' perspectives Active participation and communication
Reverse Mentoring	Mentor (junior)-mentee (executive) reverse mentoring program	<ul style="list-style-type: none"> Respect for diversity, new perspectives, and understanding among different generations
Culture Messenger	Operation of change assistant (CA) for each organization	<ul style="list-style-type: none"> Execute programs that fosters positive change based on organizational characteristics and VOE (Voice of Employee) and improve experience of changes
WIAness Praising Center	Online praise and thank-you letters sent between members based on the keywords of WIAness and discovery of best practices	<ul style="list-style-type: none"> Improve work engagement based on positive feedback Encourage members to praise and recognize one another and motivate to practice of WIAness
Seasonal events	Events tailored to each season that help revitalize the organization and allow family participation	<ul style="list-style-type: none"> Positive experiences for members and a sense of belonging and pride through family participation events
Internalization of WIAness by each division	A program for the internalization of WIAness tailored to the characteristics of each division	<ul style="list-style-type: none"> Increase awareness on the importance of WIAness and let employees to experience the changes that comes from exemplary practices
WIA Awards	End-of-the-year awards ceremony featuring the presentation of awards and the sharing of best practices	<ul style="list-style-type: none"> Strengthen positive experiences for members, instilling pride, and spreading WIAness
Project to Change the Way We Work	A collaborative tool to foster sense of team spirit, mainly focuses on close communication and collaboration	<ul style="list-style-type: none"> Faster feedback and decision-making Pursuit of collective intelligence
Assessment of the organization and improvement of issues	Workshop to assess the organization to determine the current issues and to set the direction of improvement	<ul style="list-style-type: none"> Identifies internal issues and derivation of directions of improvement

Supporting Employee Welfare

HYUNDAI WIA is a certified to be a Family-Friendly Company. We implements a flexible working system that includes telecommuting and flexible working hours to allow employees to maintain work-life balance and maximize work efficiency. To support a family-friendly work environment, we provide a comprehensive welfare and benefit system encompassing life security, leisure, and healthcare support. The company also continually improve in-house welfare facilities based on regular satisfaction surveys. For instance, we expanded the capacity of the Changwon Workplace Daycare Center from 49 kids to 69 kids and built an outdoor playground. We remain committed to fostering a family-friendly corporate culture and strive to ensure that employees feel highly satisfied.

Category	Description
Working Hours	<ul style="list-style-type: none"> Flexible working hours: Flexible working hours within the limit of 52 hours per week and flexible start and end times Remote work: Adopt autonomous work condition, beyond just to prevent the spread of COVID-19
Maternity, Paternity, and Childcare Support	<ul style="list-style-type: none"> Reduced working hours during pregnancy: Reduced working hours by 2 hours per day (within 12 weeks of pregnancy and after 36 weeks) Prenatal checkups: Paid time-off for prenatal checkups during pregnancy Maternity/paternity leave: Time off for the birth of a child (90-day maternity leave and 10-day paternity leave) Parental leave: Up to two years of parental leave per child up to age 8 or in second grade Reduced work hours for childcare: Reduced work hours to ease the burden of raising children (15 to 35 work hours per week) Fertility treatment leave: 3 days off per year for fertility treatment (1 day paid and 2 days unpaid) Family care leave: Time off to take care of a family member such as a child and parent (90 days per year) Operation of a daycare center in the workplace
Vacations	<ul style="list-style-type: none"> Summer vacation: 5 days of summer vacation in addition to annual and monthly leaves Long-term service reward: Vacation, reward money, and souvenir (gold medal) in 5-year increments for 10 to 35 years of long-term service

Category	Description
Living Support and Benefits	<ul style="list-style-type: none"> Housing and dormitory Jeonse (rental deposit system in Korea) and housing fund and financial aid for vehicle purchases Pension plan for all employees who have work for the company for at least a year Four major insurances and group marine insurance for all employees, including indirectly hired workers Weekly two-shift point system (250,000 points accumulated semi- annually)
Cultural and Leisure Activities	<ul style="list-style-type: none"> Use of vacation facilities (condominiums, resorts, etc.) Welfare points for artistic and cultural activities and personal development Sports fields, gyms, and clubs
Medical and Health	<ul style="list-style-type: none"> Regular medical checkups and comprehensive medical examinations EAP psychological counseling program Medical center within the company Medical expenses for employees and their families: Financial aid for 60% of medical expenses under KRW 1 million and 100% of medical expenses over KRW 1 million
Child Education Expenses	<ul style="list-style-type: none"> Financial aid for children's tuitions Financial aid for educational expenses for children with disabilities
Hygiene & Sanitation	<ul style="list-style-type: none"> Personal protective equipment: Provision intervals vary by item Workwear Outsourced laundry service
Other Support	<ul style="list-style-type: none"> Domestic business travel expenses: Up to KRW 80,000 for accommodation and KRW 40,000 for travel expenses per day Overseas business travel expenses: Depends on the country

CASE Study

HYUNDAI WIA celebrates Family Month with employees' children

On May 4, HYUNDAI WIA held a special event at the main building of HYUNDAI WIA Changwon Plant 1, inviting the children from HYUNDAI WIA Daycare Center to celebrate the Family Month.

The children had a delightful time participating in a range of activities with their parents on the lawn in front of the main building. They explored their parents' work environment firsthand, played with their friends on the spacious lawn, and enjoyed a memorable tour of the company.

This event provided employees with the opportunity to create lasting memories with their families, significantly enhancing the company's family-friendly atmosphere. Moving forward, we plan on continuing to develop the family-friendly corporate culture by offering various programs that employees can enjoy with their families.



Special event for the kids from HYUNDAI WIA Daycare Center

Labor Relations and Communication

Employee Communication

HYUNDAI WIA has established cooperative labor-management relationship rooted in mutual trust and understanding between the company and its employees. This strong foundation has enabled the company to maintain 29 years of excellent labor-management relations without any disputes. By consistently fostering cooperation and open communication, HYUNDAI WIA has built trust and practices transparent management.

Key Employee Communication Activities in 2023

Communication Activities	Description
Bargaining & Consultation	Collective bargaining <ul style="list-style-type: none"> • Negotiate wages and collective agreements and improve the work environment
	Operation of labor-management council <ul style="list-style-type: none"> • Hold regular and ad hoc labor-management consultations • Handle grievances concerning HSE, etc., promote employee welfare and improve productivity, etc.
	Employment Stability Committee <ul style="list-style-type: none"> • Announce and negotiate performance and business plan of each business area • Share information between labor union and management and negotiate terms for mutual benefit through regular negotiation sessions to discuss employment security and production
Communication & Sharing	Activities to strengthen shared labor-management communication <ul style="list-style-type: none"> • Hold regular meetings for each level of union members • Subdivide labor-management communication channels and conduct activities tailored to each generation
	On-site communication <ul style="list-style-type: none"> • Conduct field tours and meetings with management • Support for internal clubs and gatherings
	Information sharing and PR activities <ul style="list-style-type: none"> • Share business operational performance and industry information through regular management briefing sessions • Share information such as industry trends and common issues through the newsletter publication
Revitalization of organizational culture	Promotion of club activities <ul style="list-style-type: none"> • Support internal clubs and encouraging employees' active participation
	Support for on-site technical training <ul style="list-style-type: none"> • Provide information and opportunities to obtain on-site technical training
	Joint labor-management social contribution activities <ul style="list-style-type: none"> • Conduct 1% Miracle and volunteer activities

Collective Bargaining

HYUNDAI WIA labor relations respect the three labor rights of workers and strictly comply with relevant laws and regulations to ensure the sound maintenance of working conditions and the improvement of workers' economic and social status. Based on this, collective bargaining is allowed in accordance with relevant laws and collective agreements, and both labor and management actively cooperate to reach amicable agreements through reasonable suggestions and constructive discussions.

* Based on domestic offices and plants



Labor-Management Council

HYUNDAI WIA's labor-management discussions go beyond collective bargaining and include regular or ad hoc Labor-Management Council and Occupational Safety and Health Committee meetings for in-depth discussions of major issues related to employee welfare improvement, grievance handling, and workplace safety and health.

The Future Employment Strategy Committee was formed to strengthen sustainable competitiveness in response to the rapidly evolving industrial environment. Following its inaugural meeting in December 2022 and in May 2023, the committee discussed the status and challenges of the company's future business areas and explored future strategic directions. This initiative aims to ensure the successful launch and operation of new businesses while maintaining excellent quality. In addition, the Employment Stability Committee consisting of members of top management and the labor union meet together each month to discuss the business performance across various areas of business as well as related issues to improve productivity and efficiency of personnel management.

Sharing Information and Building Consensus

HYUNDAI WIA pursues effective communication and harmony within the organization through a range of labor-management activities. Management briefings are held to share future business strategies and vision with employees, promoting mutual understanding and enhancing the company's competitiveness. Additionally, on-site sub-groups are formed to represent each business unit, focusing on reducing costs and boosting product competitiveness by improved productivity and work standards.

To disseminate and implement ideas and productivity improvement measures in these small groups, we hold small group competitions, which contribute to improving employees' satisfaction with the organization as well as work engagement. Furthermore, HYUNDAI WIA is committed to nurturing a creative and horizontal labor-management culture by holding joint labor-management workshops and supporting club activities.

CASE Study

HYUNDAI WIA holds joint labor-management safety workshop

HYUNDAI WIA hosted the Joint Labor-Management Safety Workshop in the media hall of Changwon Plant 1 in Gyeongsangnam-do Province. This event aimed to reinforce commitment to workplace safety. Representatives from labor and management, including Jaewook Jung, President of HYUNDAI WIA, and Min-sik Choo, President of the HYUNDAI WIA Chapter of the Korea Metalworkers' Union, attended the ceremony and presented the Joint Labor-Management Safety Declaration. This declaration focuses on fostering a robust safety culture, labor-management cooperation, ensuring company support for safety controls, and encouraging active participation by the labor union in safety enhancement efforts. HYUNDAI WIA is dedicated to continuously enhancing safety-related systems and raising safety awareness to ensure a healthy and secure environment for all employees.



Human Rights Protection

Human Rights Management

HYUNDAI WIA Human Rights Charter was established in July 2020 to actively implement human rights management, prevent human rights violations, and mitigate related risks in business operations. To implement human rights management, we comply with international standards and guidelines related to human rights and labor, including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the Constitution of the International Labor Organization, and the OECD Due Diligence Guidance. We have established ten basic principles in our Human Rights Charter to ensure that all business sites share the common goal of respecting human rights and to implement specific human rights programs.

We are also striving to protect and respect the human rights of our employees as well as all other stakeholders by clarifying the management system for human rights.



Mid- to Long-Term Goals for Human Rights Management

HYUNDAI WIA has established mid- to long-term goals for human rights management and is systematically moving forward to achieve them.

Present	Mid- to Long-Term Goals
<p>Establish the human rights management system</p> <ul style="list-style-type: none"> - Establish and declare the Human Rights Charter - Identify potential risks through human rights impact assessment - Take action to address identified human rights risks <p>~2023</p>	<p>Update the human rights impact assessment and due diligence indicators</p> <p>Conduct a company-wide briefing on the human rights impact assessment results annually</p> <p>Expand the scope of human rights education beyond the compulsory education required by the law</p> <p>2024~2027</p>

Implementation of the Human Rights Charter

All employees of HYUNDAI WIA are required to comply with the “Basic Principles of the Human Rights Charter” in performing their duties. The scope of employees includes executives and regular and non-regular employees, as well as employees of domestic and overseas plants and sales companies, subsidiaries, sub-subsidiaries, and joint ventures. Our employees must observe the human rights policy when dealing with suppliers and sales & service organizations. We encourage all stakeholders to respect the human rights policy. If our human rights policy does not align with local laws and regulations, the local laws and regulations prevail. The human rights policy may be revised to reflect the relevant laws and regulations and industry characteristics, or a separate policy may be established, if necessary. Unless otherwise specified by the provisions in the laws and regulations of the country concerned or the organization’s articles of incorporation or internal regulations, all employees of HYUNDAI WIA are required to perform their duties in accordance with the human rights policy.

Basic Principles of HYUNDAI WIA Human Rights Charter

1. Prohibition of child labor and forced labor
2. Prohibition of discrimination and workplace bullying
3. Compliance with working conditions
4. Humane treatment
5. Guarantee of freedom of association and collective bargaining rights
6. Guarantee of occupational safety & health
7. Protection of the human rights of local residents and vulnerable groups
8. Protection of the human rights of customers
9. Responsible supply chain management
10. Guarantee of environmental rights

[Human Rights Charter](#)



Human Rights Risk Management

Human Rights Impact Assessment Management System

HYUNDAI WIA respects the human rights of all employees and stakeholders and implements human rights management aligned with the Human Rights Charter to mitigate risks.

The company provides training and systems to address these risks related human rights and fosters a culture of respect within the organization. The ESG operations, including human rights risks, are regularly reported to the Board of Directors for ongoing risk management.

Human Rights Impact Assessment Process



Human Rights Risk Impact Assessment

HYUNDAI WIA conducts human rights impact assessments to identify human rights risks related to human rights management and discrimination. Although no human rights risks were identified in the written assessments and additional individual interviews at all workplaces, we plan to further refine and upgrade the inspection process to minimize human rights risks. Through such efforts, we expect to build a more advanced human rights management system in our organization.

Workplaces Subject to Human Rights Impact Assessment

Category	Unit	All Business Sites	Target Business Sites	Implementation Rate
Domestic Business Sites	companies	9	9	100%
Overseas Business Sites	companies	12	12	100%

Implemented across all business sites: 9 domestic sites and 12 overseas locations (Production Subsidiaries/Sales Subsidiaries/Branch Offices)

Overview of Human Rights Impact Assessment

Category	Details
Period	March 25, 2024 ~ April 19, 2024
Questions	① Human rights management system ② Non-discrimination in the hiring process ③ Prohibition of forced labor ④ Prohibition of child labor ⑤ Guarantee of occupational safety & health ⑥ Prevention of workplace bullying and abuse of power and authority
Results	Overall awareness of human rights deemed to be very good, with a positive response reaching 96.4%.

Activities to Prevent Human Rights Risks

HYUNDAI WIA educates all employees across the company on human rights to foster a corporate culture where human rights are respected. We have been working on raising awareness about the importance of respecting human rights. This initiative started with the ESG Management Mindset Training in 2021, followed by the Online Training on Environment, Occupational Safety, Ethics, and Human Rights (Sexual Harassment and Workplace Bullying) for all employees in 2023. Together with our employees, as well as all stakeholders, we will uphold and protect human rights and make further efforts to prevent any unfair discrimination.

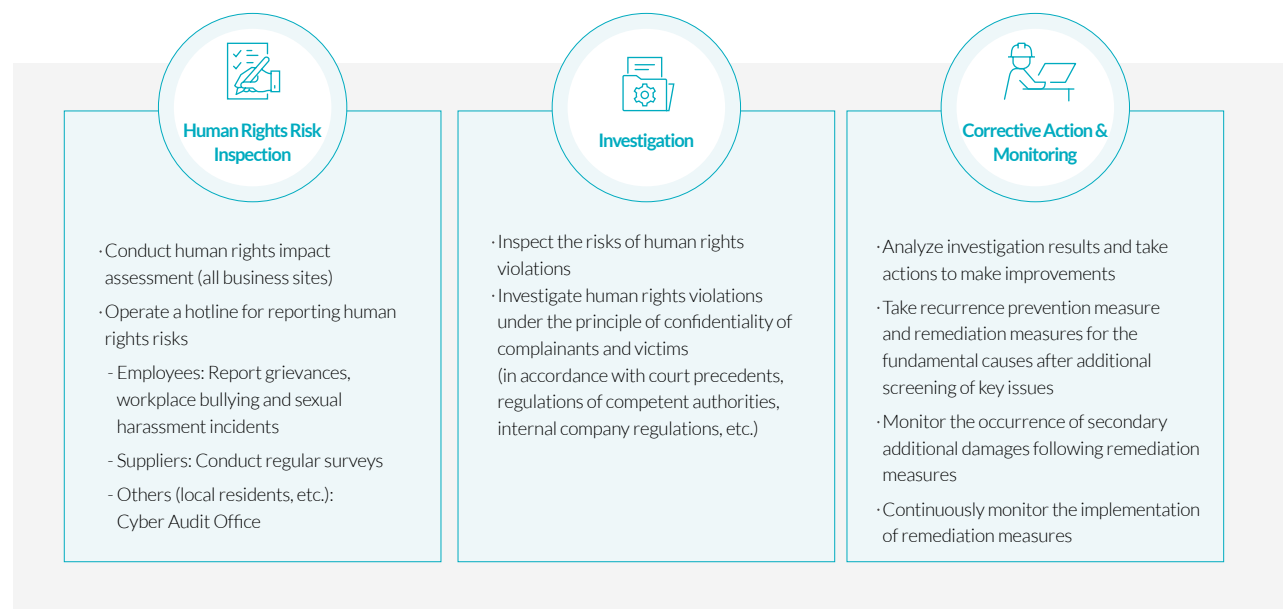
Operation of Human Rights Education Programs

Category	Unit	2021	2022	2023
Education to prevent sexual harassment	persons	3,060	3,058	3,054
Education to prevent workplace bullying	persons	3,060	3,058	3,054
Education to raise awareness on disability	persons	3,060	3,058	3,054

* Education was provided to executives and employees in Domestic

Human Rights Risk Management

HYUNDAI WIA is making various efforts to spread a culture of respect for human rights among employees and all stakeholders. In addition to the human rights impact assessment, we are operating a hotline for employees and all stakeholders to report human rights, corruption, corporate ethics violations, and unreasonable practices. In addition, we conduct regular surveys on our suppliers to dedicate ourselves to human rights management. In 2023, we conducted an on-site inspection for 10 reported cases of identified human rights risks and took actions to make improvements and resolve the reported grievances. Then, we conducted additional inspections for potential issues and human rights risks. In the case of serious violations, disciplinary action was taken against the perpetrators and after receiving a pledge to avoid such violations, they were transferred to a different department to prevent recurrence.



Employee Grievance Handling in 2023

Category	Unit	2023
Reports Received	cases	10
Reports Handled	cases	10
Grievance Handling Rate	%	100

Management of Potential Human Rights Issues

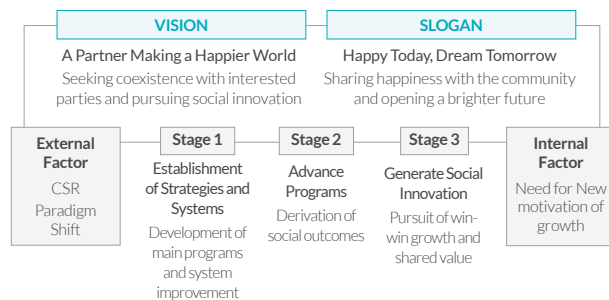
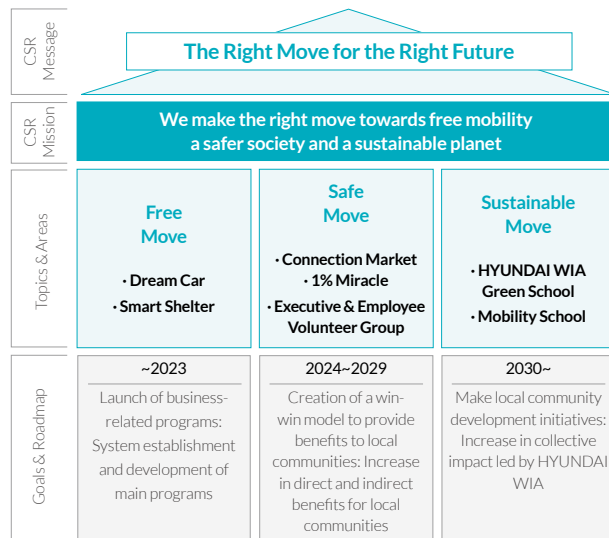
With respect to potential human rights issues, we take our stakeholders into consideration and carry out ongoing remediation activities to prevent human rights issues from occurring.

Potential Human Rights Issue	Stakeholder	Response
Human rights management system	Employees, Suppliers, Local residents	<ul style="list-style-type: none"> · Human rights impact assessment · Human rights risk management (hotline operation) · Establishment and management of the Human Rights Charter
Compliance with working conditions	Employees, Suppliers	<ul style="list-style-type: none"> · Signing of labor contracts · Implementation of flexible work system · Management of working hours and implementation of employee welfare programs
Prohibition of forced labor and child labor	Employees, Suppliers	<ul style="list-style-type: none"> · Prohibition of contracts that violate the Labor Standards Act
Prohibition of workplace harassment	Employees	<ul style="list-style-type: none"> · Education to prevent workplace bullying · Education to prevent sexual harassment in the workplace · Counseling on workplace bullying, sexual harassment, and grievances reported by employees
Guarantee of occupational safety & health	Employees, Suppliers	<ul style="list-style-type: none"> · Regular checkups for employees
Guarantee of freedom of association and collective bargaining	Employees	<ul style="list-style-type: none"> · Compliance with the Labor Relations Act · Operation of a labor union · Signing of collective agreements based on collective bargaining
Environmental protection	Local residents	<ul style="list-style-type: none"> · GHG reduction activities · Strict management of wastewater and hazardous substances

Corporate Social Responsibility

CSR Strategies and System

HYUNDAI WIA is bringing value to society through social contribution programs that utilize resources, manpower, and technical capacity. Based on the CSR promotion strategy devised with the nature of our businesses in mind, we are systematically carrying out activities to tackle climate change, nurture communities, promote mobility, and allow employees to contribute to society.



CSR Programs

FREE MOVE

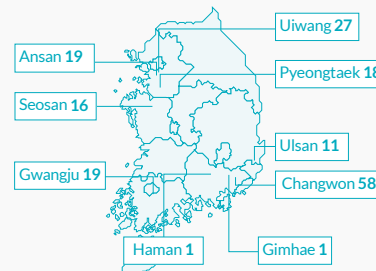
HYUNDAI WIA aims to enable everyone to enjoy the unrestricted mobility. To this end, we are endeavoring to create an environment where everyone can go anywhere they wish with ease and help those with mobility difficulties to travel comfortably anytime, anywhere, without any constraints.

Mobility > Dream Car

Dream Car is a program that donates vehicles to neighbors with mobility challenges. Since 2013, we have delivered a total of 170 welfare vehicles, including special vehicles equipped with wheelchair lifts and mobile bathing vehicles, to welfare facilities. Through this program, we aim to create a world where everyone can move and travel conveniently. We will continuously create added value such as reducing transportation costs and travel time to increase productivity for those in our communities who face difficulty getting around.



No. of vehicles provided



Vehicles provided
170 vehicles
(2013 ~ 2023)

Barrier Free > Smart Shelter

HYUNDAI WIA is setting up smart shelters for the mobility handicapped in connection with the Changwon City S-BRT project. The smart shelter has a waiting area for those using wheelchairs, a boarding notification button for people with disabilities, and an automatic door, which greatly enhances the mobility of those with difficulties in mobility. It is equipped with convenient features such as heated chairs, an air purification system, and an air conditioner for users to avoid the scorching heat in summer as well as snow, rain, and fine dust, greatly improving convenience.



SAFE MOVE

HYUNDAI WIA envisions a more beautiful world filled with the joy of sharing and togetherness. HYUNDAI WIA shares its abilities and resources, providing warmth beyond language and cultural barriers, allowing people to experience the value of sharing and leading to a brighter future.

Win-Win Partnership with Farms > Connection Market



Connection Market is a win-win project with local communities and rural areas. To promote the sale of high-quality local agricultural products, we held a farmers' market to offer quality products to our employees and underprivileged neighbors, while providing a marketplace for farmers. Going forward, we plan on monitoring the increase in income for local farmers to help lay the foundation for growth and self-reliance. We aim to create a virtuous cycle of supporting local farmers to build competitiveness by farming new varieties of crops and fostering young farmers to slow down the population decline in rural areas.

Benefited Farms

20 locations

Beneficiaries

580 people

Protection of Socially Vulnerable > 1% Miracle



1% Miracle is HYUNDAI WIA's signature social contribution program where employees voluntarily donate 1% of their salary as a way to give back to the community.

In 2023, 1,112 employees participated in various charitable activities, including "Providing New School Bags for Low-income Children," "Installing Insect Screens for Low-income Families with Disabilities," "Supplying Summer Blankets for Low-income Elderly Households," "Donating Large-capacity Washing Machines to Child Care Facilities," and "Providing Winter Supplies for Low-income Elderly Households." Through the 1% Miracle activities, Hyundai WIA is spreading the 'value of sharing' as a universal value across society, beyond just contributing to the local community.

HYUNDAI WIA is not only contributing to local communities through the 1% Miracle program, but also spreading the value of sharing as a universal value in society.

Beneficiaries

7,225 people

Protection > Executive & Employee Volunteer Group



The HYUNDAI WIA Executives and Employee Volunteer Group wholeheartedly go to places where help is needed. The group operates on voluntary participation by employees and their families who have a sense of social responsibility.

The volunteers take care of abandoned dogs at animal shelters by cleaning the shelter bathing and walking them. They also bake cakes to present to children celebrating their birthdays, visit farmers struggling with labor shortages, and engage in plogging (jogging while picking up litter) to clean up Wangsong Lake in Uiwang, Gyeonggi-do Province. Through these activities, HYUNDAI WIA employees share positive experiences with their neighbors to contribute to a happier society.

Participants

265 people

SUSTAINABLE MOVE

Enhancing the next generation's education holds immense value. HYUNDAI WIA recognizes that fostering talent is vital for the sustainable growth of our world and industry. As we provide more educational opportunities, we unlock people's potential. HYUNDAI WIA is committed to providing extensive learning opportunities for children as they grow up.

Future Generation > Mobility School



Mobility School is a program aimed at nurturing local talent by providing students with hands-on experience in future mobility technologies such as building robots and cars. The curriculum includes advanced technologies that are not typically available in standard school courses. In 2023, the program was held over eight weeks for middle schools in Changwon, Gyeongsangnam-do Province and Uiwang, Gyeonggi-do Province. Students collaborated with experts to develop smart manufacturing solutions, including collaborative robots, logistics robots, and automotive systems like heat management and drive systems. They showcased their creativity and passion for learning through competitions. The program aims to help students explore potential careers in the manufacturing industry and develop strong professional values. In the long term, our goal is to actively support local students in pursuing relevant majors and securing employment or founding startup companies in related fields.

Participating Schools Participating Students
6schools **200**students

Eco-friendly > HYUNDAI WIA's Green School



HYUNDAI WIA Green School is a program where forests are created on school grounds as a way to help promote the health of children who are especially vulnerable to the harmful effects of fine dust and to contribute to conserving biodiversity. Since 2019, we have supported a total of six schools. In 2023, we transformed Wolgok Middle School in Gwangsan-gu, Gwangju, into a Green School. We planted approximately 4,000 plants from 80 different species on a 1,000m² site. Notably, we planted 60 endangered wetland plants, including cowbane (*Cicuta virosa*) and bogbean (*Menyanthes trifoliata*), which are classified as Class 2 endangered wild plants by the Ministry of Environment. In addition, we set up a "school forest" as a rest area with shade trees and chairs for students and local residents to enjoy. The creation of the school forest was a collaborative effort involving Wolgok Middle School students and staff, as well as local residents from the planning stage. We also developed a webpage to keep records of the school forest's biodiversity for participants to observe and document the forest's growth. The greenery at the school is helping to increase carbon storage and induce the growth of rare plants. It also helps to improve students' understanding of biodiversity and the environment through nature experience programs. We aim to plant two endangered species and achieve a cumulative planting rate of 500% in the next five years on vacant land at local schools.

Schools Supported(Cumulative) Students Supported(Cumulative)
6schools **2,029**students

GLOBAL

HYUNDAI WIA conducts global social contribution activities through overseas business sites, including Shandong and Jiangsu in China and Chennai in India to bring value to society, while communicating with stakeholders.

Category	Major Activities in 2023
HYUNDAI WIA India	- Built toilets in a local girls' high school - Built 40 toilets to date, with 20 more to be built in 2023
Shandong HYUNDAI WIA	- Donated air conditioners, non-slip mats, etc. worth CNY 12,000
HYUNDAI WIA Mexico	- Organized a bazaar to collect donations and visited local nursing homes and orphanages
Jiangsu HYUNDAI WIA	- Conducted a blood donation campaign

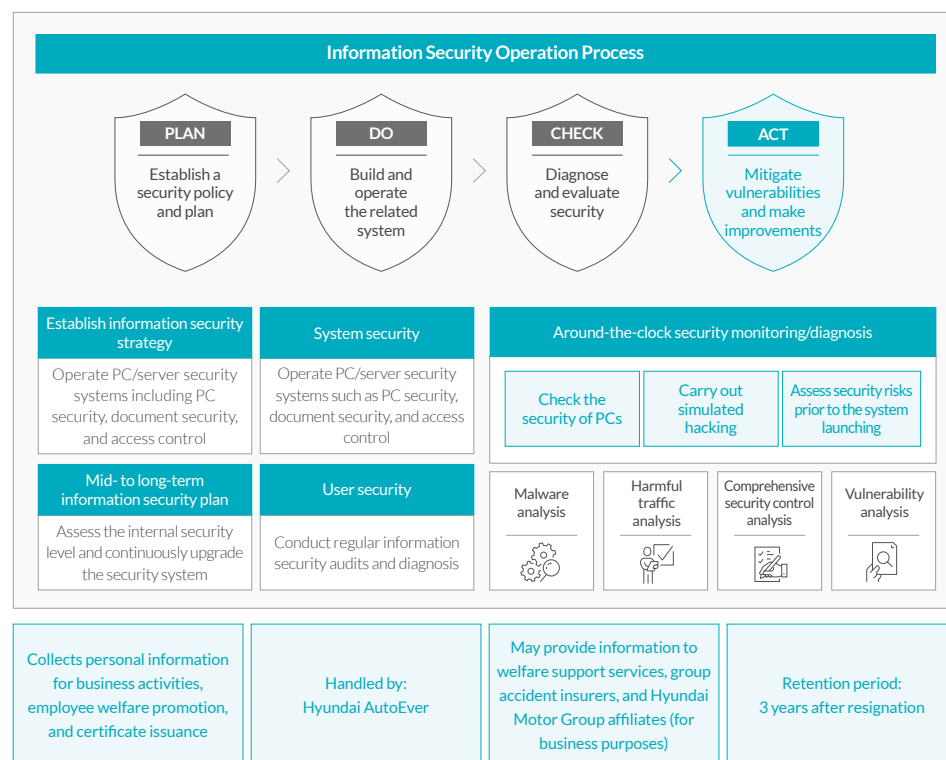


Information Security

HYUNDAI WIA has established an information security operation process to strengthen information management. By establishing security policies, building and operating related systems, and mitigating vulnerabilities found in security diagnosis and evaluation, the company is continuously striving to strengthen stakeholder trust and protect employees' personal information.

[Information Security Policy](#)

Information Security Operation Process and Privacy Policy



Protection of Personal Information

HYUNDAI WIA highly values our customers' personal information. To ensure the protection of personal data and to address any related complaints, we have established a dedicated personal information management department and appointed a privacy officer. These individuals are tasked with monitoring and preventing any unauthorized use or disclosure of personal information, as well as safeguarding it. Our commitment to enhancing our privacy policy is evident through the establishment of procedures aimed at revising the policy when necessary.

At the department that process personal information, only designated personnel can utilize personal information for business purposes in accordance with the relevant principles and procedures.

All personal information is collected based on the privacy agreement that clearly states the information provider must be informed about the purpose of collection, collected information, retention period and whether the information is provided to a third party.

The collected information is managed safely with the application of technical security measures such as encryption and anti-hacking measures, and information providers can request modification and deletion of their personal information at any time via the personal information processing department.

Privacy Training

An important aspect of information security is employee awareness. To enhance employee understanding of the significance of information security, we conduct ongoing information security training. This includes annual training for all employees and leaders, as well as the provision of various training materials such as videos and webtoons at least once a month. We strive to maximize the effectiveness of training by providing differentiated information security training according to the job position and duties. Additionally, we continuously offer trainings for new employees, experienced employees, and expatriates to keep all employees up to date with the latest information security knowledge.

Category	2023 Information Security Training
Target	A total of 1,773 trainees including 129 heads of organizations and 1,644 team members
Date	May and November in 2023
Topic	Enhance information security and cyber threat response capabilities of the organization through security training (e-mail security, ransomware and social engineering attack prevention training, etc.)

Information Security Activities

We are aware that information leakage in the global machinery industry could significantly impact the company's operations and assets. With this in mind, we remind our employees about the importance of information security through the Information Security Declaration and carry out related activities based on the Information Security Manual.

We designate "Security Day" once a month to internalize security awareness through team or departmental self-checks and training. Aside from the "Security Day" event, we address the vulnerabilities of our information security system through a "Random Security Check" by the security department and continuously invest in the field of information security.

We evaluate the information security compliance rate of each department and reward the best team from each of the top three organizations. Through this, we encourage employees to engage in autonomous information security activities and ultimately build security awareness.

HYUNDAI WIA has also been certified for our information security system by domestic and international certification bodies. For instance, We have acquired the certification for information security management systems under "ISO/IEC 27001."

Information Security Declaration

Information Subject to Protection	HYUNDAI WIA's Efforts
1. Information pertaining to the state- of-the-art technology (including core national technologies) produced internal for business operations	1. Establish an information security management system to protect information, technology, and assets
2. Personal information collected through business operations	2. Establish human resource pools, facilities, and systems to perform information security activities
3. IT infrastructure such as servers and networks for business operations	3. Establish and implement administrative, physical, and technical information security guidelines for information, technology, and assets
4. Important business information and workplace assets necessary for business operations	4. Disseminate information security guidelines within the organization and provide relevant training to implement them
5. Physical locations for business operations	5. Establish and implement basic measures for security incident management, business continuity (disaster prevention) management, and legal compliance

Investments in Information Security

Category	Amount	Personnel
IT investment & personnel in 2023	KRW 30.47 billion	67 persons
Information security investment & personnel in 2023	KRW 3.34 billion	9 persons

Attainment of Target Information Security Compliance Rate

(Unit: %)



05 GOVERNANCE

HYUNDAI WIA prioritizes ethical management and aims to establish a corporate culture where employees practice ethical thinking. We are committed to implementing sound governance through integrated risk management and ensuring compliance with internal risk control procedures at an highly efficient level.



Key Performance



Established an ESG
Impact Check Process
for Investments



Upgraded the
Risk Management
System



Expanded the
Transparency Management
Committee's ESG reviews



Strengthened the
fair-trade Compliance
Program

Ethics and Compliance Management 073

Risk Management 077

Governance 080

Ethics and Compliance Management

Ethics Management System

The Transparency Management Committee, organized under the Board of Directors (BOD), manages and supervises ethical issues through the establishment and revision of the Code of Ethics to ensure that employees comply with all laws and regulations on the basis of ethics, thereby contributing to the formation of an ethical corporate culture and implementation of transparent management.

The "Charter of Ethics" was also established to provide employees with the standards for ethical management practices. The "Code of Ethical Practices for Employees" and "Guidelines for Ethical Conduct for Employees" were established based on the Charter.

All executives and employees of HYUNDAI WIA are doing their utmost to raise the level of transparency in corporate management and ethical awareness by complying with these guidelines.

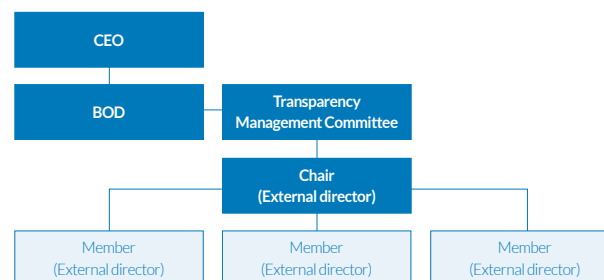
3 Key Action Principles of Ethics Management



Ethics Management Framework



Ethics Management Organization



5 Principles of HYUNDAI WIA Ethics Charter

HYUNDAI WIA enhanced the Ethics Charter in 2020. The Charter designates transparency, fairness, customer satisfaction, employee human rights, and social responsibility as the 5 key issues. We promise to comply with the ethics principles in our business activities.

5 Principles of HYUNDAI WIA Ethics Charter

1. We shall perform our duties based on clear and transparent standards and do our best to fulfill our responsibilities with integrity.
2. We shall compete fairly in the market and conduct business ethically with parties in contractual relationships with us.
3. We shall provide safe products, exceptional services and accurate information and rigorously protect personal information to increase customer value.
4. We shall respect our members as independent individuals, and to this end, we shall ensure fair working conditions and safe working environments.
5. We shall contribute to sustainable development by fulfilling our social and environmental responsibilities as a member of society, so that diverse stakeholders may prosper together in harmony

🔗 Ethics Charter & Code of Conduct

Ethical Management Training

Ethical management training is provided at least once a year for employees to reinforce self-awareness of ethics in relation to fairness and transparency at work. Efforts are made to maximize the effectiveness of ethical management education through essential principles such as HYUNDAI WIA Code Of Ethics, corporate philosophy, history of ethical management, and decision-making principles, as well as case studies of transparent corporate management and corporate corruption. We provide training for leaders about the transparent and ethical business management. In addition, ethical awareness seminars have been provided to the rest of members, contributing to a culture of ethics and compliance within the company.

Ethical Management Training

Year	Topic	Target* (persons)	Completed by (persons)	Completion rate (%)
2023	Group audit and internal work inspection details, direction, and implications, proactive management points to prevent recurrence, etc.	1,980	1,960	99.0
2022	Group audit and internal work inspection details, direction, and implications, proactive management points to prevent recurrence, etc.	1,992	1,890	94.9
2021	Need for ethical management, major cases of ethical violations, and mindset for ethical conduct	1,894	1,716	90.6

*Including executives, general employees, and part-time employees

Violations of Code of Ethics and Disciplinary Actions

Category	2021	2022	2023
No. of Violations (cases)	10	13	8
No. of Violators (persons)	16	31	12
Disciplinary Action (cases)	Suspension	1	4
	Salary cut	5	3
	Reprimand	8	7
	Warning	2	14
	Other (resignation under instruction)	-	3

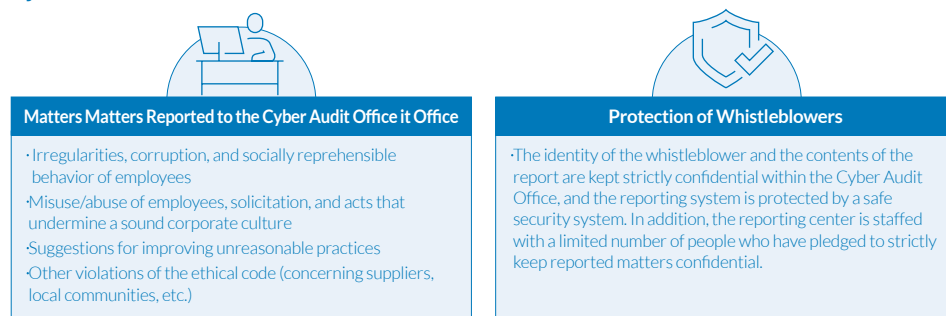
Operation of Audit and Cyber Audit Office for Ethics Risks, etc.

HYUNDAI WIA conducts regular audits in accordance with the annual business plan for ethics and compliance management to boost employees' ethical awareness. Furthermore, audits are carried out as needed in light of social issues and upon receiving an anonymous report.

The Cyber Audit Office is in operation to allow employees to anonymously report irregularities, corruption, acts that undermine a sound corporate culture, and violations of the Code of Ethics. Through the Cyber Audit Office, internal and external stakeholders can anonymously report unfair conduct.

The identities of whistleblowers and their reports are kept strictly confidential. If the report is confirmed to be true, strict disciplinary actions are taken depending on the severity of the irregularity or violation. As such, we are making every effort to raise the ethical awareness of employees and prevent recurrences of violations.

Cyber Audit Office



Matters Protected in Regard to Whistleblowers



Reports Received by the Cyber Audit Office

Type of Report	Reports (cases)	Actions
Executive/Employee	1	1 personnel action 2 cases requiring a corrective action report
Supplier	1	
Other	1	
Total	3	

Transparent Voluntary Reporting System

HYUNDAI WIA introduced the transparent voluntary reporting system in 2021 to practice ethical and transparent management based on autonomy. All employees are provided with the opportunity to self-report any violations of the Code of Ethics and Guidelines for Ethical Conduct for Employees, and we address the personal negligence in this matter reasonably (exempted from disciplinary action or reduction of severity).

We promote self-discipline through self-assessment of personal work ethics and negligence. In case of violating the policy, we allow employees to self-correct their wrongdoing utilizing the self-reporting system. Furthermore, we improve related business processes, systems, and institutions to prevent the additional occurrence and spread of similar cases.

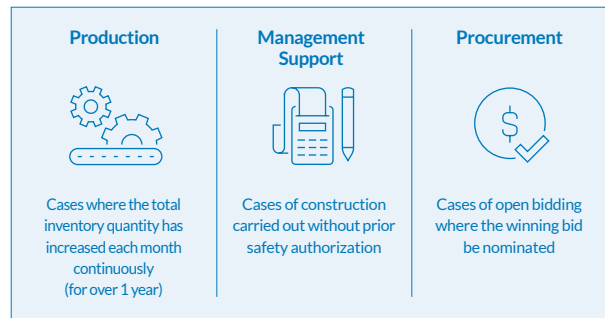
Matters Subject to the Cyber Audit Office

Category	Description
Acceptance of bribery	Direct and indirect solicitation and acceptance of cash, securities, etc. from business associates
Entertainment/ gifts/hospitality	Requesting or receiving direct or indirect entertainment from business associates
Embezzlement	Embezzlement of company funds (embezzlement of event funds, etc.)
Misappropriation	Misappropriation of company funds for personal use - Private use of corporate card, writing off expenses for personal travel such as family trips, private use of company vehicle, etc.
Theft	Removal of company property without authorization to steal
Loan	Borrowing money (cash, securities, etc.) from business associates
Forgery of official documents or false reporting	Intentionally forging company documents, records, etc., concealing, deleting, or destroying documents, or attempting such acts, or filing false reports for the purpose of shifting liability (forging customer orders, reporting false orders, over/underreporting management indicators)
Participation in supplier (stakeholders) business management/dual employment/ equity investment	Engaging in other business against company interests, distracted from one's own job as a result of managing another company, making an equity investment in an agency (holding a stake in an agency, opening an agency in the name of a family member, etc.)
Sexual harassment/ abuse of power/ workplace harassment (internal/ suppliers)	Causing feelings of sexual humiliation, disgust, etc. in a subordinate or coworker through sexual conduct, speech, abusive language, etc., using one's superior position to inflict physical/mental suffering on a coworker, or giving unfair work instructions or shifting blame
Violation of regulations	Violating operating procedures or regulations (regulations: processes, manuals, etc.), arbitrarily placing an order with a supplier and then delaying payment, conducting inadequate contract reviews, implementing unfair procedures, selecting suppliers based on arbitrary evaluation, etc.

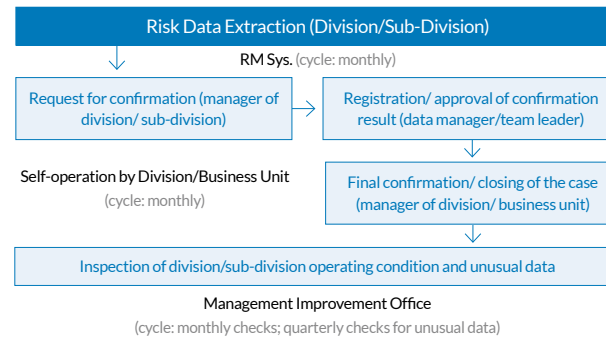
Risk Management System (RMS)

The risk management system (RMS), which has been in operation since January 2023, involves utilization of large-capacity data processing technology to manage issues, prevent recurrence, and fundamentally improve the identified risks through regular/ongoing audits of the company and affiliates. This system enables us to monitor and analyze the abnormalities outside of the inspection period. We are conducting risk prevention activities under the supervision of each division and business unit for 118 red flags across business areas (production, purchasing, sales, finance, management support, etc.), and the unusual data are managed through separate diagnoses.

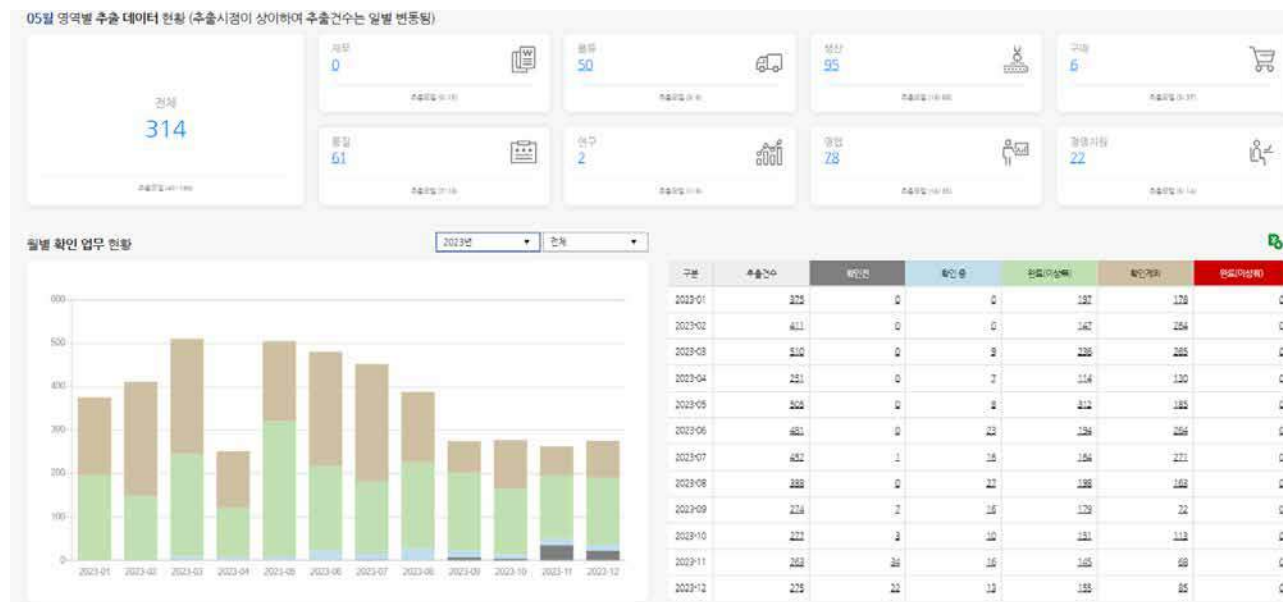
Examples of Identified Risks



RMS Operation Process



RMS Operational Status Board



Anti-Corruption Activities and Transparency Investigation

HYUNDAI WIA continuously conducts anti-corruption activities to eradicate unfair business practices, unreasonable demands, bribery, management intervention with suppliers, complaints regarding payment, leakage of private information, and other fraudulent and irregular corrupt act.

Every year, we assess the risk of corruption at our business sites to proactively prevent any issues that may arise. In addition, we endeavor to achieve ethics and compliance management by receiving reports from suppliers and conducting transparency investigations. The details of such compliance support activities, including the performance of anti-corruption activities, are reported to the Audit Committee on a semi-annual basis.

Internal Audit Activities (Business Ethics, Anti-Corruption)

Category	Details	Unit	2021	2022	2023
Internal audit (business, ethics, and anti-corruption)	Business sites subject to audit (domestic/overseas corporates)	ea.	15/9	15/10	15/10
	Audited business sites audited (domestic/overseas corporates)	ea.	15/0	15/0	15/5
	Ratio of audited business sites	%	63	60	80
Inspection activities	Number of regular inspections		4	5	4
	Number of on-demand inspections		4	5	9
	Number of follow-up inspections	cases	2	-	1
	Online reports, reports by phone, mail, etc., and transparency investigation		13	10	6

Operation of Compliance Program

HYUNDAI WIA has been operating the “Compliance Program (CP)” since 2002 with the approval of the BOD. The CP promotes voluntary compliance and ethical awareness of employees by providing them with clear behavior standards to comply with laws related to fair trade. By using this program, we are preventing violations of the law and, while detecting violations early on and taking countermeasures. As part of this program, we provide fair trade education at least twice a year.

It is worth noting that the CEO of HYUNDAI WIA has expressed his will to contribute to the continuous improvement of fair trade business processes, the creation of a win-win growth culture, and the spread of fair trade practices internally and externally through compliance message.

Compliance Program Operation Organization



8 Elements of the Compliance Program

- Preparation and implementation of CP standards and procedures
- The CEO's commitment to and support for CP
- Appointment of manager in charge of CP operation
- Creation and use of CP manual
- Systematic and continuous voluntary compliance training
- Establishment of an internal monitoring system
- Sanctions against executives and employees for violating fair trade-related laws and regulations
- Evaluation of effectiveness and improvement measures

Compliance Program Training Report

Training	Schedule	Participants	Number of Participants	Contents
Fair Trade: General	5.2~5.23	Procurement, Sales, etc.	47	Understanding fair trade laws, etc.
	11.6~11.24	Procurement, Sales, etc.	48	Understanding fair trade laws, etc.
Inside Trading and collusion	10.5	Procurement, Production, Production Technology, R&D Division	310	Inside trading, collusion, unfair trade practices, etc.
	6.1, 6.15	Procurement, Production, Production Technology, R&D Division	370	Understanding subcontracting laws and trial decisions
Subcontracting and Technology Misappropriation	9.6, 9.8, 11.27, 12.12	Procurement, Laboratory	382	Subcontracting laws
	6.1~6.30	Corporate Management position	1,670	Online course on protecting the technology of small and medium-sized enterprises
	6.1~6.30	Corporate Management position	1,684	Online course on subcontracting laws in the first half of the year
	9.1~9.30	Corporate Management position	1,761	Online course on subcontracting laws in the second half of the year
Executives	6.5~10.30	Compliance Program	21	Understanding compliance
	8.21, 8.23	Office director and above	45	Course on subcontracting laws
Authorized Dealers	7.20	Sales	17	Course on the agency concerning the Korea Fair Trade Mediation Agency
New Personnel	2.24	New employee	65	Fair trade in general
	9.20	Experienced employee	87	Fair trade in general

CEO Commitment to Fair Trade Compliance Program

Key Promises for the 2023 Autonomous Fair Trade Compliance Program

- First**, we will continue to improve our fair-trade business processes.
- Second**, we will expand the scope of compliance to overseas.
- Third**, we will contribute to the spread of CP culture inside and outside our organization.
- Fourth**, we will take the lead in fostering a win-win growth culture.

November 2023
CEO, HYUNDAI WIA
Jaewook Jung

HYUNDAI WIA's Pledge for Fair Trade Compliance

I hereby sign this pledge to commit myself to actively participating in the company's fair trade compliance program for fair competition and transparent management, and also to put my utmost effort into establishing a fair competition culture by complying with laws and regulations such as the Fair Trade Act and the Subcontracting Act.

First, I will not engage in, instruct, authorize, or abet illegal activities such as unfair support for affiliates or unfair trade with suppliers and agents, and comply with laws and regulations concerning fair trade.

Second, I will not unnecessarily contact or instruct, authorize, or abet meetings or information exchanges with competitors that could be misconstrued as collusion.

Third, I will take the initiative to establish desirable subcontracting practices, including compliance with the technical data request procedure, prohibition of misappropriation, and prohibition of unfair price reduction, and actively strive to ensure compliance with laws and regulations by my subordinates.

If I violate this pledge, I will bear all responsibilities as stipulated by relevant laws and company regulations.

Designated Trader Subject to Voluntary Strategic Goods Compliance

A trader subject to voluntary strategic goods compliance is designated by the Ministry of Trade, Industry, and Energy (MOTIE) after examining whether it has the necessary organization, regulations, and other systems to manage the export of strategic goods and can autonomously implement export controls, such as strategic goods determination, permit, and application. Since 2008, HYUNDAI WIA has introduced and operated the “Voluntarily Complaint Strategic Goods Trader Certification Program,” thereby contributing to peace and prosperity in the international community.

Strategic Goods Compliance Program Management Organization



Risk Management

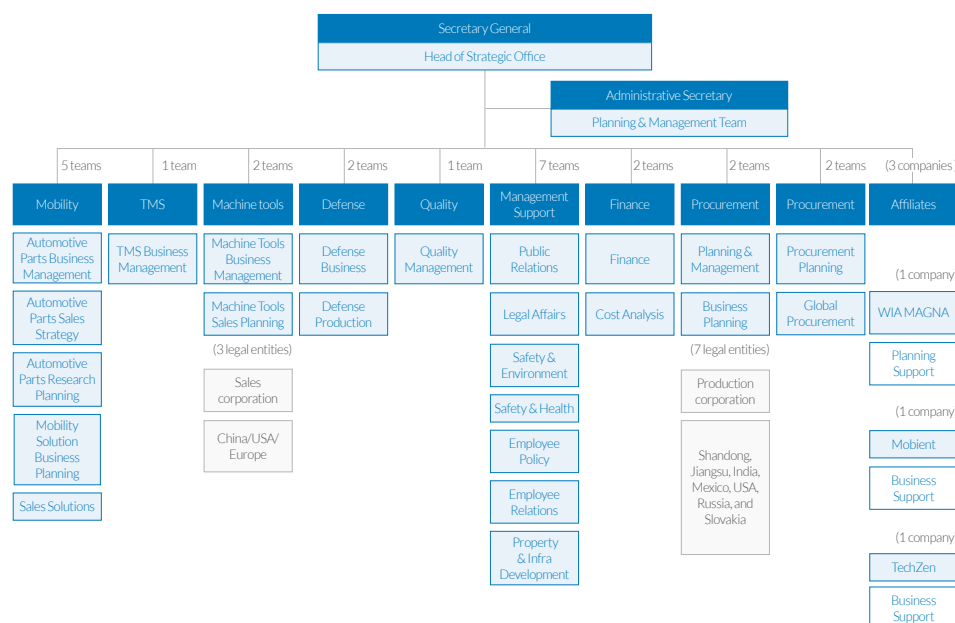
Financial and Non-Financial Risk Management

HYUNDAI WIA enforces risk management regulations for the purpose of minimizing potential crises that the company may face and achieving sustainable development by selecting and managing risk factors in advance to anticipate uncertainties in the business environment.

Risk Management Organization

HYUNDAI WIA operates the Risk Management Secretariat centering on the Business Planning & Management Team, with the Head of the Strategy Group in charge of the Risk Management Secretariat. It is subdivided into five divisions, six business units, and one center to establish a prompt and specialized risk response system. The heads of divisions are responsible for risk management at their respective divisions, while the secretary general is in charge of corporate risk management. An efficient and professional risk management system is based on a risk reporting system and a meeting body for prompt problem-solving.

Risk Management Organization



Risk Response Council

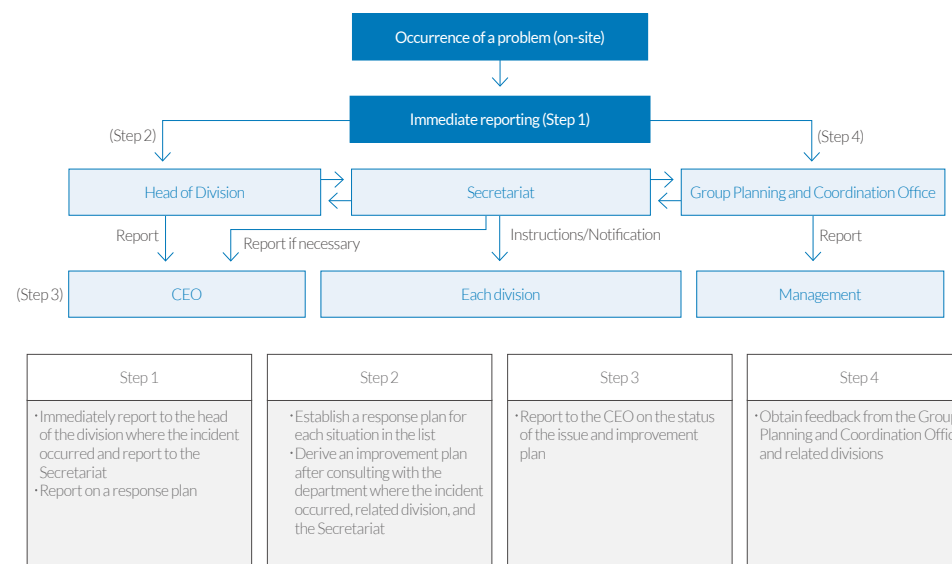
HYUNDAI WIA convenes the Risk Response Council for a meeting when necessary. The council comes together to discuss key issues of risks to manage them and checks the status of risk response. The head of each division attends and discusses the current status of risks, ramifications, and countermeasures.

They jointly deal with major risks that are difficult for divisions to handle individually with related departments.

Risk Reporting Process

In addition to the Risk Response Council, HYUNDAI WIA is establishing a risk reporting process for each type of risk. This process categorizes potential risks to ensure systematic and prompt response. The aim of such a type-specific risk reporting process is to improve the risk response effectiveness.

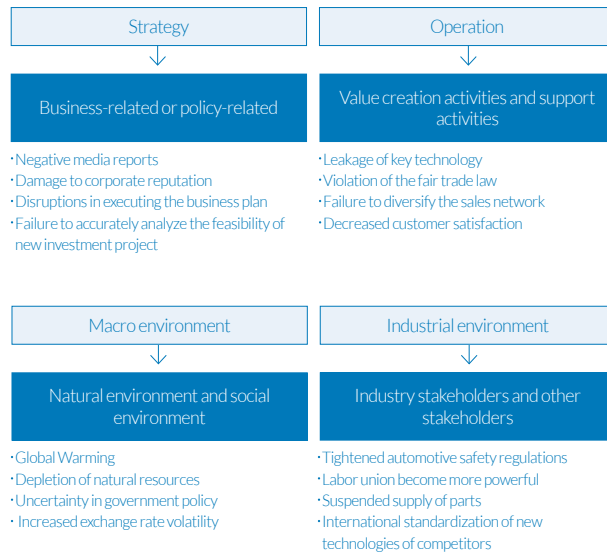
Risk Reporting Process



Risk Reporting Timing by Types

Category	Content of Report	Timing
Production	Fire/safety incident (including serious accidents)	Within 2 hours
	Health incident/riot	
	Joint walkout	
	Suspension of line operation	
	Supply disruption of suppliers	
Policy	Owner issue	ASAP
	Affiliates/supplier issue	
	Court decision on lawsuit	
	Legal/regulatory sanction	
	Meeting with the press/media	
External	Investigation by law enforcement or audit	ASAP
	Equity investments	
Investment	Investing in affiliates	

Risk Item MAPs by Types

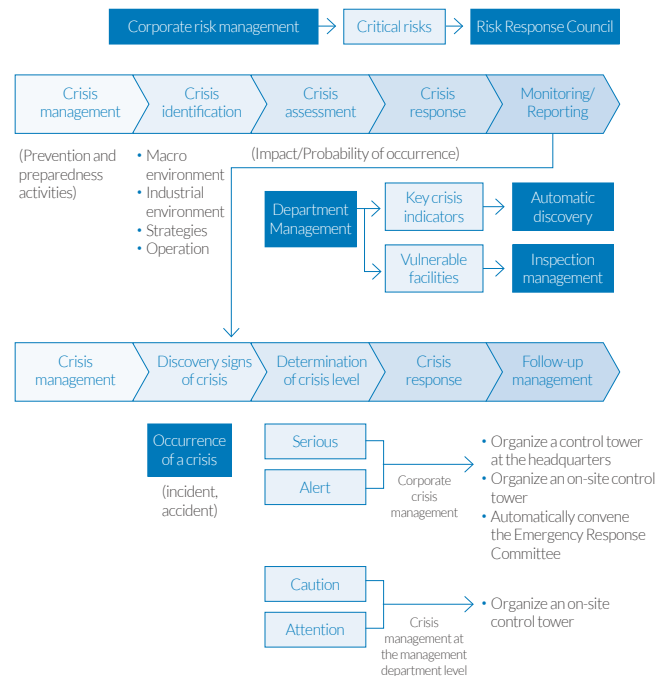


Risk Management System Components

HYUNDAI WIA systematically manages strategic, operational, macro-environmental, and industrial environmental risks separately. Internally, a process for recognizing, responding to, and reporting each type of risk have been established and continuously monitored to ensure thorough follow-up management.

In cases where follow-up management is not carried out, the headquarters' control tower and Emergency Countermeasures Committee are automatically convened. Each type of risk is systematically recorded in the database to prevent recurrence.

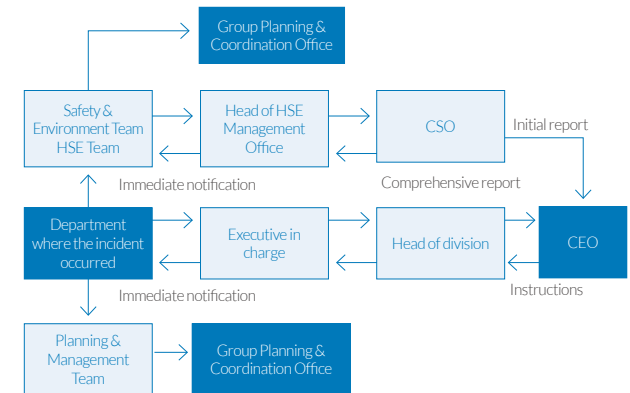
Risk Management System Organization



Serious Accident Reporting Process

HYUNDAI WIA has established a separate reporting process to ensure the efficiency, effectiveness, and promptitude of risk response in the event of a major disaster in preparation for the Serious Accident Punishment Act, which came into effect in January 2022.

Serious Accident Reporting Process



Category	Accident Scope
Internal	Work-related
	Non-work-related
	Death from an accident (fall, etc.)
Fatal accident	Internal
	Non-work-related
	Suicide, general illness, other non-work-related deaths
External	Work-related
	Non-work-related
	Accidental death during a business trip or event
Overseas resident employees	Work-related
	Non-work-related
	Death from cerebro-cardiovascular disease
Personal accident	Work-related
	Non-work-related
	Overseas resident employees (taking into account the type of accident)
Injury requiring at least 3 months of recuperation	Work-related
	Non-work-related
	Family members of overseas resident employees
Delays in production	Work-related
	Non-work-related
	Accident such as crushing and falls
Fire	Work-related
	Non-work-related
	Accidental death during a business trip or event (off-site)
Press & Media (HSE)	Work-related
	Non-work-related
	Disruptions in car manufacture
Serious	Work-related
	Non-work-related
	KRW 5 million or more in damages
Press & Media (HSE)	Work-related
	Non-work-related
	Public broadcasters and three major daily newspapers (major concern)
Press & Media (HSE)	Work-related
	Non-work-related
	Cable TV and other daily newspapers (minor concern)

Tax Risk

Tax Policy

HYUNDAI WIA has established a tax policy based on the fundamental principle of faithfully complying with tax laws fulfilling its payment obligations. Accordingly, we not only fulfill our tax obligations under its laws and lead by example but also maintain sound cooperative relationships with the tax authorities.

Moreover, we systematically manage tax risks for our business operations in Korea and overseas, and also for significant changes in business, such as new businesses and changes in the transaction structure.

Tax Risk Management

To manage tax risks, HYUNDAI WIA strictly adheres to relevant laws and regulations, and actively cooperate with tax authorities' requests, providing relevant facts and evidence as required by law. Furthermore, we recognize the fact that tax laws vary across countries. Therefore, we strive to prevent tax risks in advance. In order to proactively manage the risk of double taxation arising from international transactions with overseas subsidiaries, we apply the principle of arm's length pricing in transactions. In addition, if necessary, we work with external experts to identify and analyze uncertain tax risks early on to prevent tax risks in advance.

ESG and Financial Risk Management

Consideration of ESG Impact Factors in Investment Review

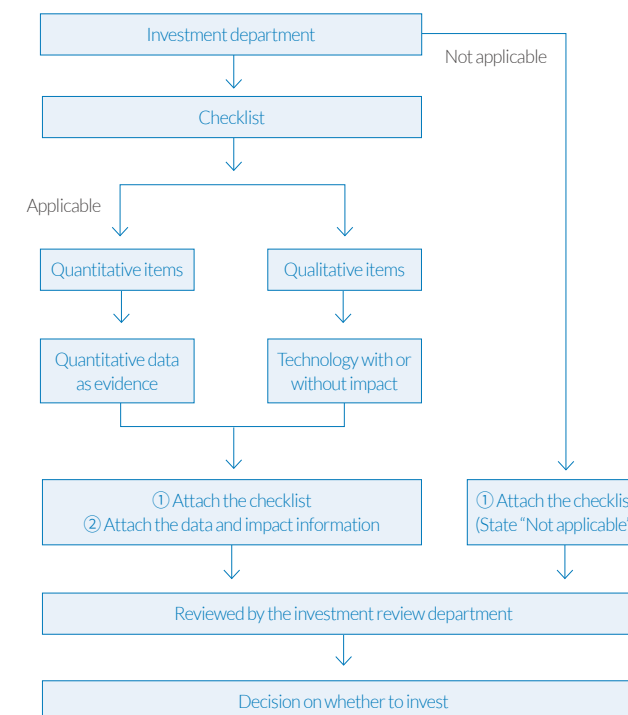
HYUNDAI WIA has established a process for examining ESG information during investment reviews from the first half of 2024. The company has created ESG checklist to meticulously manage qualitative and quantitative data.

The checklist consists of 17 items: 7 environmental (E), 9 social (S), and 1 governance (G) items. The environmental items mainly concern GHG emissions and wastewater; the social items concern safety, health, and supply chains, and the governance items primarily focus on the importance of ethical management.

Regarding investment reviews, the investment department first checks the checklist and reviews the relevant items and evidentiary documents. As such, ESG impacts are considered in the final investment decision-making process, which is continually being improved.

As a result of these efforts, the influence of ESG factors in investment review has increased and the importance is gradually being emphasized.

ESG Impact Check Process During Investment Review



Governance

Establishment of Corporate Governance Charter

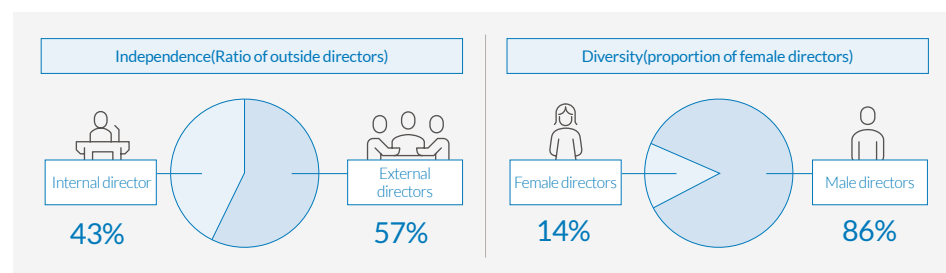
HYUNDAI WIA has drafted the Corporate Governance Charter to establish a sound and transparent corporate governance system and provide direction. The company will do its best to promote the balanced rights and interests of all stakeholders through transparent management based on the Governance Charter.

Composition of the Board of Directors

The Board of Directors (BOD) is an essential standing body of a joint-stock company that is entirely comprised of directors appointed at a general meeting of the board and makes decisions regarding the execution of the company's affairs. As of the date of this report, our BOD consists of seven directors (three internal directors and four outside directors), with the internal directors appointed by the BOD and the outside directors appointed at the shareholders' meeting based on nominations by the Outside Director Nomination Committee. In the process of appointing directors, information on the candidates is disclosed four weeks before the general meeting of shareholders to ensure sufficient time to review their qualifications for appointment. We also disclose the board activities, one of the factors taken into consideration when voting to reappoint directors, to shareholders and stakeholders, including the attendance rate and how they have voted in the past, through notices convening the general meeting of shareholders and business reports.

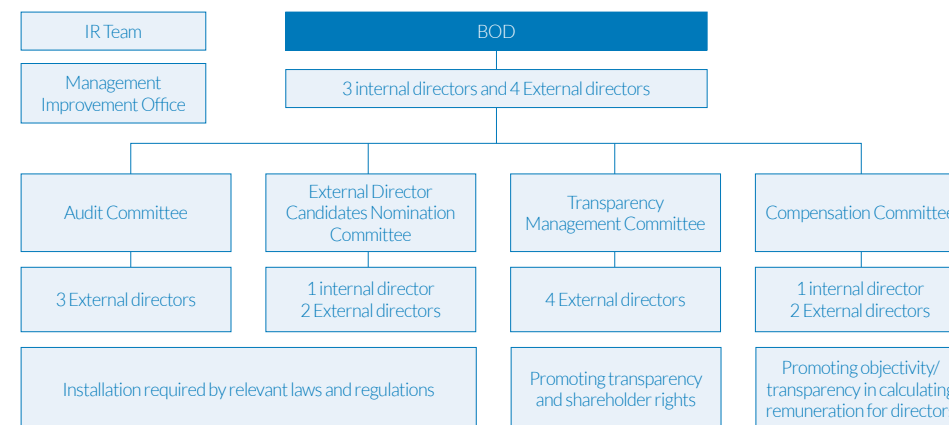
The BOD is chaired by the CEO to enhance the efficiency of BOD operations and strengthen responsible management practices. There are also four committees operating under the BOD: the Audit Committee (comprised of three External directors), External Director Candidate Nomination Committee (including two External directors out of a total of three members), Transparency Management Committee (comprised of four External directors), and Compensation Committee (including two External directors out of a total of three members).

Gender Ratio of Board Members / Ratio of External Directors



Percentage of outside directors on the board required by the Commercial Act: 50%

BOD Organization Chart



Classification		Audit Committee	External Director Candidate Nomination Committee	Transparency Management Committee	Compensation Committee
Internal directors	Jaewook Jung		○		
	Shawon Kim				○
	Jongbo Lee				
External directors	Eunho Kim	●		○	○
	Dongyoel Lee	○		●	
	Seongheun An		○	○	●
	Kyujin Lee	○	●	○	
Ratio of External directors		All	Majority(67%)	All	Majority(67%)
Chairperson		External director	External director	External director	External director

● Chairperson ○ Members

BOD Composition

Classification	Name	Gender	Nominated by	Background of appointment and expected role	Expertise	Job title & career background	Date of appointment	Term	Shares owned
Internal director	Jaewook Jung	M	BOD	As president, he oversees business management, strengthens the competitiveness of existing businesses, and enhances the value of the company by securing future growth engines for new businesses.	General management	(Current) CEO, HYUNDAI WIA (Former) Director of Procurement, Hyundai Motor Company	March 24, 2021 (March 28, 2024)	3 years (reappointed)	-
	Shawon Kim	M		As the Head of Finance Division, he undertakes tasks related to financial management and profitability improvement.	Finance	(Current) Head of Finance, HYUNDAI WIA (Former) Head of Management Office, HYUNDAI WIA	March 23, 2022	3 years	-
	Jongboo Lee	M		As the Head of Mobility Business Division, he undertakes mobility business operation (sales, production, etc.) in a stable manner.	Mobility Business	(Current) Head of Mobility Business, HYUNDAI WIA (Former) Head of Quality, HYUNDAI WIA	March 28, 2024	3 years	-
External director	Eunho Kim	M	External Director Candidate Nomination Committee	As an expert in accounting and finance, he is expected to enhance the expertise and transparency of the BOD and Audit Committee and faithfully audit the company's accounting and business affairs from an independent position.	Accounting & Finance	(Current) Advisor, Kim & Chang LLC (Former) Chief of Busan Regional Tax Office	March 15, 2019 (March 23, 2022)	3 years (reappointed)	-
	Dongyoel Lee	M		As a legal expert with experience and expertise in corporate law, he is expected to strengthen the compliance management system and help the BOD promote the development of the company and the interests of shareholders and stakeholders.	Law	(Current) Representative Attorney, LawVax (Former) Chief Prosecutor, Seoul Western District Prosecutors' Office (Concurrent) External director, Taihan Cable & Solution	March 22, 2023	3 years	-
	Seongheun An	M		As an expert in mechanical engineering, he is expected to provide opinions on the direction of new businesses and sustainability management issues based on the research in mechanical engineering-related fields and knowledge shared by academic societies.	Mechanical engineering	(Current) Professor of Mechanical Engineering, Seoul National University (Former) Associate Dean, Seoul National University Graduate School of Engineering Practice (Former) Editor-in-Chief, International Journal of Precision Engineering and Manufacturing - Green Technology (IJPEM-GT)	March 15, 2019 (March 23, 2022)	3 years (reappointed)	-
	Kyujin Lee	F		As an expert in mechanical engineering, she is expected to provide opinions for proactively responding to the paradigm shift in the automotive industry, based on her experience of undertaking numerous research projects in the automotive field, including EV batteries and thermal analysis.	Mechanical engineering	(Current) Professor of Mechanical Engineering, Myongji University (Former) Researcher, National Renewable Energy Laboratory (USA)	March 23, 2022	3 years	-

Independence, Diversity, and Expertise of the BOD

At HYUNDAI WIA, outside directors account for the majority of the members of the BOD in accordance with the Commercial Act to ensure the independence of BOD's independence and to ensure reasonable checks and balances in business operations. Also, the chairpersons of all committees operating under the BOD are appointed from among External directors to enhance their independence and transparency.

At HYUNDAI WIA, we strive for a diverse and balanced BOD with members who do not share a common background or represent a specific interest. External directors are nominated and appointed among those with expertise or experience in diverse areas, such as leadership, global experience, industry experience, auditing, finance, accounting, law, new technologies and risk management. The External directors should also be a person who can objectively oversee company's management from an independent perspective and meet the qualifications set forth in relevant laws, including the Commercial Code.

The BOD currently consists of experts accounting and finance, law, and mechanical engineering. The External directors carry out objective and scrupulous evaluation and supervision, while actively expressing their opinions on critical management issues and the execution of management affairs. On the other hand, the company regularly provides training to promote the expertise of its External directors and authorizes them to obtain assistance from experts at the company's expense when necessary, as stipulated in the board and committee regulations.

BOD Competencies

Category	Jaewook Jung	Shawon Kim	Jongboo Lee	Eunho Kim	Dongyoel Lee	Seongheun An	Kyujin Lee
Leadership	○	○	○	○	○	○	○
Global experience	○					○	○
Industry experience	○	○	○				
Audit		○		○	○		○
Finance		○		○			
Law				○	○		
New technology	○		○			○	○
Risk management	○	○	○	○	○	○	○

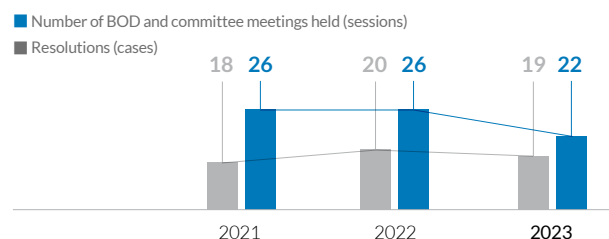
BOD Training

Date	Training provided by	Attendees	Key contents
March 22, 2023	HYUNDAI WIA	4	Major business issues and tour of Changwon plants 1, 2, and 3 (manufacturing processes for the main products, etc.)
May 4, 2023	Audit Committee Forum Instructor: Seonyeong Oh, Certified Public Accountant	4	Independence of external auditors that audit committee members need to know about
June 30, 2023	Samjong KPMG Instructor: Director Younggon Kim	6	ESG information disclosure overview and ESG disclosure trends
August 14, 2023	HYUNDAI WIA	4	Visit to overseas business sites of HYUNDAI WIA and group affiliates (HYUNDAI WIA Mexico, KMX, HMMA, etc.)

BOD Operation and Activities

The board meetings are categorized into regular and ad hoc meetings. Regular Board meetings are held every quarter by our Articles of Incorporation, and ad hoc meetings may be held from time to time as needed. Our Articles of Incorporation stipulate that when the BOD convenes a meeting for an in-depth discussion of an agenda item, each director must be notified at least seven days before the scheduled date of the meeting. Resolutions of the Board require the presence of a majority of the directors and the affirmative vote of a majority of the directors present. If all or any of the directors are unable to attend a meeting in person, all directors may vote using a telecommunication system capable of simultaneous audio transmission and reception. In 2023, a total of 10 Board meetings (4 regular meetings and 6 ad hoc meetings) and 9 meetings of committees within the BOD were held, and a total of 22 resolutions were passed. Moreover, all directors fulfilled their duties by being present at all the meetings (including committee meetings) they were required to attend.

Board and Committee Performance



Board Member Attendance Rate in 2023

Jaewook Jung	Shawon Kim	Eunho Kim	Seongheun An	Kyujin Lee	Dongyoel Lee
100%	100%	100%	100%	100%	100%

Given the growing importance of sustainability management in enhancing shareholder value and protecting shareholders' rights and interests, the BOD of HYUNDAI WIA receives reports on plans and performance related to sustainability management. Activities and strategies related to sustainability management are discussed and finally approved by the BOD. By exploring various policies and activities for sustainability management, the Board plays a key role in ushering sustainable future for HYUNDAI WIA.

BOD's ESG Activities

Type of Meeting	Date	Agenda Items	Note
Regular	January 31, 2023	1. 2023 CP (Fair Trade) Operation Plan	Report
		2. 2023 CSR Activity Plan	Report
		3. Approval of the 2023 Safety and Health Activity Plan	Resolution
		4. 2023 ESG Management Plan	Report
		5. 2023 Compliance Support Plan	Report
	April 25, 2023	1. Approval of revisions to the Transparent Management Committee regulations	Resolution
		2. Safety and health activity performance in 1Q 2023_ Report	Report
	July 25, 2023	1. CP (fair trade) operation performance in 1Q 2023	Report
		2. ESG management performance in 1Q 2023	Report
		3. CSR activity performance in 1Q 2023	Report
		4. Evaluation results on BOD operation in 2023	Report
	October 31, 2023	5. Safety and health activity performance 2Q 2023	Report
		6. Compliance support performance in 1Q 2023	Report
		1. Safety and health activity performance in 2Q 2023	Report
		2. 2023 ESG evaluation results	Report
	January 31, 2024	1. 2024 CP (Fair Trade) Operation Plan	Report
		4. 2024 ESG Management Plan	Report
		2. 2024 CSR Activity Plan	Report
		3. Approval of the 2024 Safety and Health Activity Plan	Resolution
		5. 2024 Compliance Support Plan	Report

Evaluation of BOD Operations

We have been pursuing sustainability management since 2022 with the preparation of BOD evaluation criteria, and endeavoring to ensure appropriate leadership and fair evaluation. Based on the evaluation criteria, we evaluate the appropriateness of BOD operations for individual directors once a year. To enhance the efficiency and transparency of BOD operations, we conduct BOD evaluations every year. Outside directors also partake in the evaluation to ensure transparency and objectivity of the evaluation. Based on the results of the evaluation, areas of improvement in BOD operations are identified to continuously improve our corporate governance.

Results of BOD Operations Evaluation in 2023

Category	Role of BOD	BOD structure	BOD operations	BOD committees	Total
Evaluation items	2 domains 5 questions	3 domains 11 questions	2 domains 9 questions	3 domains 11 questions	10 domains 36 questions
Score (average)	5.00	4.93	4.97	4.98	4.97

* Based on a maximum score of 5 points

BOD Evaluation Criteria

Category	Details	
BOD R&R	BOD's roles	Execution of duties fairly in the Interest of shareholders
		Commitment to communication between shareholders and management
	BOD's responsibilities & obligations	Responsibility for oversight of top management
		Checking compliance with financial indicators, accounting matters, laws and regulations, etc.
BOD structure	BOD's responsibilities & obligations	Understanding the company's ethical obligations and social responsibilities
		Possessing the necessary qualifications to fulfill the duties of a director
	BOD structure	Preparation of committees and processes for selecting director candidates
		Orientation (training) for new directors
BOD's independence	BOD structure	Regular training for existing directors
		Composition of multiple External directors
	BOD's independence	Consideration of independence when nominating and appointing External directors
		Respecting the authority and responsibility between the board and management
BOD's leadership	BOD's independence	Holding regular meetings for External directors only
		Independent fulfillment of the responsibilities to shareholders and the company by the chairperson of the board
	BOD's leadership	Efforts to achieve balanced communication between internal and external directors by the chairperson of the board
		Regularly holding board meetings
BOD operations	BOD's leadership	Faithfully attending board meetings
		Establishment and application of board operating regulations
	BOD operation processes	Disclosure of board activities
		Sufficient consultation between the board chair and management regarding the agenda items
BOD meeting agenda and information collection	BOD operation processes	Providing board members with sufficient time to review agenda items
		Connecting the board and board members with external experts upon request
	Committee structure	Inclusion of a number of External directors in the composition of the Audit Committee and key committees
		Collection and application of committee operating regulations
BOD committees	Committee operations	Comprised of at least three External directors
		Comprised of External directors with basic knowledge of auditing
	Audit Committee	Comprised of at least one member who is a financial expert
		Clear understanding of the Audit Committee's authority and responsibilities
	Audit Committee	Establishment and application of the Audit Committee operating regulations
		Holding regular meetings of the Audit Committee
	Audit Committee	Regular reporting to the BOD by the Audit Committee

Remuneration for BOD

Remuneration is determined within the limit of remuneration cap approved by the general meeting of shareholders in accordance with the associated articles. It is paid at reasonable level to their duties and is appropriate in light of the financial situation of the company. The execution of directors' remuneration is disclosed through regular reports (annual, semi-annual, and quarterly).

BOD Remuneration Standards (2023)

Category	Remuneration standards	
Internal director	Wages	Annual salary is paid based on the executive remuneration payment standards (Executive Compensation Table), within the remuneration cap for directors set by resolution at a general meeting of shareholders.
	Bonuses	It is applied differentially according to the evaluation grade in consideration of business performance, performance and contribution as an executive, and business environment, based on the executive remuneration payment standards (performance incentive).
	Retirement benefits	It is determined by multiplying the average monthly remuneration for the three months prior to retirement by the payment rate for the person's respective position per year of service.
	Other earned income	Includes welfare support expenses such as financial aid for vehicle purchase, medical expenses, tuition expenses, etc. and long-term service reward according to separate regulations
External director	Wages	A fixed salary determined within the remuneration cap for directors (similar to the average cap in the industry)
	Bonuses and retirement benefits	None (External directors are not compensated based on to the company's performance to maintain their independence)

Remuneration for BOD (2023)

Category	Unit	Internal director	Members of the Audit Committee	External director
Applicable persons	persons	3	3	1
Total remuneration	KRW	3,814	256	72
Average remuneration per person	million	1,271	85	72

Criteria for Determining the Independence of External Directors

- Relationship between the candidate and the largest shareholders, and the transactions between the candidate and the company in the last three years
- Restrictions on the activities of external directors who are engaged in the company's business, who have significant interests in the company and/or the largest shareholder, or who have been employed by the company within the last three years
- External directors are prohibited from engaging in the same kind of business as that of the company without the approval of the BOD
- External directors cannot serve more than 6 years at HYUNDAI WIA or more than 9 years in total at the Group

Audit Committee

The Audit Committee deliberates and finalize resolutions on accounting and business audits, matters stipulated in the Articles of Incorporation, and matters delegated by the BOD.

The committee oversees the execution of duties by the board members and management so that they make rational business decisions.

The members of the Audit Committee, appointed by resolution at a general meeting of shareholders, is entirely composed of External director and includes accounting and financial experts to ensure expertise and independence. As a result, the Audit Committee is able to provide independent opinions regarding management decisions made by the board. In 2023, the Audit Committee was convened for a total of six meetings, and its activities are regularly reported to the BOD.

External Director Candidate Nomination Committee

The External Director Candidate Nomination Committee is responsible for nominating and verifying candidates to ensure that the nomination of external director candidates is carried out in a fair and transparent manner. They are required to recommend those who can promote the interests of the company and shareholders and verify that they meet the qualifications set forth in relevant laws and regulations and committee regulations.

HYUNDAI WIA manages and updates a Pool of candidates for External director positions from various fields each year and takes their social reputation, ethics, and independence in addition to their expertise in each field into consideration. When it is necessary to appoint an external director, the committee selects three times the number of external directors required and reviews them to avoid appointing someone unqualified. After a thorough review, the external director candidate(s) is finally appointed at a general meeting of shareholders.

As of the date of publication of this report, the External Director Candidate Nomination Committee consists of three members in total, with two external directors and one internal director and it is chaired by an External director. The committee is dedicated to ensuring fairness and independence in the selection of external director candidates based on transparency of interests and a rigorous verification procedure.

Transparency Management Committee

The Transparency Management Committee was established in January 2020 for the purpose of reviewing transparency in internal transactions, promoting ethical management, and protecting shareholders' rights and interests. It deliberates on major management issues such as guarantees, M&A, and acquisition and disposal of major assets related to shareholder rights and interests.

The Transparency Management Committee is composed entirely of outside directors to ensure independence and transparency, and we provide all information and expenses necessary for the committee's activities.

Also, to facilitate their activities, we have added matters concerning the environment, as well as human rights and supply chains, in the operating regulations. We will continue to strengthen the transparency of BOD operations and contribute to a sustainable future of our company.

Amendments to Transparency Management Committee Operating Regulations

Review of ESG management plans and performance, etc.

- | | |
|-----------------|---------------------------------|
| 1. HSE issues | 4. Local communities |
| 2. Human rights | 5. Other ESG management matters |
| 3. Supply chain | |

Remuneration Committee

The Compensation Committee was established in October 2020 to ensure objectivity and transparency in the process of determining remuneration for board members and to deliberate on the remuneration system and its cap at a general meeting of shareholders. The committee is composed of one internal director and two External directors and is chaired by an External director, thus maintaining its independence from management.

Promoting Shareholder Value

Protecting Shareholder Rights and Interests

HYUNDAI WIA strives to protect the rights and interests of shareholders and enable them to exercise their rights with ease. We voluntarily participate in the "Voluntary General Shareholders' Meeting Dispersion Program" organized by the Korea Listed Companies Association and the Korea Exchange and avoid the dates on which the shareholders' meetings of other companies are concentrated, to encourage shareholders participation to attend the meetings. In addition, we send a notice of the meeting (official notice) and a convening notice to all shareholders at least four weeks before the scheduled meeting so that shareholders can fully review the agenda.

We are promoting shareholder rights and convenience by introducing an electronic voting system and proxy voting system.

HYUNDAI WIA protect the rights of shareholders through the shareholder proposal system, which allows shareholders to hold a certain percentage of shares to propose certain matters for a general meeting.

We also hold an Investor Relations (IR) meeting every quarter to explain our business performance and key management highlights. Through this, we endeavor to provide sufficient information about our company to shareholders in a timely manner.

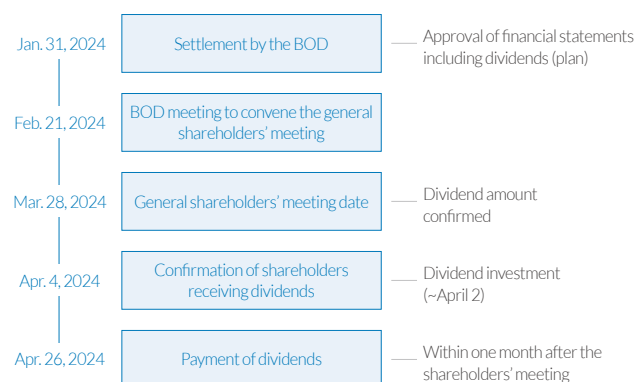
Notices and Dates of General Meetings of Shareholders

Business Year	Convening Notice	Date	Notice Period
2021	Feb. 23, 2022	2022.03.23	28 days in advance
2022	Feb. 21, 2023	2023.03.22	29 days in advance
2023	Feb. 26, 2024	2024.03.28	31 days in advance

Agenda for the 48th Shareholders' Meeting (FY2023)

Agenda	Approval	Votes in favor
Agenda #1: Approval of financial statements for FY2023	Approved as originally proposed	98.1%
Agenda #2: Appointment of a board member		
- Agenda #2-1: Appointment of an internal director (Jaewook Jung)		95.2%
- Agenda #2-2: Appointment of an internal director (Jongboo Lee)	Approved as originally proposed	96.5%
Agenda #3: Approval of the remuneration cap for directors		99.8%
Report	Business Report, Audit Report, Report on the operational status of the Internal Accounting Control System	

Agenda for the 48th Shareholders' Meeting (FY2023)



Shareholder Return Policy

Since 2012, we have been paying cash dividends to enhance shareholder value, taking into account our cash flow and the business environment.

Our mid- to long-term shareholder return policy is based on the basic premise of gradually increasing dividends to promote shareholder value, with it, we consider factors, such as scale of past shareholder returns, dividend growth, and mid- to long- term financial policies for decision-making.

From 2023 onward, in particular, we plan to continue our dividend policy by setting a mid- to long-term policy to provide cash dividends flexibly within the range of 20 to 30% of our dividend payout ratio, based on consolidated financial statements, thereby enhancing the predictability of shareholder return for investors.

Our mid- to long-term cash dividend payout ratio has been determined based on the average dividend payout ratio of companies listed on the stock market and that of the automotive industry, as well as our own operating performance and cash flow situation. In addition to cash dividends, we plan to implement more active measures to enhance shareholder value such as share buybacks and retirement.

Dividends Performance for the 48th term (FY2023)

Category	Unit	Performance
Dividend per share	KRW	850
Net income	KRW million	91,461
Earnings per share	KRW	3,432
Total cash dividends	KRW million	22,649
Cash dividend payout ratio	%	24.8

06 APPENDIX



Ethics Guidelines for Suppliers	086
HYUNDAI WIA Declaration of Human Rights	086
ESG Factbook	087
GRI Standards Index	104
SASB/TCFD	107
WEF IBC Stakeholder Capitalism Metrics	108
UN SDGs	109
Third-Party Verification Statement	110
GHG Assurance Statement	112
Awards and Memberships	114

Ethics Guidelines for Suppliers

The suppliers of HYUNDAI WIA shall prioritize “ethics management” in their business activities, maintain fairness and transparency, and uphold principles of trust.

1. Legal Compliance

Suppliers shall comply with the laws on subcontracting and fair trade in their business activities.

2. Transparent Management

Suppliers shall ensure transparent accounting and financial management and record-keeping based on facts.

Suppliers shall not offer or accept money or valuables under any circumstances in their relationships with stakeholders such as customers and business partners.

3. Win-Win Cooperation

Suppliers shall maintain mutual beneficial relationships with stakeholders such as customers and suppliers, strive for win-win growth, and provide support for improving competitiveness.

4. Environmental and Safety Management

Suppliers shall practice green procurement and avoid using harmful substances in product development and production processes.

Suppliers shall guarantee the safety of their workers’ lives and bodies and create a culture in which human rights are assured.

5. Information Security

Suppliers shall value the information of stakeholders such as customers and business partners and protect technical data.

6. Social Contribution

Suppliers shall respect human dignity and the right to happiness, observe the principle of gender equality, and prohibit child labor and forced labor.

Suppliers shall care for the socially disadvantaged, contribute to the local community, and maintain courtesy and dignity as global citizens.

HYUNDAI WIA Declaration of Human Rights

We truly appreciate your interest in and support for HYUNDAI WIA.

Although the development of the real economy and the prosperity of capital markets have brought material affluence and improve the quality of life around the world, fierce competition within industries, complexity of business structures, and diversification of production and sales markets have created unintended social issues. As a result, there has been a paradigm shift in business management from the blind pursuit of growth and profitability to sustainability management involving fulfillment of social responsibilities, and the introduction of sustainability management methods has become a challenge, as well as an opportunity to strengthen competitiveness, for companies.

As a part of the efforts to actively respond to the changing management paradigm, HYUNDAI WIA aims to promote human rights management that can guarantee a certain standard of living and provide stable working conditions for all stakeholders, including employees. Accordingly, HYUNDAI WIA has established the Human Rights Charter in reflection of the principles set forth in global initiatives, such as the “Universal Declaration of Human Rights” and the “UN Guiding Principles on Business and Human Rights,” as well as the interests of employees and stakeholders. Based on the Human Rights Charter, each affiliate will streamline its organizational structure and operating system to promote human rights management and operate processes to check for and mitigate human rights violations and related risks.

Based on the management philosophy of realizing the dreams of humanity by creating a new future based on creative thinking and endless endeavors as a global manufacturer, HYUNDAI WIA will do its best to fundamentally improve human rights issues faced by employees and stakeholders by promoting human rights management with sincerity and trust. HYUNDAI WIA vows to be a partner in the future society by exercising its sense of responsibility to bring happiness to all.

CEO, HYUNDAI WIA
Jaewook Jung



ESG Factbook

Environmental Performance

GHG Emissions

Category	Unit	2021	2022	2023
Domestic business sites	Scope 1	15,629	9,760	7,659
	Scope 2	166,317	145,870	130,823
	Subtotal	181,938	155,623	138,476
Overseas business sites	Scope 1	9,900	9,132	9,328
	Scope 2	161,576	142,597	133,967
	Subtotal	171,476	151,729	143,295
Business site Scope 1: Subtotal		25,529	18,892	16,987
Business site Scope 2: Subtotal		327,893	288,467	264,790
Business site Scope 1 and 2: Subtotal		353,414	307,352	281,771
Scope 3		365,689	439,799	1,401,297
Domestic subsidiaries	Scope 1	-	21	22
	Scope 2	-	1,297	1,024
	Subtotal	-	1,319	1,046
Scope 1: Total		25,529	18,913	17,009
Scope 2: Total		327,893	289,764	265,814
Scope 1 and 2: Total		353,414	308,671	282,817

* Total GHG emissions may differ from the sum of emissions falling under Scope 1 and Scope 2 depending on the application of the the standard calculation method after rounding the emission figures reported for each business site.

* The GHG emissions of a domestic subsidiary, HYUNDAI WIA Turbo Co., Ltd, will be disclosed after undergoing third-party verification starting in 2023 (calculated from 2022). Additionally, the GHG emissions of WIA Magna Powertrain Co., Ltd., a joint venture, are calculated within the Scope 3 category 15.

* The emissions for each category within Scope 3 have been calculated and verified. However, only the upstream sector of domestic business sites was counted. The Scope 3 calculation system is being upgraded, and the scope of Category 1 (purchased products and services) emission calculation was expanded in 2023.

Domestic GHG Emissions

Category		Unit	2021	2022	2023
Domestic business sites	Total emissions (Scope 1 & Scope 2)		181,938	155,623	138,476
	Scope 1 emissions	tCO ₂ eq	15,629	9,760	7,659
	Scope 2 emissions		166,317	145,870	130,823
	GHG emissions intensity (total emissions ÷ Sale based on separate financial statements)	tCO ₂ eq/ KRW 100 million	2.85	2.33	1.91
	Total emissions (Scope 1 & Scope 2)		-	1,319	1,046
Domestic subsidiaries	Scope 1 emissions	tCO ₂ eq	-	21	22
	Scope 2 emissions		-	1,297	1,024
Other GHGs emissions (Scope 3)			365,689	439,799	1,401,297

* Total GHG emissions may differ from the sum of emissions falling under Scope 1 and Scope 2 depending on application of the standard calculation method after rounding the emission figures reported for each business site.

* Domestic GHG Emissions is calculated based on the six major GHGs (carbon dioxide (CO₂), nitrous oxide (N₂O), methane (CH₄), etc.) as defined in subparagraph 9 of Article 2 of the Framework Act on Low-Carbon, Green Growth

* Calculated in accordance with the Guidelines for Emissions Reporting and Certification of GHG Emissions Trading Scheme

* The GHG emissions of a domestic subsidiary, HYUNDAI WIA Turbo Co., Ltd, will be disclosed after undergoing third-party verification starting in 2023 (calculated from 2022). Additionally, the GHG emissions of WIA Magna Powertrain Co., Ltd., a joint venture, are calculated within the Scope 3 category 15.

* The emissions for each category within Scope 3 have been calculated and verified. However, only the upstream sector of domestic business sites was counted. The Scope 3 calculation system is being upgraded, and the scope of Category 1 (purchased products and services) emission calculation was expanded in 2023.

GHG Emissions and Energy Consumption Targets and Performance of Domestic Business Sites

Category	Unit	2023 Target	2023 Performance	Reduction Rate
GHG emissions intensity	tCO ₂ eq/KRW 100 million	2.33	1.91	17.8%
Energy consumption intensity	TJ/KRW 100 million	0.05	0.04	17.2%

* Intensity targets and performance were calculated based on sales according to separate statements.

GHG Emissions of Overseas Business Sites

Category	Unit	2021	2022	2023
Jiangsu HYUNDAI WIA	tCO ₂ eq	2,939	2,339	1,820
Scope 1				
Scope 2		38,301	32,215	23,912
Subtotal		41,241	34,554	25,731
Shandong HYUNDAI WIA		2,201	1,615	1,698
Scope 1				
Scope 2		65,452	48,779	46,981
Subtotal		67,653	50,394	48,679
Beijing HYUNDAI WIA		-	-	-
Scope 1				
Scope 2		29	26	20
Subtotal		29	26	20
HYUNDAI WIA Mexico		4,101	4,176	4,072
Scope 1				
Scope 2		44,659	43,397	45,959
Subtotal		48,760	47,573	50,031
HYUNDAI WIA India		658	680	508
Scope 1				
Scope 2		13,136	11,703	13,640
Subtotal		13,793	12,383	14,147
China Sales Company		-	50	45
Scope 1				
Scope 2		-	31	25
Subtotal		-	81	70
India Branch Office		-	12	14
Scope 1				
Scope 2		-	18	15
Subtotal		-	30	30
America Branch Office		-	20	19
Scope 1				
Scope 2		-	16	14
Subtotal		-	36	32
CIS Branch Office		-	-	1
Scope 1				
Scope 2		-	-	1
Subtotal		-	-	2
HYUNDAI WIA Europe		-	71	60
Scope 1				
Scope 2		-	119	116
Subtotal		-	190	176
HYUNDAI WIA Russia		-	48	1,005
Scope 1				
Scope 2		-	6,111	3,112
Subtotal		-	6,159	4,117

Category	Unit	2021	2022	2023
HYUNDAI WIA Alabama	tCO ₂ eq	-	17	28
Scope 1				
Scope 2		-	6	6
Subtotal		-	23	34
HYUNDAI WIA America		-	104	60
Scope 1				
Scope 2		-	176	167
Subtotal		-	280	227
All overseas business sites		9,900	9,132	9,328
Scope 1				
Scope 2		161,576	142,597	133,967
Total		171,476	151,729	143,295

* Total GHG emissions may differ from the sum of Scope 1 and Scope 2 emissions depending on the application of the standard calculation method after rounding the emission figures reported for each business site.

* GHG emissions were calculated starting from 2022 for the following entities: the China Sales Company, India Branch Office, America Branch Office, HYUNDAI WIA Europe, HYUNDAI WIA Russia, HYUNDAI WIA Alabama and HYUNDAI WIA America. GHG emissions for the CIS Branch Office were calculated from 2023.

GHG Inventory

Category	Unit	2021	2022	2023
Carbon dioxide CO ₂	tCO ₂ eq	352,380	307,753	281,991
Methane CH ₄		41	37	35
Nitrous oxide, N ₂ O		1,002	887	797

* Disclosure of three of the six major GHG [carbon dioxide (CO₂), hydrofluorocarbons (HFCs), sulfur hexafluoride (SF₆), nitrous oxide (N₂O), perfluorocarbons (PFCs), and methane (CH₄)] stipulated by the Kyoto Protocol

* Combined emissions from domestic and overseas business sites and domestic subsidiary (HYUNDAI WIA Turbo Co., Ltd.)

* Disclosure of GHG emissions of the domestic subsidiary HYUNDAI WIA Turbo Co., Ltd. following a third-party verification of GHG emissions from 2023 (calculated from 2022)

Energy Consumption

Category			Unit	2021	2022	2023
Non-renewable energy	Domestic business sites	Direct energy	Fuel (direct energy: LNG)	191	161	140
			Other fuels (direct energy: diesel, gasoline, etc.)	6	7	8
		Indirect energy	Electricity (indirect energy)	3,475	3,048	2,734
			Others (steam, etc.)	-	-	-
		Subtotal		3,665	3,209	2,876
	Overseas business sites	Direct energy	Fuel (direct energy: LNG)	119	115	124
			Other fuels (direct energy: diesel, gasoline, etc.)	23	22	19
		Indirect energy	Electricity (indirect energy)	1,004	980	965
			Others (steam, etc.)	26	5	-
		Subtotal		1,172	1,122	1,109
	Business sites: subtotal			4,837	4,331	3,985
	Domestic subsidiaries	Direct energy	Fuel (direct energy: LNG)	-	0.3	0.3
			Other fuels (direct energy: diesel, gasoline, etc.)	-	0.1	0.1
		Indirect energy	Electricity (indirect energy)	-	27.1	21.4
			Others (steam, etc.)	-	-	-
		Subtotal		-	27.5	21.8
	Total			4,837	4,359	4,007
Renewable energy	Domestic business sites			0.0137	0.0142	0.1542
	Overseas business sites			-	15.944	28.232
	Business sites: subtotal			0.0137	15.9582	28.3862
	Domestic subsidiaries			-	-	-
	Total			0.0137	15.9582	28.3862
	Consumption by procurement method	Self-generation of solar power		0.0137	0.0142	0.1542
Total energy consumption	PPA on solar power			-	15.944	28.232
	Domestic business sites			3,665	3,209	2,876
	Overseas business sites			1,172	1,138	1,137
	Total			4,837	4,347	4,013
	Domestic subsidiaries			-	27.5	21.8
	Total			4,837	4,374	4,035
Energy consumption intensity	Domestic business sites		TJ/KRW 10 billion	5.74	4.80	3.98
Ratio of renewable energy consumption	Domestic business sites			0.001	0.001	0.015
	Overseas business sites		%	-	1.595	2.963
	Domestic subsidiaries			-	-	-

* According to the rules of the emissions trading system, the combined value of direct energy and indirect energy is different from the total amount (energy consumption of each business site is rounded before being added together to obtain the total amount of emissions from the company as a whole).

* Disclosure of GHG emissions of the domestic subsidiary HYUNDAI WIA Turbo Co., Ltd. following a third-party verification of GHG emissions from 2023 (calculated from 2022)

* Applied a highly consistent total calorific value when calculating overseas energy consumption in 2023; Overseas energy consumption in 2021 and 2022 were revised as the value calculated by application of the highly consistent total calorific value.

* The unit energy consumption at domestic business sites was calculated based on sales according to separate sales statements.

* Ratio of renewable energy consumption: Total renewable energy consumption / Total power consumption (calculated based on power consumption (MWh))

Total power consumption = Consumption of received power + Renewable energy consumption + Consumption of power generated on site (emergency generators)

Water Intake by Business Site and Source

Category	Business Site	Source	Unit	2021	2022	2023
Domestic	Changwon 1	Waterworks	tons	53,296	51,816	54,483
		Underground water		-	-	-
	Subtotal			53,296	51,816	54,483
	Changwon 2	Waterworks		69,245	81,967	84,055
		Underground water		-	-	-
	Subtotal			69,245	81,967	84,055
	Changwon 3	Waterworks		159,160	156,308	170,421
		Underground water		-	-	-
	Subtotal			159,160	156,308	170,421
	Changwon 4	Waterworks		39,962	33,309	30,507
		Underground water		-	-	-
	Subtotal			39,962	33,309	30,507
	Changwon 5	Waterworks		104,179	43,741	4,225
		Underground water		18,088	-	-
	Subtotal			122,267	43,741	4,225
	Gwangju	Waterworks		17,656	18,378	19,955
		Underground water		-	-	-
	Subtotal			17,656	18,378	19,955
	Ansan 1	Waterworks		9,431	10,340	12,262
		Underground water		-	-	-
	Subtotal			9,431	10,340	12,262
	Ansan 2	Waterworks		606	670	676
		Underground water		-	-	-
	Subtotal			606	670	676
	Ulsan 1	Waterworks		5,190	5,800	6,395
		Underground water		15,834	15,856	16,820
	Subtotal			21,024	21,656	23,215
	Ulsan 3	Waterworks		583	1,087	1,609
		Underground water		-	-	-
	Subtotal			583	1,087	1,609
	Uiwang	Waterworks		13,599	13,437	18,765
		Underground water		-	-	-
	Subtotal			13,599	13,437	18,765
	Pyeongtaek	Waterworks		28,595	28,840	25,796
		Underground water		-	-	-
	Subtotal			28,595	28,840	25,796

Category	Business Site	Source	Unit	2021	2022	2023
Domestic	Seosan	Waterworks	tons	83,030	88,531	83,089
		Underground water		-	-	-
	Subtotal			83,030	88,531	83,089
	Waterworks: subtotal			584,532	534,224	512,238
	Groundwater: subtotal			33,922	15,856	16,820
	Total			618,454	550,080	529,058
Overseas	Jiangsu	Waterworks	tons	-	-	105,501
	HYUNDAI WIA	Underground water		-	-	-
	Subtotal			-	-	105,501
	Shandong	Waterworks		-	-	301,838
	HYUNDAI WIA	Underground water		-	-	-
	Subtotal			-	-	301,838
	HYUNDAI WIA	Waterworks		-	-	219,193
	Mexico	Underground water		-	-	-
	Subtotal			-	-	219,193
	HYUNDAI WIA	Waterworks		-	-	5,701
	Russia	Underground water		-	-	-
	Subtotal			-	-	5,701
	HYUNDAI WIA	Waterworks		-	-	45
	Alabama	Underground water		-	-	-
	Subtotal			-	-	45
	CIS branch office	Waterworks		-	-	1
		Underground water		-	-	-
	Subtotal			-	-	1
	Waterworks: subtotal			-	-	632,279
	Groundwater: subtotal			-	-	-
	Total			-	-	632,279
	Waterworks: subtotal			584,532	534,224	1,144,517
	Groundwater: subtotal			33,922	15,856	16,820
	Total			618,454	550,080	1,161,337

* Data was corrected due to an error in the groundwater consumption at Changwon Plant 5 in 2021

* Disclosure of water consumption and water intake for some of the overseas business sites starting in 2023

Water Management

Category	Unit	2021	2022	2023	
		Domestic	Domestic	Domestic	Overseas
Water consumption	tons	618,454	550,080	529,058	632,279
Water consumption intensity	ton(s)/KRW 100 million	9.68	8.23	7.31	-
Reused water	tons	-	-	186.5	-

* Data corrected due to an error in the groundwater consumption at Changwon Plant 5 in 2021

* Overseas data coverage: Jiangsu HYUNDAI WIA, Shandong HYUNDAI WIA, HYUNDAI WIA Mexico, HYUNDAI WIA Russia, HYUNDAI WIA Alabama, and CIS Branch Office

* Disclosed as water began to be reused in 2023

* The domestic water consumption intensity was calculated based on sales according to separate financial statements. Overseas water consumption intensity is not disclosed due to changes in data coverage.

Water Consumption Targets and Performance of Domestic Business Sites

Category	Unit	2023 Target	2023 Performance	Reduction
Water consumption	tons	595,456	529,058	66,398

Wastewater Management

Category	Unit	2021	2022	2023
		Domestic	Domestic	Domestic
Total wastewater volume		8,240	9,597	12,619
Wastewater treatment method		Completely outsource	Completely outsource	Completely outsource
Discharged site	tons	Wastewater treatment service provider	Wastewater treatment service provider	Wastewater treatment service provider
Amount of wastewater treated by a service provider		8,240	9,597	12,619
Wastewater treatment intensity	tons/KRW 100 million	0.13	0.14	0.17

* Domestic Wastewater treatment intensity was calculated based on sales according to separate financial statements

Water Pollutants Emissions

Category	Unit	2021	2022	2023	
		Domestic	Domestic	Domestic	Overseas
TOC		2.8	3.4	3.9	-
BOD	ppm	1.6	4.3	3.6	-
SS		1.5	1.7	1.9	-
TOC		23.1	32.6	49.3	16.3
BOD	Kg	13.2	41.3	45.9	-
SS		12.4	16.3	24.3	7.6

* Some wastewater treatment plants not in operation as of Dec. 31, 2020 (unable to analyze the pollutants in the effluent) → Calculated based on the concentrations determined by the waste treatment service provider

* Overseas data coverage: Jiangsu HYUNDAI WIA, Shandong HYUNDAI WIA, HYUNDAI WIA India, and HYUNDAI WIA Mexico (BOD data not aggregated)

* Overseas TOC and SS data calculated based on kg

Investment in Environmental Facilities

Category	Unit	2021	2022	2023
		Domestic	Domestic	Domestic
Number of cases (planned/actual)	cases	9/9	14/22	10/13
Investment amount (planned/actual)	KRW million	2,685/287	3,264/3,255	1,857/1,463

Violations of Environmental Laws and Regulations

Category	Unit	2021	2022	2023
		Domestic	Domestic	Domestic
Number of cases	cases	-	1	-
Fines & Penalties	KRW million	-	5	-

* Based on the number of fines and penalties costing over KRW 5 million each

* 2022 data was revised based on corporate fine/penalty payment standards

Air Pollutant Emissions

Category	Unit	2021	2022	2023	
		Domestic	Domestic	Domestic	Overseas
Air pollutant emissions	tons	15.7	5.4	3.8	5.6
Air pollutant emissions intensity	Kg/KRW 100 million	0.25	0.08	0.05	-
Air pollutant management	NOx (nitrogen oxides)	773.08	530.85	680.61	4,901
	SOx (sulfur oxides)	115.9	430.06	53.39	1,680
	Dust	14,767.11	4,446.97	3,097.72	-

* Overseas data coverage: Jiangsu HYUNDAI WIA, Shandong HYUNDAI WIA, HYUNDAI WIA India, and HYUNDAI WIA Mexico (except dust)

* Domestic air pollutant emissions intensity were calculated based on sales according to separate financial statements. Overseas air pollutant emissions intensity were not disclosed due to changes in data coverage.

Air Emissions Facility Status

Category	Unit	2021	2022	2023
		Domestic	Domestic	Domestic
Air emissions facility		522	401	373
Air pollution prevention facility	ea.	102	90	83
Exempted facilities		256	192	241

Waste Volume and Recycled Volume

Category	Unit	2021	2022	2023	
		Domestic	Domestic	Domestic	Overseas
Waste volume	tons	28,004	13,959	8,902	23,564
Recycled volume		26,091	13,143	8,040	17,122
Recycling rate	%	93.2	94.2	90.3	72.7

* Overseas data coverage: Jiangsu HYUNDAI WIA, Shandong HYUNDAI WIA, HYUNDAI WIA India, and HYUNDAI WIA Mexico, HYUNDAI WIA Russia (recycled volume)

Waste Treatment Details and Recycling Ratio by Waste Type

Category		Unit	2021	2022	2023
			Domestic	Domestic	Domestic
General waste	Recycled		18,281	7,409	2,323
	Incinerated		792	285	87
	Landfilled		144	26	33
	Subtotal		19,217	7,720	2,443
Designated waste	Recycled	tons	7,810	5,734	5,717
	Incinerated		978	505	742
	Landfilled		-	-	-
	Subtotal		8,788	6,239	6,459
Total			28,004	13,959	8,902
Recycling ratio		%	93.2	94.2	90.3
Waste discharge intensity		tons/KRW 100 million	0.44	0.21	0.12

* The amount of waste discharged and the amount of waste treated are the same.

* Domestic Waste discharge intensity was calculated based on sales according to separate financial statements.

Disposal of Chemicals

Category	Unit	2021	2022	2023
		Domestic	Domestic	Domestic
TCE		3.907	2.2	-
Chromium		0.005	-	0.04
Manganese		-	-	-
Tin	tons	-	-	-
Copper		0.003	0.0006	-
Butane		-	-	0.11
Total		3.915	2.2006	0.15

Environmental Risk Assessment

Category	Unit	2021	2022	2023
		Domestic	Domestic	Domestic
Operation site	%	-	100	100

* The environmental impact assessment is conducted internal once every three years.

Eco-friendly Automotive Parts Sales

Category	Unit	2021	2022	2023
Eco-friendly automotive parts sales	KRW 100 million	604	1,271	3,144

* Automotive parts and infrastructure for electric and hydrogen vehicles (excluding sales of parts for hybrid and internal combustion engine vehicles)

* Including overseas eco-friendly automotive parts sales in 2023 performance

Green Procurement

Category	Unit	2021	2022	2023
		Domestic	Domestic	Domestic
Green procurement	KRW million	677	853	1,117

Materials Management

Category	Unit	2021	2022	2023	
		Domestic	Domestic	Domestic	Overseas
Raw materials (metals)		103,420	103,679	158,397	-
Raw materials (other solvents)	tons	107	119	138	-
Auxiliary materials (oil)		2,500	2,800	3,223	-
	kL	3,300	3,700	4,756	-
Total raw materials used		103,527	103,798	158,535	81,300
Non-renewable raw materials used	tons	30,304	28,326	46,511	53,607
Renewable raw materials used		73,223	75,472	112,024	27,693
Proportion of renewable raw materials used	%	70.7	72.7	70.7	34.1

* Raw materials (metals): Special steel round bars for automotive parts , special steel for the defense industry, etc.

* Raw materials (other solvents): Forging molds, etc.

* Auxiliary materials (oils): Grease for automotive parts, gear oil, etc.

* Overseas data coverage: Jiangsu HYUNDAI WIA, Shandong HYUNDAI WIA, HYUNDAI WIA India, and HYUNDAI WIA Mexico

* Calculated based on total usage according to overseas data

Use of Recycled Raw Materials at Domestic Business Sites

Category	2021		2022		2023	
	Weight (tons)	Purchase cost (KRW 100 million)	Weight (tons)	Purchase cost (KRW 100 million)	Weight (tons)	Purchase cost (KRW 100 million)
Scrap metal	72,987	894	75,370	1,085	112,024	1,686
Copper	236	23.9	102	11.9	-	-

* Data from 2021 and 2022 were revised as special steel round bars, special steel and mold/die materials in recycled raw materials in the calculation.

* Copper was not used due to the rationalization of the casting business in 2023.

Details of Environmental Training for Domestic Employees in 2023

Course	Target	Cycle	Number of Participants (persons)	Duration (hours)
Practical Training on Air Quality Licensing	Environmental personnel	-	22	66
Practical Training on Water Quality Licensing	Environmental personnel	-	22	66
Practical Training on Wastes Control Act	Environmental personnel	-	22	44
Environmental Matters Requiring Attention in the Field and Cases of Violation	Environmental personnel and on-site supervisors	-	125	250
Air Quality Technician Training	Air quality engineers	New: within 1 year Refresher: every 3 years	6	140
Water Quality Technician Training	Water quality engineers	New: within 1 year Refresher: every 3 years	5	20
Waste Treatment Personnel Training	Waste producers	New: within 1 year Refresher: every 3 years	3	12
Training for Employees Dealing with Harmful Chemicals	All workers at workplaces subject to handling harmful chemicals	Every year	1,138	2,276
Training on Management and Handling of Harmful Chemicals	Chemical substance managers and handlers	Every 2 years	3	48
CDP Climate Change Training	CDP personnel	Every year	2	16
CDP Scope 3 Training	CDP personnel	Every year	2	16
CDP Supply Chain Training	Automobile customers	-	1	12
Professional Training for EnMS Setup	Working-level staff at companies where EnMS has been set up	-	2	32
Practical Training on ESG Regulations	ESG personnel	-	1	32
Basic Training for Energy Managers	Energy managers	Every 5 years for each business site	2	14
Training for Target Companies (GHG Emissions)	Person in charge	Every year	1	4
Total			1,357	3,048

Disclosure of Environmental Information

Business Site	Changwon Plant 1	Changwon Plant 2	Changwon Plant 3	Changwon Plant 4	Changwon Plant 5	Pyeongtaek Plant	Gwangju Plant
Disclosure	○	○	○	○	○	○	○

Business Site	Seosan Plant	Ansan Plant 1	Ansan Plant 2	Ulsan Plant 1	Ulsan Plant 3	Uiwang R&D Center
Disclosure	○	○	○	○	○	○

Social Performance

Employee Status

Category	Unit	2021	2022	2023
Total employees		6,077	5,914	5,651
Korea		2,905	2,920	3,018
China		1,424	1,193	1,064
Mexico		905	897	773
India		385	485	645
Germany	persons	23	20	17
United States		27	25	19
Russia		407	374	107
Vietnam		1	-	-
Slovakia		-	-	8

* Local hires have been included in the data since 2021 to reflect the global human resources in the employee status disclosed in the Sustainability Report.

Details of Employees

Category	Unit	2021	2022	2023
Total number of executives & employees		6,077	5,914	5,651
Gender	Male	5,687	5,519	5,263
	Female	390	395	388
Employment status	Regular employee Male	5,392	5,134	4,998
	Regular employee Female	381	384	375
	Non-regular employee Male	295	385	265
	Non-regular employee Female	9	11	13
Age group	Under the age of 30	1,401	1,284	1,156
	30 to under 50	3,674	3,642	3,501
	50 and older	1,002	988	994
Socially disadvantaged**	Person with disability	50	56	45
Non-affiliated workers**	Male	1,925	2,503	4
	Female	208	289	59

* Local hires have been included in the data since 2021 to reflect the global human resources in the details of employees disclosed in the Sustainability Report.

** Based on Korean standard

Base Salary for Women Compared to Men

Category	Unit	2021	2022	2023
		Domestic	Domestic	Domestic
Average salary per person (all)	KRW million	94	102	116
Ratio of base salary for women to that of men (starting salary by position)	%	100	100	100
Ratio of initial wages to minimum wage		205	204	201

Training of Quality Workforce

Category	Unit	2021	2022	2023
		Domestic	Domestic	Domestic
Quality management training	hours	1,671	1,687	5,440
Number of quality management workforce	persons	345	327	319
Ratio of qualified quality management workforce	%	4.93	5.5	6

Female Employees

Category	Unit	2021	2022	2023
Employees	Total employees	6,077	5,914	5,651
	Female employees	390	395	388
	Ratio	6.42	6.68	6.87
Managers (manager or higher)	Total managers	1,365	1,411	1,513
	Female managers	35	47	53
	Ratio	2.56	3.33	3.50

* Local hires have been included in the data since 2021 to reflect the global human resources in the status of female executives and employees disclosed in the Sustainability Report.

Hiring and Turnover

Category		Unit	2021	2022	2023
			Domestic	Domestic	Domestic and Overseas
New hires	Total hires	persons	44	101	699
	Gender Male		43	85	589
	Gender Female		1	16	110
Turnover ratio	Total turnover ratio	%	1.1	1.5	1.7
	Gender Male		1.0	1.4	1.2
	Gender		4.7	5.3	14.8

* Basis for calculating the turnover rate: turnover rate of employees leaving the company voluntarily due to personal reasons such as starting a business, etc. (excluding retirement, dismissal, etc.)

* Nine employees at the managerial level or above and 41 employees below the managerial level quitted in 2023

* Of the employees who left, 20 were under 30 years of age, 28 were between 30 and 50 years of age, 2 were over 50 years of age

Locally Hired Managers

Category	Unit	2021	2022	2023
Number of leaders* at overseas business sites	persons	79	82	93
Number of locally hired leaders		29	33	45
Ratio of locally hired leaders	%	36.7	40.2	48.4

* Leader: an employee who plays the role of a leader with an official job title such as "head of group," "team leader," etc.

HR Development

Category	Unit	2021	2022	2023	
		Domestic	Domestic	Domestic	Overseas
Total participants	persons	14,625	17,473	39,754	3,005
Total duration of training	hours	73,670	101,356	111,434	17,703
Average training hours per year per person	hours/person	25	35	37	5.9
Average investment in training per person	KRW million	0.485	0.852	0.685	0.090

* Overseas data coverage: Jiangsu HYUNDAI WIA, Shandong HYUNDAI WIA, HYUNDAI WIA India, HYUNDAI WIA Mexico, and HYUNDAI WIA Russia

Training Programs for HD Development

Category		Unit	2021	2022	2023
			Domestic	Domestic	Domestic
Participation in training by detailed training program	Ethics	persons	1,716	1,890	1,960
	Fair trade		748	721	6,507
	Environmental safety		2,905	2,920	3,018
Diversity training	Sexual harassment	persons	3,060	3,058	3,054
	Workplace bullying		3,060	3,058	3,054
	Disability awareness		3,060	3,058	3,054
Percentage of executives and employees receiving regular performance evaluations		%	100	100	100

Ethical Management Training

Category	Topic	Participants (persons)
		Domestic
2021	Need for ethical management, cases of ethical violations, and mindset for ethical behavior	1,716
2022	Group audit and internal work inspection details, direction, and implications, proactive management points to prevent recurrence, etc.	1,890
2023	Group audit and internal work inspection details, direction, and implications, proactive management points to prevent recurrence, etc.	1,960

Information Security Training

Category	Information Security Training in 2023	
	Domestic	
Target	129 organization leaders and 1,644 team members for a total of 1,773 participants	
Schedule	May and November 2023	
Topics	Strengthening the organization's information security and capabilities to deal with cyber threats through education and training (e-mail security, ransomware and social engineering attack prevention training, etc.)	

Culture Survey Results

Category	2021	2022	2023
	Domestic	Domestic	Domestic
Score	76.4	74.2	78.5

VOC(Voice of Customers) System

Category	Unit	2021	2022	2023
		Domestic	Domestic	Domestic
Received	cases	97	114	129
Processed		97	114	129
Processing Rate	%	100	100	100

* Including VOC related to suppliers, client companies, etc.

Employee Welfare Expenses

Category	Unit	2021	2022	2023
		Domestic	Domestic	Domestic
Sales	KRW million	6,385,921	6,681,103	7,235,272
Employee welfare expenses		71,065	69,406	81,538
Ratio	%	1.11	1.04	1.13

Handling of Employee Grievances

Category	Unit	2021	2022	2023
		Domestic	Domestic	Domestic
Grievance handling rate	%	100	100	100
Grievances reported to the Human Rights Violation Center	cases	1	7	10

Parental and Maternity/Paternity Leave

Category	Unit	2021	2022	2023
		Domestic	Domestic	Domestic
Target	Male	946	756	930
	Female	6	14	21
Use of parental or maternity/paternity leave	Male	16	16	8
	Female	4	2	7
Returnees*	Male	14	16	15
	Female	4	2	1
Ratio of employees returning after a parental or maternity/paternity leave	%	100	90	89
Ratio of employees working for at least 12 months after returning from leave		91	87	88

* The returning ratio is the ratio of employees returning to work in the relevant year after taking a parental leave, etc. in the previous year.

Performance Evaluation

Category	Unit	2021	2022	2023
		Domestic	Domestic	Domestic
Employees subject to performance evaluation (Domestic)	persons	1,826	1,800	1,889
Proportion of executives subject to regular performance evaluations		100	100	100
Evaluation ratio	Male	100	100	100
	Female	100	100	100

* Excluding employees who could not undergo performance evaluation as they are field workers, were newly hired in the relevant year, took a long-term leave, etc.

Labor Union Membership

Category	Unit	2021	2022	2023
		Domestic	Domestic	Domestic
Labor union members	persons	1,076	1,071	999
Unionization rate	%	37.04	36.7	33.1

* 100% of unionized employees are eligible for collective bargaining.

* Based on domestic subsidiaries

Social Contribution

Category		Unit	2021	2022	2023
			Domestic	Domestic	Domestic
Total donations			886	948	1,407
By donor	Donations from employees	KRW million	320	581	586
	Donations from the company		567	367	821
By recipient	Donations to charities		82	73	146
	Donations to local communities		805	875	1,261
Social contribution activities	Participants in "1% Miracle"	persons	1,245	1,139	1,112

Social Contribution Performance

Category		Unit	2021	2022	2023
			Domestic	Domestic	Domestic
Beneficiaries of Green School	persons		634	95	452
Beneficiaries of "1% Miracle"			14,275	14,762	7,225
Facilities provided with Dream Car	locations		10	20	20
Ratio of business sites engaged in social contribution	%		100	100	100

Social Contribution Commitments

Category		Unit	2021	2022	2023	
			Domestic	Domestic	Domestic	Overseas
Amount invested in social contribution	KRW million		886	948	1,407	168
Rate of increase/decrease in input cost	%		-21	7	49	-

* Overseas data coverage: Jiangsu HYUNDAI WIA, Shandong HYUNDAI WIA, HYUNDAI WIA India, and HYUNDAI WIA Mexico

HSE Inspections

Category		Unit	2021	2022	2023
HSE inspection activity		times	12	12	12
HSE audit	Domestic	cases	1	1	1
	Overseas		-	-	-

Accidents & Emergencies

Category		Unit	2021	2022	2023	
			Domestic	Domestic	Domestic	Overseas
Executives & Employees	Accident	cases	9	5	5	-
	Accident ratio		0.3	0.17	0.17	-
	LTIFR	%	1.55	0.86	0.84	-
	TRIR		0.3	0.17	0.17	-
	OIFR		0.34	0.34	0.00	-
Internal suppliers	Accident	cases	35	20	18	1
	Accident ratio	%	1.22	0.71	0.5	-
	LTIFR		6.1	3.5	3.2	1.8

* The main types of injuries are being pinched/crushed by equipment and structures, falls during work/movement, and strain during the movement of heavy objects, and all major injuries were considered when counting the number of accidents.

* Overseas data coverage: Jiangsu HYUNDAI WIA, Shandong HYUNDAI WIA, HYUNDAI WIA India, and HYUNDAI WIA Mexico, HYUNDAI WIA Russia

* LTIFR = (Number of lost time injuries/Total working hours)*1000000

* TRIR = (Number of recordable incidents/Total working hours)*1000000

* OIFR = (Number of fatal accidents/Total working hours)*1000000

Cost of Claim Per Vehicle

Category		Unit	2021	2022	2023
			Domestic	Domestic	Domestic
Cost of claim per vehicle	KRW/vehicle		142	122	285

* Engine and Automotive Parts Quality Division

Recalls

Category	Unit	2021	2022	2023
		Domestic	Domestic	Domestic
Number of recalls	cases	-	-	2
Total number of recalled vehicles		1,170	386	14,175
Number of vehicles subject to mandatory (involuntary) recall	ea.	-	-	8,783
Total annual recall costs at home and abroad	KRW 100 million	1	1	25
Total number of recalled products	ea.	1,170	386	19,342

HSE & Information Security Management Certifications

Category	ISO14001	ISO45001	ISO/IEC27001
Headquarters (Changwon Plant 1)	O	O	O
Changwon Plant 2	O	O	-
Changwon Plant 3	O	O	-
Changwon Plant 4	O	O	-
Changwon Plant 5	O	O	-
Ansan Plant	O	O	-
Ulsan Plant 1	O	O	-
Ulsan Plant 3	O	O	-
Pyeongtaek Plant	O	O	-
Gwangju Plant	O	O	-
Seosan Plant	O	O	-
Uiwang R&D Center	O	O	O

Category	ISO14001	OHSAS18001(ISO45001)	ISO/IEC27001
China	O	O	O
Shandong	O	O	-
Jiangsu	O	O	-
Mexico	O	O	-
India	O	O	-

Supplier Management

Category	Unit	2021	2022	2023
		Domestic	Domestic	Domestic
Number of suppliers	Domestic	1,313	1,325	1,344
	Overseas	220	226	226
	Total	1,533	1,551	1,570
Purchase scale	Domestic	51,409	55,761	64,544
	Overseas	4,314	1,431	1,522
	KRW 100 million	55,723	57,192	66,066

* Number of suppliers: Changed from the number of companies based on the annual business plan to the number of companies based on ERP procurement.

Cash Payment Ratio for Fair Trade Partners

Category	Unit	2021	2022	2023
		Domestic	Domestic	Domestic
Cash Payment Ratio for Fair Trade Partners	%	95	96	94

Supplier Training and Inspection Visits

Category	Unit	2021	2022	2023
		Domestic	Domestic	Domestic
Safety training	times	12	12	12
Subject to safety training	companies	808	687	552
On-site environment/safety inspection		-	15	9

Win-Win Growth

Category		Unit	2021	2022	2023
			Domestic	Domestic	Domestic
Contracting party to fair trade agreement		companies	174	175	160
Win-Win Growth Fund	Amount	KRW 100 million	680	680	680
	Provision of loan	companies	54	68	93
Win-Win Growth Insurance	Amount contributed	KRW 100 million	10	-	-
	Provision of guarantee and loan	companies	7	-	-
Technical support and protection	Patent licensing	cases	7	4	4
	Testing support	companies	452	289	462
	Technical escrow program	cases	29	40	51
Supplier inspection and nurturing	Quality	companies	244	171	203
	Job training support performance (technology, quality, and QC experts) (*)	companies	179	143	126

(*)Changed the way of calculating the job training support performance

Fair Trade Agreement Implementation Evaluation & Win-Win Growth Index Evaluation Results

Category	2021	2022	2023
KFTC	Top Excellence	Top Excellence	Top Excellence
KCCP	Top Excellence	Top Excellence	Top Excellence

ESG Evaluation of Supply Chain

Category	Unit	2022	2023
		Domestic	Domestic
Written assessment of sustainability risks (Domestic tier-1 suppliers)	companies	123	214
On-site assessment of sustainability risks (High-risk domestic tier-1 suppliers)		20	40
Acquisition of safety and health management system certification by tier-1 (ISO 45001) (*)	%	3.35	3.37
Acquisition of environmental management system certification by tier-1 suppliers (ISO 4001) (*)		11.66	12.03
ESG risk assessment of tier-1 suppliers (**)		7.74	13.63
Percentage of signatories to the Code of Conduct for Suppliers		72.46	71.97
Percentage of suppliers who signed written contracts that include provisions for environmental, labor, human rights, and ethical requirements		72.46	71.97

* The target has been changed from "suppliers in the business plan" to "suppliers with transaction records."

** ESG risk assessment method has been changed from "on-site assessment" to "written assessment."

Product Quality and Safety Training

Category	Unit	2021	2022	2023
		Domestic	Domestic	Domestic
Quality Training for Relevant Departments	sessions	92	76	81

On-Site HSE Audits

Category	Unit	2021	2022	2023
		Domestic	Domestic	Domestic
On-site environmental audit (MOE)	cases	17	16	13
Safety-related audit (once a year) by MOEL and internal musculoskeletal risk inspection (once every three years)		18	14	17

Customer Satisfaction Survey

Category	Cycle	Unit	2021	2022	2023
			Domestic	Domestic	Domestic
Customer Satisfaction	Annually	points	80.2	83.3	84.8
Internal Customer Satisfaction	Odd-numbered years		71.4	Biennially in progress	73.6
Family Satisfaction	Even-numbered years		Biennially in progress	81.4	Biennially in progress

Customer Satisfaction Target Attainment Rate

Category	Unit	Target Score	Result	Attainment Rate
		Domestic	Domestic	Domestic
External customers in 2023	points	85.8	84.8	98.8%
Internal customers in 2023		76.4	73.6	96.3%

Economic Performance

Key Financial Performance

Category	Unit	2021	2022	2023
Total Assets		7,749,507	7,546,451	6,825,905
Equity		3,695,264	3,733,651	3,766,754
Liabilities		4,054,243	3,812,800	3,059,151
Sales		7,527,739	8,207,614	8,590,316
Gross Profit	KRW million	496,995	587,025	584,260
Operating Profit		102,725	212,115	229,216
Net Income Before Tax		100,720	86,063	106,746
Income Tax Expense		44,649	42,581	54,198
Net Income		56,071	43,482	52,548

* Based on consolidated financial statements

Sales by Region

Category	Unit	2021	2022	2023
Korea		5,797,667	6,073,665	6,690,260
North America		719,710	1,129,727	1,130,923
Europe		126,410	167,942	75,442
China	KRW million	775,123	715,669	551,465
India		108,829	120,611	142,226
Total		7,527,739	8,207,614	8,590,316

* Based on division information in the notes to consolidated financial statements

Distribution of Economic Performance

Category	Unit	2021	2022	2023
Suppliers	Purchase amount (domestic)	KRW 100	51,409	55,761
	Purchase amount (overseas)	million	4,314	1,431
Employees	Wages		275,130	300,866
	Severance pay		19,393	19,786
	Employee welfare expense	KRW million	71,065	69,406
Government	Income tax expense		44,649	42,581
Communities	Social contribution expenses		886	948
Creditors	Interest expenses		56,502	63,686

* The purchase amount has been updated to reflect the shift from being determined by the annual business plan to being based on ERP procurement.

* Wages and severance pay have been adjusted according to the disclosed data: wages (from the business report) and severance pay (from the audit report).

R&D Investment

Category	Unit	2021	2022	2023
R&D investment	KRW 100 million	542	625	672
Project (*)	ea.	196	198	239
R&D personnel (Korea)	persons	509	525	601
Ratio of R&D personnel to domestic employees	%	17.5	18.0	19.4
Ratio of R&D investment to sales revenue		0.72	0.76	0.78
R&D training	Program	ea.	312	352
	Cost	KRW million	55.0	113.2

* Changes in the project calculation method

Total patent registrations registrations

Category	Unit	2021	2022	2023
Automotive parts business	Domestic	499	505	522
	Overseas	86	87	97
Machine tools	Domestic	250	261	242
	Overseas	8	19	22
Defense business	Domestic	71	79	84
	Overseas	-	-	-
TMS business	Domestic	18	26	29
	Overseas	-	1	3
Mobility solution	Domestic	6	7	7
	Overseas	-	-	-

* The number of patents has been changed from the previous year's report due to the exclusion of the IPs whose rights have expired.

Retirement Pension

Category	Unit	2021	2022	2023
Retirement pension	Subscribed members	persons	2,773	2,724
	Subscription rate	%	96	92
	External pension contribution ratio		104	109

* The subscription rate was calculated based on the enrollment of domestic executives and employees.

Governance Performance

Board of Directors Operational Status

Category	Unit	2021	2022	2023
Ordinary board meeting	sessions	4	4	4
Extraordinary board meeting		4	2	6
Total No. of board meetings		8	6	10
Discussed agenda item (resolution)	cases	26	26	25
External director attendance rate	%	100	100	100

Ratio of External directors by Year

Category	2021	2022	2023
Legal requirement according to Commercial Act	50%	50%	50%
External director ratio	57.1% (4/7 directors)	62.5% (5/8 directors)	66.6% (4/6 directors)
Female director ratio	-	-	16.7% (1/6 directors)

Remuneration for Board of Directors*

Category	Unit	2021	2022	2023
Internal director	persons	3	3	3
Total remuneration for internal directors	KRW million	2,117	2,406	3,814*
External director	persons	4	5	4
Total remuneration for External directors	KRW million	268	354	328
Total annual remuneration for the CEO		1,110	1,204	1,686
Rate of increase in the total annual remuneration for the CEO	%	-46.9	8.46	40

* The ratio of total annual remuneration for CEO to others: approximately 14 times higher (based on average annual salary of domestic executives and employees (excluding CEO))

* Remuneration for internal director s includes the 2023 remuneration (including severance pay) of Director Bongwoo Lee who resigned in June 2023.

Board of Directors and Committee Activities

Category	2021	2022	2023
Resolutions (cases)	26	26	25
Board and committee meetings (times)	18	20	25

Shareholders

Category	Number of Shares (shares)	Shareholding Ratio (%)
Largest shareholder	6,893,596	25.35
Affiliates	3,654,004	13.44
Treasury stocks	549,320	2.02
Executives of affiliates	531,095	1.95
Other shareholders	15,567,068	57.24
Total	27,195,083	100

Agenda Items at Board Meetings

Category	Date	Agenda details	Attendance of internal directors (in attendance / total)	Attendance of internal directors (in attendance / total)
Regular	Jan. 31, 2023	Resolution 1) Approval of the 47th Financial Statements and Operating Report	3/3	5/5
		2) Approval of the 2023 Business Plan and Investment Plan	3/3	5/5
		3) Approval of the 2023 Safety and Health Activity Plan	3/3	5/5
		Report 1) 2022 Operating status of the internal accounting management system	-	-
		2) 2023 ESG Operation Plan	-	-
Ad hoc	Feb. 21, 2023	Resolution 3) 2023 Compliance Support Activity Plan	-	-
		1) Approval of the establishment of a new subsidiary and equity investment	3/3	5/5
		2) Approval of the convening and agendas of the 47th General Meeting of Shareholders	3/3	5/5
		Report 1) Results of the evaluation of the internal accounting management system in 2022	-	-
		Ad hoc Mar. 22, 2023 Resolution 1) Approval of the appointment of committee members within the BOD	3/3	4/4
Regular	Apr. 25, 2023	Resolution 1) Approval of the revisions to the Transparency Management Committee regulations	3/3	4/4
		Report 1) Business performance in 1Q 2023	-	-
		2) Results of the safety and health activities in 1Q 2023	-	-
		1) Business performance in 2Q 2023	-	-
		Report 2) Results of the evaluation of BOD operations in 2023	-	-
Regular	Jul. 25, 2023	3) Results of the safety and health activities in 2Q 2023	-	-
		4) Results of compliance support activities in 1Q 2023	-	-
		Ad hoc Oct. 12, 2023 Resolution 1) Resolution on merger with HYUNDAI WIA Turbo Co., Ltd.	2/2	4/4
		2) Setting the base date for shareholder confirmation	2/2	4/4
		Resolution 1) Approval of corporate bond issuance cap for 2024	2/2	4/4
Regular	Oct. 31, 2023	Report 1) Business performance in 3Q 2023	-	-
		2) Results of safety and health activities in 3Q 2023	-	-
		Ad hoc Nov. 13, 2023 Resolution 1) Approval of small-scale merger with HYUNDAI WIA Turbo Co., Ltd.	2/2	4/4
		Ad hoc Dec. 15, 2023 Resolution 1) Approval of the report and announcement of the completion of the merger with HYUNDAI WIA Turbo Co., Ltd.	2/2	4/4
		Resolution 1) Approval of the establishment of a new production affiliate and equity investment	2/2	4/4
Ad hoc	Dec. 21, 2023	Report 1) HYUNDAI WIA Russia operation plan	-	-

Provision of Information on Board Member Candidates

Date of provision	Date of shareholders' meeting	Candidate		Information provided
		Category	Name	
2024.02.21 (28 days before the general meeting of shareholders)	Mar. 28, 2024	Internal director	Jaewook Jung Jongboo Lee	1. Date of birth, main occupation, and detailed work experience. 2. Relationship with the largest shareholder 3. Last three years of transactions with the corporation 4. Nominator and reason for nomination
2023.02.21 (29 days before the general meeting of shareholders)	Mar. 22, 2023	External director	Dongyoel Lee	1. Date of birth, main occupation, and detailed work experience. 2. Relationship with the largest shareholder 3. Last three years of transactions with the corporation 4. Nominator and reason for nomination
2022.02.23 (28 days before the general meeting of shareholders)	Mar. 23, 2022	Internal director	Shawon Kim	1. Date of birth, main occupation, and detailed work experience.
		External director	Eunho Kim	2. Relationship with the largest shareholder
		External director	Seongheun An	3. Last three years of transactions with the corporation
		External director	Gyujin Lee	4. Nominator and reason for nomination 5. Job performance plan (External directors only)

Compensation Committee Approvals

Meeting	Date	Attendees/ Total members	Agenda		Approval
			Category	Details	
1 st meeting in 2022	Feb. 18, 2022	3/3	Resolution	1) Approval of changes to the compensation system for internal directors 2) Approval of the limit on compensation for board members	Approved
2 nd meeting in 2022	March 23, 2022	3/3	Resolution	1) Appointment of the chair of the Compensation Committee	Approved
1 st meeting in 2023	Feb. 21, 2023	3/3	Resolution	1) Approval of the limit on compensation for board members 2) Approval of the severance pay regulations for executives	Approved
1 st meeting in 2024	Feb. 21, 2024	3/3	Resolution	1) Approval of the limit on compensation for board members	Approved

KCGS ESG Evaluation Results

Category	2021	2022	2023
ESG Grade	A	A	A+
Environmental	A	A	A+
Social	A+	A	A+
Governance	A	B+	A

Subsidiary Status

Subsidiary	Main business activities	Location	Ownership of controlling interest (%)		Ownership of noncontrolling interest (%)	
			2023	2022	2023	2022
Jiangsu HYUNDAI WIA Co., Ltd	Automotive parts manufacturing	China	100	100	-	-
HYUNDAI WIA Machine Tools Co., Ltd.	Machine tools sale	China	100	100	-	-
MOBIENT Co., Ltd	Automotive parts manufacturing	Korea	100	-	-	-
Hyundai-Wia Machine America Corp.	Machine tools sale	USA	100	100	-	-
Hyundai -Wia India PVT LTD.	Automotive parts manufacturing	India	100	100	-	-
Hyundai -Wia Europe GmbH	Machine tools sale	Germany	100	100	-	-
Hyundai-Wia Mexico, S.de R.L. de C.V.	Automotive parts manufacturing	Mexico	100	100	-	-
Hyundai Wia RUS, LLC	Automotive parts manufacturing	Russia	100	100	-	-
Shandong HYUNDAI WIA Automotive Engine Ltd.	Automotive parts manufacturing	China	43	43	57	57
TECHZEN Co., Ltd.	Automotive parts manufacturing	Korea	100	-	-	-
Hyundai-Wia Alabama, Inc	Automotive parts manufacturing	USA	100	100	-	-
Wia Slovakia s.r.o	Automotive parts manufacturing	Slovakia	100	-	-	-

Changes in Companies Subject to Consolidation

Category	Subsidiary	Reason
Newly consolidated	Wia Slovakia s.r.o	Establishment of a new corporation
	TECHZEN Co., Ltd.	Establishment of a new corporation
	MOBIENT Co., Ltd.	Establishment of a new corporation
Excluded	Beijing WIA Turbo Charger Ltd.	Sale of shares
	HYUNDAI WIA Turbo Co., Ltd.	Merger

Autonomous Fair Trade Compliance Program Training

Training Type	Date	Course	Number of participants (persons)	Instructor
Fair Trade: General	May 2 ~ May 23	Understanding fair trade laws, etc.	47	Online course
	Nov. 6 ~ Nov. 24	Understanding fair trade laws, etc.	48	Online course
Inside Trading & Collusion	Oct. 5	Inside trading, collusion, unfair trade practices, etc.	310	Attorney Hongki Kim from Bae, Kim & Lee LLC
	Jun. 1, Jun. 15	Understanding subcontracting laws and trial decisions	370	Attorney Taekyung Kim from KCL Law Firm and in-house instructor
Subcontracting & Technology Misappropriation	Sept. 6, Sept. 8, Nov. 27, Dec. 12	Subcontracting laws	382	In-house instructor
	Jun. 1 ~ Jun. 30	Online course on protecting the technology of small and medium-sized enterprises	1,670	Online course
	Jun. 1 ~ Jun. 30	Online course on subcontracting laws in the first half of the year	1,684	Online course
	Sept. 1 ~ Sept. 30	Online course on subcontracting laws in the second half of the year	1,761	Online course
	Jun. 5, Oct. 30	Understanding compliance	21	Attorney Hongki Kim from Bae, Kim & Lee LLC
Executives	Aug. 21, 23	Course on subcontracting laws	45	In-house instructor
	July 20	Course on the agency concerning the Korea Fair Trade Mediation Agency	17	Online course
Authorized Dealers	Feb. 24	Fair trade in general	65	In-house instructor
	Sept. 20	Fair trade in general	87	In-house instructor
New Personnel				

Anti-Corruption Activities

Category	Details	Unit	2021	2022	2023
Internal audit (business, ethics, and anti-corruption)	Business sites subject to audit (domestic/overseas subsidiaries)	subjects	15/9	15/10	15/10
	Business sites audited (domestic/overseas subsidiaries)		15/0	15/0	15/5
	Ratio of audited business sites		63	60	80
Inspection activities	Number of regular inspections	cases	4	5	4
	Number of on-demand inspections		4	5	9
	Number of follow-up inspections		2	-	1
	Transparency investigation (investigation based on an online report, etc.)		13	10	6
Employees Compliance and ethical training	Trained employee	persons	1,716	1,890	1,960
	Training completion rate	%	90.6	94.9	99

* The training completion rate is the ratio of those who completed the training to the total number of general employees.

Supplier Reporting and Transparency Investigation

Category	Unit	2021		2022		2023	
		Received	Processed	Received	Processed	Received	Processed
Report by supplier	cases	9	9	7	7	4	4

Reported Violations of the Code of Ethics and Disciplinary Actions

	2021	2022	2023
Violation (cases)	10	13	8
Violator (persons)	16	31	12
Action (persons)	Suspension	4	1
	Salary cut	3	3
	Reprimand	7	3
	Warning	14	5
	Other (advised to resign)	3	-

GRI Standards Index

HYUNDAI WIA published its Sustainability Report for the period from January 1, 2023 to December 31, 2023 in accordance with the GRI Standards 2021. It has also complied with the nine requirements of the GRI 1 (2021). Since the Automotive Standard has not been published, no Sector Standards were applied. Please refer to the “Materiality Assessment” section of this report for information on HYUNDAI WIA’s material issues for the 2023 reporting period.

General Disclosures

Disclosure	Page	Note
The organization and its reporting practices		
2-1	Organizational details	7, 14
2-2	Entities included in the organization’s sustainability reporting	5, 14
2-3	Reporting period, frequency and contact point	5
2-4	Restatements of information	29, 89, 90, 91, 93, 96, 99, 100
2-5	External assurance	110
Activities and Employees		
2-6	Activities, value chain and other business relationships	10~13
2-7	Employees	94
2-8	Workers who are not employees	94
Governance		
2-9	Governance structure and composition	80~81
2-10	Nomination and selection of the highest governance body	80
2-11	Chair of the highest governance body	80
2-12	Role of the highest governance body in overseeing the management of impacts	17
2-13	Delegation of responsibility for managing impacts	17, 82, 83
2-14	Role of the highest governance body in sustainability reporting	17, 82, 83

Disclosure	Page	Note
Governance		
2-15	Conflicts of interest	81, 83
2-16	Communication of critical concerns	17
2-17	Collective knowledge of the highest governance body	81
2-18	Evaluation of the performance of the highest governance body	82
2-19	Remuneration policies	83
2-20	Process to determine remuneration	83
2-21	Annual total compensation ratio	101
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	6
2-23	Policy commitments	22, 35, 72
2-24	Embedding policy commitments	23, 24, 36, 42, 46, 53, 73, 74, 77
2-25	Processes to remediate negative impacts	77, 78
2-26	Mechanisms for seeking advice and raising concerns	51, 54, 66, 81
2-27	Compliance with laws and regulations	91, 103
2-28	Membership associations	113
Stakeholder engagement		
2-29	Approach to stakeholder engagement	18
2-30	Collective bargaining agreements	63
Material topics		
3-1	Process to determine material topics	19
3-2	List of material topics	20
3-3	Management of material topics	19~21

GRI 200, 300, 400 : Topic standard

Disclosure			Page	Note
GRI 201 : Economic Performance				
Economic Performance 2016	201-1	Direct economic value generated and distributed	100	
	201-2	Financial implications and other risks and opportunities due to climate change	28	
	201-3	Defined benefit plan obligations and other retirement plans	100	
GRI 202 : Market Presence				
Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	94	
	202-2	Proportion of senior management hired from the local community	94	
GRI 203 : Indirect Economic Impacts				
Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	48, 67~69, 97	
	203-2	Significant indirect economic impacts	48~50, 67~69	
GRI 205 : Anti-corruption				
Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	75	
	205-2	Communication and training about anti-corruption policies and procedures	73, 103	
	205-3	Confirmed incidents of corruption and actions taken	75, 103	
GRI 206 : Anti-competitive Behavior				
Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	75, 103	N/A
GRI 207 : Tax				
Tax 2019	207-1	Approach to tax	79	
	207-2	Tax governance, control, and risk management	79	
GRI 301 : Materials				
Materials 2016	301-1	Materials used by weight or volume	93	
	301-2	Recycled input materials used	93	
GRI 302 : Energy				
Energy 2016	302-1	Energy consumption within the organization	89	
	302-3	Energy intensity	89	
	302-4	Reduction of energy consumption	29, 30	

Disclosure			Page	Note
GRI 303 : Water and Effluents				
Water and effluents 2018	303-1	Interactions with water as a shared resource	32	
	303-2	Management of water discharge-related impacts	32	
	303-3	Water withdrawal	90	
	303-4	Water discharge	91	
	303-5	Water consumption	90, 91	
GRI 304 : Biodiversity				
Biodiversity 2016	304-3	Habitats protected or restored	34	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	34	
GRI 305 : Emissions				
Emissions 2016	305-1	Direct (Scope 1) GHG emissions	87, 88	
	305-2	Energy indirect (Scope 2) GHG emissions	87, 88	
	305-3	Other indirect (Scope 3) GHG emissions	87	
	305-4	GHG emissions intensity	87	
	305-5	Reduction of GHG emissions	87	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	91	
GRI 306 : Waste				
Waste 2020	306-1	Waste generation and significant waste-related impacts	92	
	306-2	Management of significant waste-related impacts	31	
	306-3	Waste generated	92	
	306-4	Waste diverted from disposal	92	
	306-5	Waste directed to disposal	92	
GRI 308 : Supplier Environmental Assessment				
Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	49, 50	
	308-2	Negative environmental impacts in the supply chain and actions taken	49, 50	

GRI 200, 300, 400 : Topic standard

Disclosure			Page	Note
GRI 401 : Employment				
Employment 2016	401-1	New employee hires and employee turnover	95	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time	62	
	401-3	Parental leave	96	
GRI 402 : Labor/Management Relations				
Labor/Management Relations 2016	402-1	Minimum notice regarding operational changes	63	Prior notice at least 60 days in advance
GRI 403 : Occupational Health and Safety				
Occupational Health and Safety 2018	403-1	Occupational health and safety management system	42	
	403-2	Hazard identification, risk assessment, and incident investigation	44	
	403-3	Occupational health services	47	
	403-4	Worker participation, consultation, and communication on occupational health and safety	43	
	403-5	Worker training on occupational safety and health	46	
	403-6	Promotion of worker health	62	
	403-7	Prevention and mitigation of occupational safety and health impacts directly linked by business relationships	46, 47	
	403-8	Workers covered by an occupational safety and health management system	42	
	403-9	Work-related injuries	97	
	403-10	Work-related ill health	97	
GRI 404 : Training and Education				
Training and Education 2016	404-1	Average hours of training per year per employee	95	
	404-2	Programs for upgrading employee skills and transition assistance programs	57, 58	
	404-3	Percentage of employees receiving regular performance and career development reviews	59	
GRI 405 : Diversity and Equal Opportunity				
Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	81, 94	
	405-2	Ratio of basic salary and remuneration of women to men	94	
GRI 406 : Non-discrimination				
Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	66, 96	
GRI 407 : Freedom of Association and Collective Bargaining				
Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	50, 63	
GRI 408 : Child Labor				
Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	50, 65	
GRI 409 : Forced or Compulsory Labor				
Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	50, 65	

Disclosure			Page	Note
GRI 410 : Security Practices				
Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	65	
GRI 413 : Local Communities				
Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	67~69, 97	
GRI 414 : Supplier Social Assessment				
Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	49	
	414-2	Negative social impacts in the supply chain and actions taken	48~50	
GRI 416 : Customer Safety and Health				
Customer Safety and Health 2016	416-1	Assessment of the safety and health impacts of product and service categories	55, 56	
	416-2	Incidents of non-compliance concerning the safety and health impacts of products and services	N/A	No violations
GRI 418 : Customer Privacy				
Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	N/A	No complaints

SASB/TCFD

SASB Index(Auto Parts)

Topic	Accounting Disclosure	Page	Code
Energy Management	(1) Total energy consumed	89	TR-AP-130a.1
	(2) Percentage grid electricity	89	TR-AP-130a.1
	(3) Percentage renewable	89	TR-AP-130a.1
Waste Management	(1) Total amount of waste from manufacturing	92	TR-AP-150a.1
	(2) Percentage hazardous	92	TR-AP-150a.1
	(3) Percentage recycled	92	TR-AP-150a.1
Product Safety	Number of recalls issued, total units recalled	98	TR-AP-250a.1
Design for Fuel Efficiency	Revenue from products designed to increase fuel efficiency and/or reduce emissions	92	TR-AP-410a.1
Materials Sourcing	Description of the management of risks associated with the use of critical materials	50	TR-AP-440a.1
Materials Efficiency	Percentage of products sold that are recyclable	-	TR-AP-440b.1
	Percentage of input materials from recycled or remanufactured content	-	TR-AP-440b.2
Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	N/A	TR-AP-520a.1

TCFD Index

	TCFD Recommendations	Page
Governance	a) Describe the board's oversight of climate-related risks and opportunities.	24
	b) Describe management's role in assessing and managing risks and opportunities.	
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	28
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	28
	b) Describe the organization's processes for managing climate-related risks.	
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	29
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	

WEF IBC Stakeholder Capitalism Metrics

1. Principle of Governance

Theme	Metrics	Page	Note
Governing Purpose	Setting purpose	6, 9, 16	
Quality of Governing Body	Governance body composition	80~83	
Stakeholder engagement	Material issues impacting stakeholders	18~20	
Ethical behavior	Anti-corruption	75, 103	
	Protected ethics advice and reporting mechanisms	73~76	
Risk and Opportunity Oversight	Integrating risk and opportunity into business process	77~79	

2. Planet

Theme	Metrics	Page	Note
Climate change	Greenhouse gas (GHG) emissions	87, 88	
	TCFD implementation	107	
Nature loss	Land use and ecological sensitivity	-	
Freshwater availability	Water consumption and withdrawal in water- stressed areas	-	

3. People

Theme	Metrics	Page	Note
Dignity and equality	Diversity and Inclusion	94	
	Pay equality	94	
	Wage level	94	
	Risk for incidents of child, forced or compulsory labor	-	
Health and well-being	Safety and health	62, 97	
Skills for the future	Training Provided	95	






4. Prosperity

Theme	Metrics	Page	Note
Employment and wealth generation	Absolute number and rate of employment	95	
	Economic contribution	100	
	Financial investment contribution	-	
Innovation of better products and services	Total R&D expenses	36, 100	
Community and social vitality	Total tax paid	100	

UN SDGs

As an endorser of the United Nations Sustainable Development Goals (UN SDGs), HYUNDAI WIA is committed to contributing to the sustainable development of humanity and the international community.

UN SDGs	Our Commitment
1 NO POVERTY 	Enhance access to economic and social resources for vulnerable class We are undertaking a wide variety of social contribution activities to support various groups such as children of low-income families, people with disabilities, and seniors through a program called 1% Miracle. We are helping people in need by providing large-capacity washing machines to orphanages, installing window screens, and providing summer blankets and winter gear. Through these programs, we are contributing to local communities in Korea and abroad.
3 GOOD HEALTH AND WELL-BEING 	Promote employee health and wellness We provide our employees with regular and comprehensive medical checkups and operate psychological counseling programs and a medical clinic to help them better take care of their health. We also help pay for the medical bills of our employees and their families to ease financial burden. Through such programs, we help our employees stay physically and mentally healthy.
4 QUALITY EDUCATION 	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all We actively support capacity building of its employees. To nurture employees into experts in their fields, we offer various programs to strengthen their job competencies, such as the "Big Data School" and the "Technology Insight Lectures." In addition to job-related training, we offer leadership skills programs such as the "Early Bird Seminar" and "Leader Coaching Training."
5 GENDER EQUALITY 	Achieve gender equality and empower all women and girls We operate a number of channels for female employees at home and abroad to grow together. We organize "Women's Networking Day" and other activities for communication among female employees, and we are striving to expand the role of women in the workforce by operating the "Women's Junior Board," and the "Female Senior Mentoring Program."
6 CLEAN WATER AND SANITATION 	Guarantee the availability and sustainable management of water and sanitation for all We set water consumption targets and carry out water conservation activities to achieve them. For example, in 2023, we installed and operated a vacuum evaporation unit for waste oil and reused distilled water generated by it, and as a result of these efforts, we used less water than the target volume. Also, to minimize water pollutants, wastewater generated at our plants is fully treated by wastewater treatment service providers to keep pollutants below the legal thresholds, and we prevent water pollution using a wastewater (oil) water level monitoring system.
7 AFFORDABLE AND CLEAN ENERGY 	Ensure access to affordable, reliable, sustainable and modern energy for all We have set a mid- to long-term goal of increasing our use of renewable energy to 60% of our total energy consumption by 2030, 90% by 2040, and 100% by 2045. We are committed to making the transition to renewable energy more effectively by implementing a number of strategic initiatives, including on-site solar power generation, conclusion of power purchase agreements (PPAs), and purchase of renewable energy certificates (RECs).
8 DECENT WORK AND ECONOMIC GROWTH 	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all We are endeavoring to create sustainable future by developing eco-friendly automotive parts, mobility solutions, and our special business. We are well-aware of the fact that we will not be able to create future value alone and that it is possible only through win-win growth with our suppliers. We will continue to pursue win-win growth with our suppliers through various win-win cooperation programs, such as R&D support and operating fund support programs, and will not stop our efforts to create a sustainable future.

UN SDGs	Our Commitment
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Innovation & Infrastructure We are developing advanced automotive parts and mobility technologies, including green technologies related to electrification. We are also striving to create greater value by better communicating with our researchers and streamlining the research processes to establish a more flexible R&D system. Furthermore, we are providing smart shelters for those with physical disabilities who face difficulty getting around in connection with the Changwon S-BRT project.
10 REDUCED INEQUALITIES 	Reduce inequality within and among countries We are cultivating an organizational culture where diverse talents can come together with a creative and enterprising mindset. We do not discriminate against employees on the basis of gender, race, ethnicity, nationality, cultural background, disability, age, sexual identity or religious beliefs and promise to provide a working environment where employees from diverse backgrounds can feel the value of diversity and inclusion.
13 CLIMATE ACTION 	Take urgent action to combat climate change and its impacts We are actively participating in global initiatives such as the Carbon Disclosure Project (CDP) to combat climate change and manage related risks. Also, we aim to grow into the world's top-tier carbon-neutral automotive parts manufacture and build a sustainable future by faithfully implementing key initiatives aimed at achieving net-zero emissions for our business sites and supply chain by 2045.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels We are dedicated to eradicating all forms of corruption. We conduct annual audits and ad hoc audits and take measures against violations of the Code of Ethics discovered through the self-reporting system and the Cyber Audit Office. By establishing countermeasures and reporting processes to manage each type of risk, we are effectively handling corruption and related risks and becoming known as a responsible organization.
17 PARTNERSHIPS FOR THE GOALS 	Partnership We are carrying out a number of activities to achieve accompanied with our suppliers. We executed the "Smart Factory Construction Project" to lay the groundwork for our suppliers to advance further, and by providing ongoing educational support, operating the Win-Win Fund, etc., we are building strong relations with our suppliers, not just as business partners but as companions who share each other's culture and vision and grow together. We have also contributed to strengthening healthcare capabilities of a medical school in India by donating eye examination equipment, and we will continue our efforts to help developing countries build and strengthen various capabilities.

Third-Party Verification Statement

Dear Stakeholders of HYUNDAI WIA

Korean Foundation for Quality (further 'KFQ') has been requested by HYUNDAI WIA to conduct an independent verification on the「Sustainability Report 2024 HYUNDAI WIA」(further 'the Report'). KFQ has responsibility to provide an independent verification opinion against the criteria and scope of assurance as specified below. HYUNDAI WIA has sole responsibility for the preparation of the Report.

Verification Criteria and Scope

- **Verification Criteria** : AA1000AS(v3) and AA1000AP (2018)
- **Verification Type** : Type 2 [Verification of compliance of AA1000AP four reporting principles (Inclusivity, Materiality, Responsiveness, Impact) and data reliability]
- **Verification Level** : Moderate [Verification based on limited evidence collected]
- **Verification boundary** : Reporting boundaries as specified in the report (All domestic business sites HYUNDAI WIA, including the headquarters, plants, research centers, and business offices and some overseas subsidiaries). The performance and reporting practices of subsidiaries, related companies, business partners and third parties beyond the scope of this verification specified in the report are not included.
- **Verification Scope** : Compliance with the four reporting principles according to AA1000AP and the GRI Standards 2021 reporting requirements

※ GRI Standards (2021) Reporting Principles

- **Universal Standards** : Reporting in accordance with GRI Standards (2021), compliance with the following requirements

Requirements	Compliance	Requirement	Compliance
1. Reporting principles	○	6. Provide reasons for omission	○
2. General Disclosures	○	7. Publish a GRI content index	○
3. Determine material topics	○	8. Provide a statement of use	○
4. Report the disclosures in GRI 3: Material Topics 2021	○	9. Notify GRI	○
5. Report disclosures from the GRI Topic Standards for each material topic	○	-	-

- Topic Standards

Requirement	GRI Standards/Topic Disclosure
Reporting material issues according to the GRI Topic Standards	•GRI 205 : Anti-corruption •GRI 206 : Anti-competitive Behavior •GRI 207 : Tax •GRI 302 : Energy •GRI 303 : Water and Effluents •GRI 305 : Emissions •GRI 306 : Waste •GRI 308 : Supplier Environmental Assessment •GRI 403 : Occupational Health and Safety •GRI 414 : Supplier Social Assessment •GRI 416 : Customer Health and Safety

Methodology

In order to assess the reliability of the sustainability performance in the Report against above mentioned criteria, the assessment team reviewed sustainability-related processes, systems, internal control procedures, and available performance data. The documentation the assessment team reviewed during the verification includes:

- Non-financial information e.g., data provided by HYUNDAI WIA, disclosed Business Reports, and information obtained from media and/or the internet; and
- Financial information i.e., Data disclosed in the electronic disclosure system (dart.fss.or.kr) of the Financial Supervisory Service and data posted on the homepage.

(However, the contents of the above data are not included in the verification scope.)

The assessment was performed by document verification and interviewing the person in charge. The validity of the materiality assessment procedure in the Report, the material issue selection considering stakeholders, the data collection, management, and report preparation procedure, as well as the validity of the description, were evaluated through interviewing the person in charge, but external stakeholder interviews were not conducted. Afterwards, it was confirmed that some errors, inappropriate information, and misstatement found in the above steps were appropriately corrected before publishing the Report.

Competency and independence

The assessment team was consisted in accordance with KFQ's internal regulations. KFQ has no conflict of interest to the HYUNDAI WIA business which could threaten the impartiality of verification, other than providing third-party verification services.

Limitations

The completeness and responsiveness of sustainability performance represented in the Report have inherent limitations due to its nature and the methodology used to determine, calculate and estimate its performance. The assessment team conducted a review of the information and evidence provided under the contract and did not check the reliability of the original data itself.

Findings and Conclusions

As a result of the verification, the Report was prepared in accordance with the requirements for 'in accordance with GRI standards 2021' and the assessment team found reasonable objectives to guarantee the four reporting principles of AA1000AP (2018) and the AA1000AS(V3) Type 2 assurance level. We also found no significant errors or inadequacies in the Report regarding compliance with reporting principles.

•Inclusivity

HYUNDAI WIA defined the six stakeholder groups (Shareholders & Investors, Customers, Local communities, Suppliers, Government, Executives & Employees) and heard their opinions through the communication channels considering the characteristics of each group for effective communication. The assessment team could not find any major stakeholders that were omitted during this process, and it was confirmed that HYUNDAI WIA is making efforts to reflect the collected opinions of stakeholders in its management strategy.

•Materiality

HYUNDAI WIA formed an issue pool through the investigation of material issues in the same industry and the analysis of material issues from the previous year. They conducted a Double Materiality Assessment of these issues through media analysis, industry analysis, and stakeholder surveys, and selected the final 10 material issues. The assessment team confirmed that the identified material issues were highlighted in this Report, and that the material issues identified in the materiality analysis process were reported in the Report without omission.

•Responsiveness

HYUNDAI WIA cares to respond in a timely manner to the needs and major concerns gathered from the stakeholders. The assessment team found no evidence that the organization's response activities and performance on material issues were inappropriately reported.

•Impact

HYUNDAI WIA identified and monitored the impact of material issues related to stakeholders throughout its management activities, and reported them within the scope possible. The assessment team could not find any evidence that the impact related to material issues was inappropriately measured and reported.

Recommendation for improvement

- This report stands out for containing HYUNDAI WIA's activities and achievements in sustainable management with abundant quantitative and qualitative data.
- In the future, we hope HYUNDAI WIA to review, distinguish, unify, and specify terms and criteria for ESG-related data so that stakeholders can understand HYUNDAI WIA's ESG management performance more completely and deeply.

June, 2024

Seoul, Korea

Ji Young Song, CEO

Korean Foundation for Quality (KFQ)

Ji Young Song



GHG Assurance Statement

DNV

GREENHOUSE GAS EMISSIONS ASSURANCE OPINION

HYUNDAI WIA

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by HYUNDAI WIA ("Company") to verify the Company's Greenhouse Gas Inventory Report for the calendar year 2023 ("the report") based upon a reasonable level of assurance. The 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. 2023-221 of Ministry of Environment)). Our responsibility in performing this work is to the management of the 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 opinion.

Scope of Assurance

The GHG emissions data covered by our examination comprise Direct emissions (Scope 1 emissions) and Energy indirect emissions (Scope 2 emissions) from the Company's boundary of the report:

- Organizational boundary for reporting: Domestic business sites of the Company

Verification Approach

The verification has been conducted by DNV on February to March 2024 and performed in accordance with the verification principles and tasks outlined in the guidelines on the operation of GHG ETS (Notification No. 2023-221, Korean Ministry of Environment) and the verification guideline for GHG ETS (Notification No. 2021-112, Korean Ministry of Environment). We planned and performed our work to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a reasonable verification opinion concerning the completeness of the emission inventory as well as the reported emission figures in ton CO₂ equivalent. As part of the verification process:

- We have reviewed and verified the GHG emissions and energy consumption report for the calendar year 2023
- We have reviewed and verified the process to generate, aggregate and report the emissions and energy data

Conclusions

As a result of the work described above, in our opinion nothing has come to our attention that would cause us to believe that the GHG emissions set out in the Company's report are not fairly stated. The GHG emissions of the Company's for the year 2023 were confirmed as below:

Greenhouse Gas Emissions of HYUNDAI WIA's Domestic business site for Yr 2023

(Unit: ton CO₂ equivalent)

HYUNDAI WIA	Direct emissions (Scope 1)	Indirect emissions (Scope 2)	Total emissions
Domestic (in KOREA)	7,659,041	130,822,768	138,476

* 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.

* The company generated 42,841 kWh of electricity from renewable energy (Photovoltaic) power generation facilities installed at 'Changwon Plant 1', 'Changwon Plant 2' and 'Ulsang R&D Center' and used it at the site, and GHG emissions from these facilities are not included as above indirect emissions (Scope 2).

June 2024
Seoul, Korea

J. Sub Lee
Country Representative
DNV Business Assurance Korea Ltd

This Assurance opinion is valid as of the date of the issuance 05 June 2024. Please note that this opinion would be revised if any material discrepancy which may impact on the Greenhouse Gas Emissions of HYUNDAI WIA is subsequently brought to our attention, in the event of ambiguity or contradiction in this statement between English version and Korean version, Korean shall be given precedent.
PRJN-044747-2024-AST-ENG

DNV

GREENHOUSE GAS EMISSIONS VERIFICATION OPINION

HYUNDAI WIA CORPORATION

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by HYUNDAI WIA Corporation. ("Company") to perform third party verification for the Company's Greenhouse Gas Inventory ("the inventory"). The Company is responsible for the preparation of the GHG emissions data on the basis set out within the 'WRI/WBCSD GHG Protocol, A Corporate Accounting and Reporting Standard (2004)', The Corporate Value Chain (Scope 3) Accounting and Reporting Standard' and '2006 IPCC Guidelines for National Greenhouse Gas Inventories'. Our responsibility in performing this work is to the management of the 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 verification opinion.

Objectives 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: HYUNDAI WIA Corporation
- Operational Boundary: Scope 3 (Other indirect emissions) in Korea
 - Upstream: 7 Categories (Purchased Goods and Services, Capital Goods, Fuel- and Energy-Related Activities (not Included in Scope 1 or Scope 2), Upstream Transportation and Distribution, Waste Generated in Operation, Business Travel, Employee Commuting)
 - Downstream: 6 Categories (Downstream Transportation and Distribution, Processing of Sold Products, Use of Sold Products, End-of-Life Treatment of Sold Products, Downstream Leased Assets, Investments)
- Reporting period: 2023.01.01 ~2023.12.31

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the 'ISO 14064-3:2019', based upon a limited level of assurance. We planned and performed our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level, concerning the completeness of the emission inventory as well as the reported emission figures in ton CO₂ equivalent. As part of the verification process, we have reviewed as follows:

- Process to generate, aggregate and report the emissions data
- The data and information supporting the report were based on historical in nature. May include partially hypothetical and projected data and information (refer to the inventory for details)

Conclusions

Based on the process and procedures conducted, there is no evidence that the GHG statement is not materially correct and is not a fair representation of GHG data and information:

- DNV presents an 'Unmodified' opinion on Greenhouse Gas Emissions

(Unit: ton CO₂-eq)

Other indirect emissions (Scope 3) * in Korea	Upstream	Downstream	Total Emissions
HYUNDAI WIA	1,401,297	2,204,525	3,605,822

* In order to report the GHG emissions as an integer, the rounded number on the statement might be different with ± 1 tCO₂-eq.

* Refer to Annex for greenhouse gas emissions by categories.

13 June 2024
Seoul, Korea

J. Sub Lee
Country Representative
DNV Business Assurance Korea

This Verification Opinion is valid as of the date of the issuance. Please note that this Opinion would be revised if any material discrepancy which may impact the Greenhouse Gas Emissions of the company is subsequently brought to our attention.
PRJN-044747-02-AST-ENG

GHG Assurance Statement



GREENHOUSE GAS EMISSIONS VERIFICATION OPINION HYUNDAI WIA CORPORATION

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by HYUNDAI WIA Corporation ("Company") to perform third party verification for the Company's Greenhouse Gas Inventory ("the inventory"). The Company is responsible for the preparation of the GHG emissions data on the basis set out within the 'WRI/WBCSD GHG Protocol: A Corporate Accounting and Reporting Standard (2004)' and '2006 IPCC Guidelines for National Greenhouse Gas Inventories'. Our responsibility in performing this work is to the management of the 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 verification opinion.

Objectives 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: HYUNDAI WIA's local subsidiary (HYUNDAI WIA Turbo Co. Ltd)
- Operational Boundary: Scope 1 (Direct emissions), Scope 2 (Indirect emissions)
- Reporting period: 2023.01.01 ~2023.12.31

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the 'ISO 14064-3:2019', based upon a limited level of assurance. We planned and performed our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level, concerning the completeness of the emission inventory as well as the reported emission figures in ton CO₂ equivalent. As part of the verification process, we have reviewed as follows;

- Process to generate, aggregate and report the emissions data
- The data and information supporting the report were based on historical in nature. May include partially hypothetical and projected data and information (refer to the inventory for details)

Conclusions

Based on the process and procedures conducted, there is no evidence that the GHG statement is not materially correct and is not a fair representation of GHG data and information;


- DNV presents an 'Unmodified' opinion on Greenhouse Gas Emissions

(Unit: ton CO₂-eq)

2023	Direct emissions (Scope 1)	Indirect emissions (Scope 2)*	Total Emissions
HYUNDAI WIA Turbo	22	1,024	1,046

※ Greenhouse gas emissions may differ by less than + 1 tCO₂-eq due to rounding to report as an integer.

13 June 2024
Seoul, Korea


Jang-Sub Lee
Country Representative
DNV Business Assurance Korea

This Verification Opinion is valid as of the date of the issuance. Please note that this Opinion would be revised if any material discrepancy which may impact the Greenhouse Gas Emissions of the company is subsequently brought to our attention.

PRJN-644747-04-AST-ENG



GREENHOUSE GAS EMISSIONS VERIFICATION OPINION HYUNDAI WIA CORPORATION

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by HYUNDAI WIA Corporation ("Company") to perform third party verification for the Company's Greenhouse Gas Inventory ("the inventory"). The Company is responsible for the preparation of the GHG emissions data on the basis set out within the 'WRI/WBCSD GHG Protocol: A Corporate Accounting and Reporting Standard (2004)' and '2006 IPCC Guidelines for National Greenhouse Gas Inventories'. Our responsibility in performing this work is to the management of the 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 verification opinion.

Objectives 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: HYUNDAI WIA's 13 Global Networks(China, Mexico, India, USA, etc.)
- Operational Boundary: Scope 1 (Direct emissions), Scope 2 (Indirect emissions)
- Reporting period: 2023.01.01 ~2023.12.31

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the 'ISO 14064-3:2019', based upon a limited level of assurance. We planned and performed our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level, concerning the completeness of the emission inventory as well as the reported emission figures in ton CO₂ equivalent. As part of the verification process, we have reviewed as follows;

- Process to generate, aggregate and report the emissions data
- The data and information supporting the report were based on historical in nature. May include partially hypothetical and projected data and information (refer to the inventory for details)

Conclusions

Based on the process and procedures conducted, there is no evidence that the GHG statement is not materially correct and is not a fair representation of GHG data and information;

- DNV presents an 'Unmodified' opinion on Greenhouse Gas Emissions

(Unit: ton CO₂-eq)

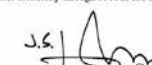
HYUNDAI WIA	Direct emissions (Scope 1)	Indirect emissions (Scope 2)*	Total Emissions
Global Networks	9,328	133,967	143,295

※ Greenhouse gas emissions may differ by less than + 1 tCO₂-eq due to rounding to report as an integer.

※ Refer to Annex for greenhouse gas emissions by global networks.

* Indirect emissions (Scope 2): Market based GHG emissions reflecting purchase of renewable electricity through PPA in HYUNDAI WIA India.

13 June 2024
Seoul, Korea


Jang-Sub Lee
Country Representative
DNV Business Assurance Korea

This Verification Opinion is valid as of the date of the issuance. Please note that this Opinion would be revised if any material discrepancy which may impact the Greenhouse Gas Emissions of the company is subsequently brought to our attention.

AO_PRJN-723755-2024-AST-ENG

Awards and Memberships

Awards

Award	Description	Year	Organization
3 Billion Dollar Export Tower Award	USD 3.1 billion in annual exports	2013	Ministry of Trade, Industry and Energy
2013 Management Grand Awards	Top Prize in Product Innovation	2013	Korea Management Association
2014 Management Grand Awards	Top Prize in Management Innovation	2014	Korea Management Association
2014 Hyundai Motor Group Excellent Safety Control Award	Selected as a business site with excellent safety control	2014	Hyundai Motor Group
2015 GM Supplier Quality Excellence Award	Global Supplier of Excellence in Quality	2015	General Motors
2015 Management Grand Awards	Won the grand prize for three consecutive years	2015	Korea Management Association
4 Billion Dollar Export Tower Award	USD 4.3 billion in annual exports	2015	Ministry of Trade, Industry and Energy
2015 Korea's Most Admired Companies	Selected in the automotive parts category in consideration of customers, employees, society, image value, and capacity for innovation	2015	Korea Management Association Consulting
Gold Prize at the 6th Korea Manufacturing Technology Awards 2015	Gold Prize (Team Category) in Plastic Processing	2015	Ministry of Trade, Industry and Energy
2016 FCA Outstanding Supplier Quality Award	Global Outstanding Supplier Quality Award	2016	FCA Group
Commendation for Contribution to Improving Military Strength and Defense Capacity	Contributed to the advancement of defense technology with the remote controlled weapon station project	2016	Director of the Defense Acquisition Program Administration
100 Billion Won National Tax Tower	Awarded on the 50th Taxpayer's Day (voluntary tax payment and contribution to national budget)	2016	Ministry of Economy and Finance
Commendation for Contribution to Strengthening Fair Trade Practices	Contributed to fostering a win-win cooperation culture and strengthening competitiveness through fair trade agreements	2016	Fair Trade Commission
Commendation for Contribution to Promoting Sharing Culture	Contributed to promoting a sharing culture and creating a happy society	2016	Ministry of Health and Welfare
Commendation for Contribution to The Growth of Local Communities and Promotion of Healthy Family Culture	Contributed to the growth of local communities and spreading a healthy family culture	2017	Deputy Governor of Administrative Affairs, Gyeongsangnam-do Province
Supplier of Excellent Quality of GM International Organization	SQ Excellence Award	2017	General Motors
The 5th Software Industry Protection Awards	Contributed to software copyright protection and industry promotion	2017	Ministry of the Interior and Safety
The 22nd Environment Day Awards	Contributed to environmental conservation	2017	Gyeongsangnam-do Provincial Office
2018 Hyundai Motor Group Excellent Safety Control Award	Selected as a business site with excellent safety control	2018	Hyundai Motor Group
Commendation for Contribution to Reducing Fine Dust	Contributed to environmental conservation	2018	Gyeongsangnam-do Provincial Office
Commendation for Contribution to Spreading Social Contribution Culture and Improving Child Welfare	Contributed to spreading a social contribution culture and improving child welfare	2019	Mayor of Changwon
2018 Hyundai Motor Group Change and Innovation Award	Development of integrated drive axle	2019	Hyundai Motor Group
2014 Hyundai Motor Group Excellent Safety Control Award	Selected as a business site with excellent safety control	2019	Hyundai Motor Group
2019 World Water Day	Contribution to water management	2019	Gyeongsangnam-do Provincial Office
2020 Nakdonggang River Basin Environmental Office Commendation	Contribution to improving water quality	2020	Nakdonggang River Basin Environmental Office
Silver Tower Medal for Win-Win Growth	Contribution to the win-win growth of large corporations and SMEs	2021	Ministry of SMEs and Startups
Commendation from the Mayor of Changwon in 2021	Contribution to environmental conservation	2021	Changwon City

Award	Description	Year	Organization
Commendation from the Mayor of Changwon in 2021	Contribution to environmental management	2021	Changwon City
Climate Change Response And GHG Reduction Award in 2021	Contribution to climate change response and reduction of GHG emissions	2021	Ministry of Trade, Industry and Energy
Commendation from the Mayor of Changwon in 2022	Contribution to environmental conservation	2022	Changwon City
The 2 nd Seoul Universal Design Awards (Top Excellence Award)	Selected as excellent universal design (HYUNDAI WIA Green School)	2022	Seoul Metropolitan Government
The 11 th Korea Sharing People Awards	Contribution to the promotion of social contribution activities	2022	Ministry of Health and Welfare
Korea ESG Company of the Year 2023 (Minister of Environment Award)	Excellence in ESG management	2023	Korea Green Foundation
Commendation from the Minister of Environment in 2023	Contribution to disclosure of environmental information	2023	Ministry of Environment
2023 Social Contribution Award from Green Umbrella Chairman	Excellence in CSR activities	2023	Changwon City
Appreciation Plaque for Helping People in Need in Changwon City	Excellence in CSR activities contributing to the local community	2023	Changwon City
CDP Korea Awards: Honors Award in the Optional Consumables Category	Excellent CDP report	2023	CDP Korea
Excellent Company in Payment in 2023	Excellence in connected business performance	2023	Ministry of SMEs and Startups and Fair Trade Commission
Highest Honor in Win-Win Partnership in 2022	Excellence in win-win partnerships with suppliers	2023	Korea Commission for Corporate Partnership

Memberships

Organization	Main activities
Korea Chamber of Commerce and Industry	Respond to industrial policies and various industrial statistics
Chamber of Commerce and Industry Changwon Office	Identify regional trends and jointly respond to the challenges faced by companies
Korea Automobile Manufacturers Association	Respond to issues in the automotive parts industry
Korea Auto Industries Coop. Association	Hold exhibitions and respond to data concerning the current status of the industry
Korean Society of Automotive Engineers	Analyze trends in automotive engineering technologies as well as trends in the automotive industry and hold academic events (such as conferences)
Korea Industrial Technology Association	Report the establishment of or changes to company-affiliated research centers, apply for the Jang Young-shil Award, and support various corporate activities
Korea Machine Tool Manufacturers' Association	Create demand for products from member companies, promote sales (SIMTOS, etc.), conduct international exchange projects, and explore policies to exchange information about machine tools
Korea Society for Precision Engineering	Conduct research on new machine tool technologies and PR activities and build an industry-university-research network
Korea Information and Communication Contractors Association	Apply for information and communications construction business in Korea and cooperating with relevant research
Korea Defense Industry Association	Deal with information relating to company profiles, business performance, investment in facilities, R&D performance, and capacity utilization rate
Korea Aerospace Association	Support policy making for the aerospace industry, international cooperation, exports, etc.
Korea Listed Companies Association	Respond to regulations concerning the Commercial Act (general meeting of shareholders, board of directors, audit committee, etc.)
Korea Fair Competition Federation	Provide fair trade training programs and relevant materials
Korea Industrial Safety Association	Deal with legal safety inspections and share information with member companies
Mindsphere World Korea	Identify and grasp new technology trends for the development of a smart factory system
Korea Association of Robot Industry (KAR)	Analyze robotics industry trends, exchange information with member companies, and participate in system/policy improvement projects

This Sustainability Report was prepared by

General – the Planning & Business Management Team

Departments that assisted with the production

Management Improvement Team 2	Information Security Team
Machine Tool Research Planning Team	Automotive Parts Business Management Team
Training and Culture Team	Automotive Parts Material Development Team
Global Purchasing Team	Automotive Parts Research Planning Team
Labor-Management Policy Team	Integrated Purchasing Team
Labor-Management Cooperation Team	Special Business Management Team
Robotics Verification Team	Special System Development Team
Mobility Solution Business Strategy Team	Quality Operations Team
Future Strategy Team	PR Team
Business Support Team	Accounting Team
Legal Team	HR Team
Business Planning Team	ICT Planning Team
Win-Win Cooperation Team	IR Team
Safety and Health Team	Software Development Team 2
Safety and Environment Team	TMS Business Management Team
Property & Infra Development Team	

