



THE ROAD TO SUSTAINABILITY

2013 SUSTAINABILITY REPORT

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SPECIAL FEATURES

Creating Shared Value : progress so far

- Creating smart cars using advanced convergence technologies
- Establishing Hyundai-KOICA Dream Center in Ghana
- The 2nd HMC Supplier Job Fair
- The world's first mass produced FCEV : Tucson ix FCEV
- HMC Automobile Recycling Center : Ensuring the most efficient recycling

KEY ISSUES

- HB20 flexible fuel vehicle for Brazil
- Listening to customers' opinions through the online community
- Supporting Science without Borders project in Brazil

APPENDIX

- Braille version for the visually impaired
A renaissance of automotive culture unbound by time and space

HYUNDAI



ABOUT THIS REPORT

REPORT PROFILE

Since 2003, the Hyundai Motor Company (HMC) has been publishing a corporate sustainability report entitled 'The Road to Sustainability'. This report is the 11th sustainability report by HMC. Through its publication, HMC reaffirms its commitment to sustainable business management, sharing its achievements with our stakeholders and promoting an enhanced understanding of HMC's sustainability management.

OVERVIEW

This report covers the quantitative results from the 2012 calendar year. However, some information from after 2012 is also included. The report includes sustainability activities at HMC headquarters, domestic sales offices, service centers, distribution centers, training centers, manufacturing plants and R&D centers, as well as overseas manufacturing plants, sales offices, regional headquarters, overseas offices, overseas R&D centers and other related companies (such as import companies, auto financing firms and advertising firms).

REPORTING GUIDELINES

This Report has been produced in line with the G3.1 Global Reporting Initiative guidelines. The information on corporate social responsibility was collected and organized following the ISO 26000 standard. The table on pages 88 to 91 of the report shows where to find the information that corresponds with each of the GRI Indicators.

PERFORMANCE DATA COLLECTION PROCESS

Data regarding business performance, environmental management and social contribution is managed by the relevant departments. The Technical Management team then collects all of the data through the company intranet which is then reviewed and analyzed. The environmental performance data is collected and verified annually by outside experts as part of the ISO 14001 certification procedures. Key environmental performance data is collected from both domestic and overseas sites. However, some data relating to environmental performance and social contribution activities is collected only from domestic operation sites. Work is in progress to improve the data collection system to expand its scope to all sites.

ASSURANCE

The data in the report is verified by KPMG an independent assurance service company. The assurance report by KPMG is included on page 92 of the report.

WHAT'S NEW IN THE 2013 SUSTAINABILITY REPORT

The main theme of the 2013 Sustainability report is 'Creating Shared Value' for the benefit of HMC's business partners and wider society. Five top priorities were selected and objectives for each were outlined along with an implementation plan. In addition, HMC's sustainable management activities for environmental improvement and social contribution are also included in the report under the themes of 'Leading the Future of Transportation' and 'Making Life Better'

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EPILOGUE 102

Message from the Chairman



Hyundai Motor will generate positive social benefits in addition to creating a healthy flow of profit through its business activities.

First, I would like to thank everyone who had given their support to helping make it another successful year for the Hyundai Motor Company.

In 2012, Hyundai Motor continued to grow despite the global economic recession. We sold over 4.41 million vehicles in 2012, which was an 8.6% increase from 2011. We also completed the construction of a third manufacturing plant in Beijing and a new manufacturing plant in Brazil, securing the capacity required to enable strong market penetration and dominance in two of the largest emerging markets. The added capacity expanded Hyundai's overseas production capacity to 2.5 million units, which is approximately 56.7% of Hyundai vehicles sold in 2012. Thanks to the growing network of diversified production capacity, Hyundai's capacity to respond to changing customer demands in different regions is now stronger than ever.

We plan to focus on achieving 'Innovation of brand image through strong quality management' in 2013. We are well aware that a high quality product and cutting edge technology are the key sources of Hyundai's competitiveness and will therefore invest our resources to further enhance these strengths.

We will continue to pay close attention to our customers' opinions and will reflect these in our products and services, while maintaining our leadership position in quality and advanced technologies. We will also continue to deliver the most satisfying customer experience at all points of contact. The development of green vehicles is now a top priority for the Hyundai Motor Company. We will increase our competitiveness in green vehicle technology by stepping up our investment in electronic control technologies and by recruiting and nurturing the best employees. We will continue to invest to build upon Hyundai Motor's capacity for growth and to create more jobs.

We will also strengthen our partnerships, via stronger collaboration and better communication, with our business partners such as suppliers and sales dealers to ensure business growth for everyone.

Hyundai Motor believes that business management is much more than simply creating profit through the manufacture and sale of products and then sharing it with our stakeholders. We believe that the true essence of business management is about the creation of positive benefits for society throughout the value chain. In fact, generating positive social benefits in addition to creating a healthy flow of profit through its business activities is the ultimate goal of Hyundai Motor. This objective is deeply rooted in the corporate philosophy of the Hyundai Motor Company and I am confident that we are on the path to achieving it.

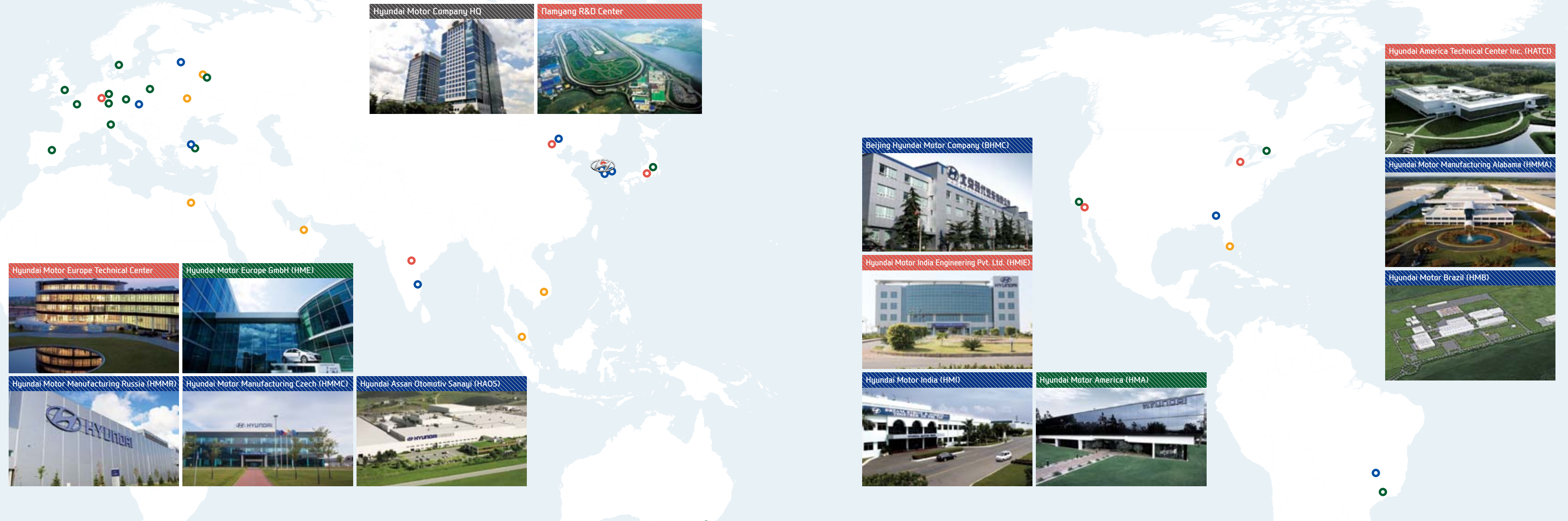
This sustainability report is a key channel of communication between Hyundai Motor and our stakeholders. I hope you find the information about Hyundai's recent achievements and management philosophy useful and look forward to continuing this dialogue in the future. Thank you.

June 2012
Mong-koo Chung, Chairman
Hyundai Motor Group

A handwritten signature in black ink, reading 'M. K. Chung'. The signature is fluid and cursive, written in a professional style.

Introducing Hyundai Motor Company

- Research center
- Manufacturing plants
- Sales office
- Regional headquarters



Company Overview

Name Hyundai Motor Company
Chairman / CEO Mong-ko Chung
Headquarters
 12 Hunreung-ro (Yangjae-dong), Seocho-Gu, Seoul, Korea
Business Area
 Manufacturing Motor Vehicles
Products Motor vehicles (Cars, SUVs and Commercial vehicles)
No. of Employees 98,348
Sales 43,162 billion KRW (HMC sales only)

Global Network

ASIA-PACIFIC

- Hyundai Motor Company(HMC) Headquarters
- Ramyang R&D Center
- Hyundai Motor China R&D Center
- Hyundai Motor Japan R&D Center
- Hyundai Motor India Engineering Pvt. Ltd. (HMIE)
- Ulsan Plant
- Asan Plant
- Jeonju Plant
- Beijing Hyundai Motor Company (BHMC)
- Hyundai Motor India (HMI)
- Hyundai Motor Japan (HMJ)
- Hyundai Motor Company Australia (HMCA)
- Asia & Pacific Regional Headquarters
- CV Asia & Pacific Regional Headquarters
- Middle East Regional Headquarters
- CV Africa & Middle East Regional Headquarters

EUROPE

- Motor Europe Technical Center GmbH (HMETC)
- Hyundai European Design Center
- Hyundai Motor Manufacturing Czech (HMMC)
- Hyundai Assan Otomotiv Sanayi (HAOS)
- Hyundai Motor Manufacturing Russia (HMMR)
- Hyundai Motor Europe GmbH (HME)
- Hyundai Motor Deutschland GmbH (HMD)
- Hyundai Motor United Kingdom. Ltd. (HMUK)
- Hyundai Motor Norway AS (HMN)
- Hyundai Motor Poland (HMP)
- Hyundai Motor Company Italy (HMCI)
- Hyundai Motor France (HMF)
- Hyundai Motor Espana, S.L. (HMES)
- Hyundai Motor Czech (HMCZ)
- Hyundai Assan Automotive Sanayi (HAOS)
- Hyundai Motor CIS (HMCIS)
- Eastern Europe Regional Headquarters
- CV CIS & Eastern Europe Regional Headquarters

AMERICA

- Hyundai California Design & Research Center
- Hyundai America Technical Center Inc. (HATCI)
- Hyundai Motor Manufacturing Alabama (HMMA)
- Hyundai Motor Brazil (HMB)
- Hyundai Motor America (HMA)
- Hyundai Auto Canada (HAC)
- Hyundai Motor Brazil (HMB)
- Central & South America Regional Headquarters

AFRICA

- Africa Regional Headquarters

Management Structure

Corporate Philosophy

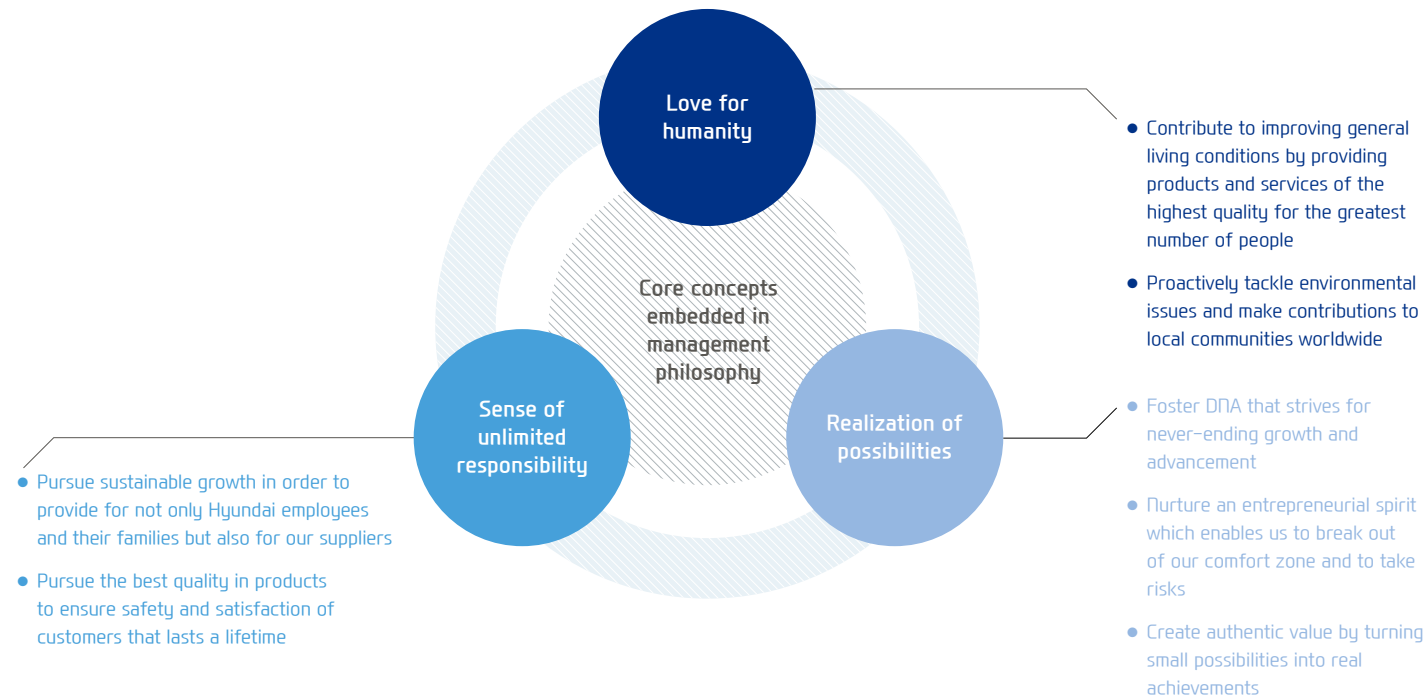
In 2011, Hyundai's corporate philosophy was revised to define the values that Hyundai stands for and to further strengthen its capacity in sustainable management. We are striving to lead the automotive industry with new thinking and new possibilities and to make a greater contribution towards achieving a sustainable future for humanity.

Management Philosophy

"Realize mankind's dream of creating a new future through ingenious ideas and continuously challenging new frontiers"

The management philosophy of a company is the basis of its business management. Using Hyundai's traditional values as a basis, the essence of our management philosophy is summarized in three key ideas: 'a sense of unlimited responsibility', 'the realization of possibilities', and 'love for humanity'. These three key ideas were used as the basis for our new management philosophy, 'realizing mankind's dream to create a new future, using imaginative ideas and striving for new frontiers'.

The 'sense of unlimited responsibility' signifies the pursuit of sustainable growth through a sense of responsibility towards all of our stakeholders. The 'realization of possibilities' signifies our pioneering spirit that has driven Hyundai to new business frontiers. The 'love for humanity' represents our will to contribute to the improvement of living conditions for all humanity. Using this new management philosophy as our guide, the Hyundai Motor Company will continue to grow as a respected company making a positive contribution to humanity.



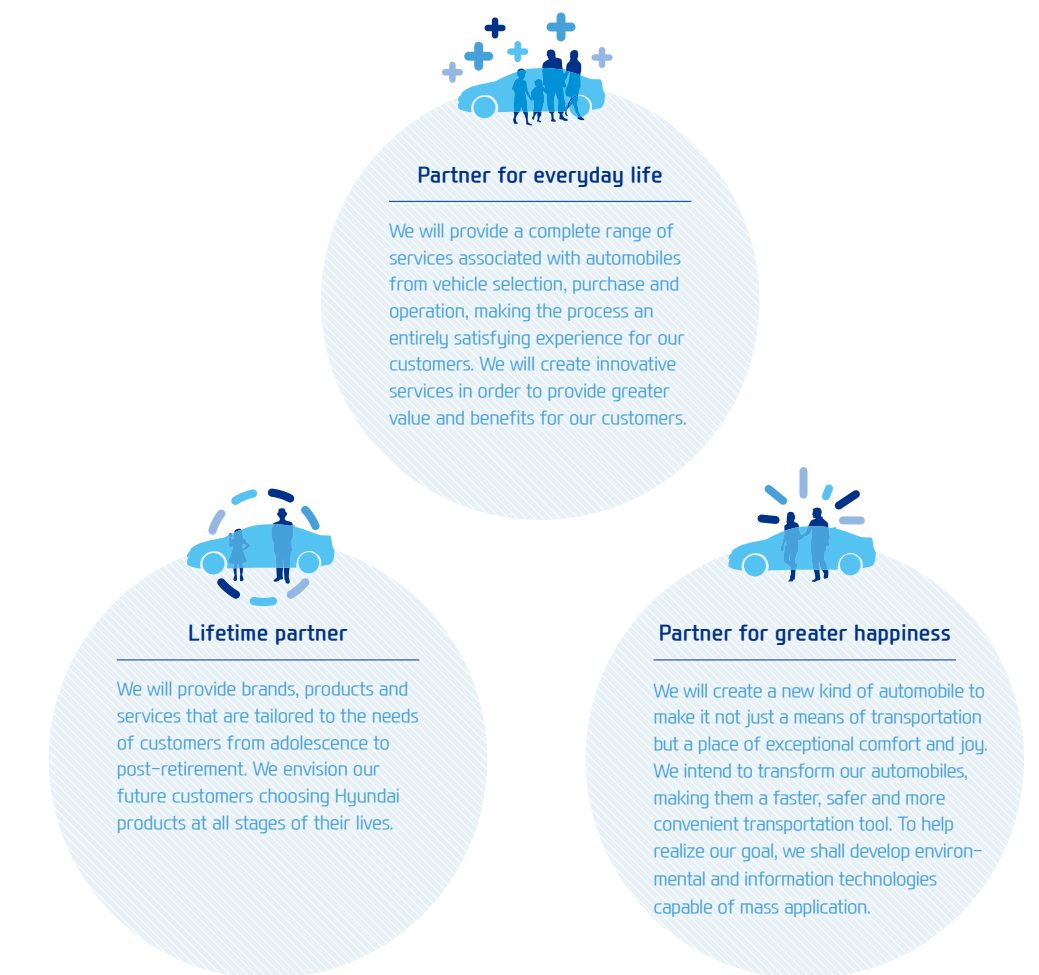
VISION

"Lifetime partner in automobiles and beyond"

"To become a trusted lifetime partner for our customers, we will bring a new perspective to automobiles through innovative mobility solutions based on human-centric, eco-friendly technologies and services."

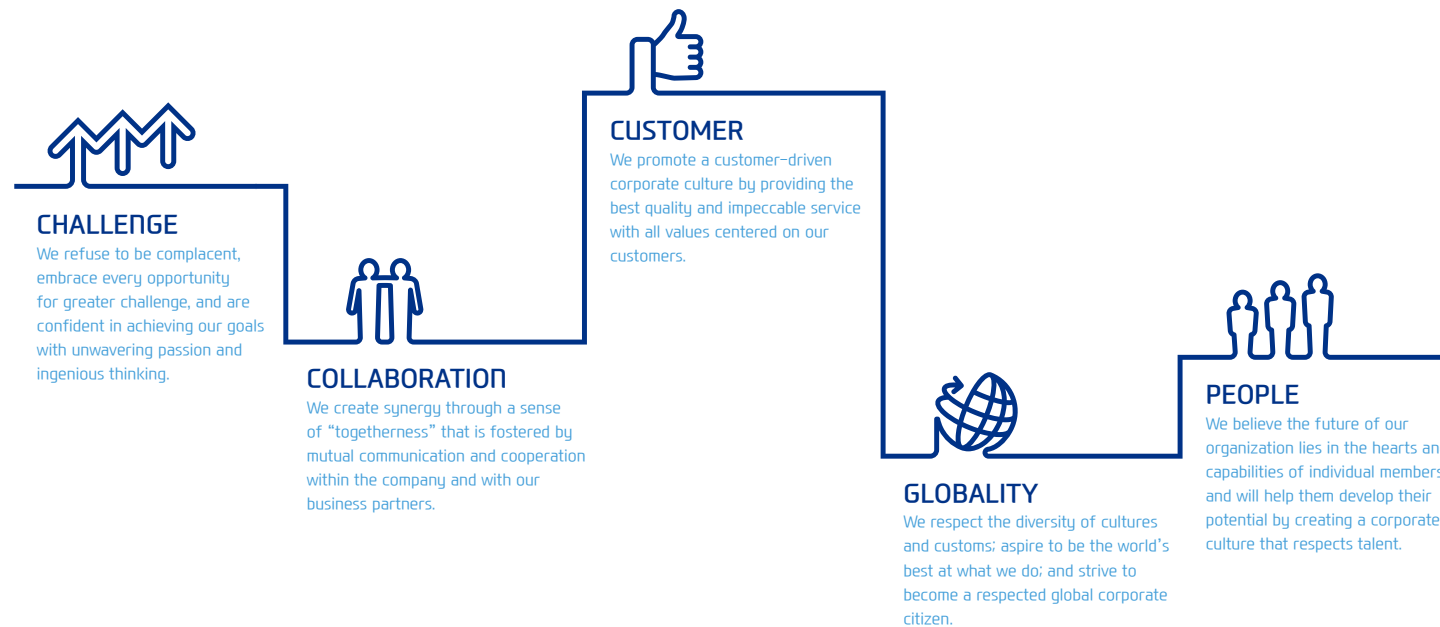
The new 'Vision 2020' presents clear sustainable growth goals for all members of the Hyundai Motor Group, as well as setting out what we must strive to achieve. Automobiles are no longer just a means of transportation that connect people but another space for living. Vision 2020 is designed to embrace the changing values and philosophy of what automobiles mean to society. By pursuing this vision, Hyundai has set out to become not just a car maker but a company that creates new values, a company beloved by customers, and ultimately, a lifetime partner to our customers.

Core ideas embedded in the vision



Core Values

We have selected five core values ‘customer, challenge, collaboration, people and globality’ to help us implement our new management philosophy and to realize the vision of 2020. The five core values were created using the following process. First, we identified the unique characteristics embedded in Hyundai’s employees that have contributed to our success so far. Then we mixed in sustainable values, creating something useful to guide our actions. The core values will serve as a guide not only for Hyundai’s business management activities but also to strengthen its community of members and to provide a basis for sustainable growth and development.



Transparency and Ethical Business Management

Maintaining high ethical standards in business management is an important requirement for sustainable management on a par with fulfilling legal responsibilities and generating profits. HMC strives to earn the trust of stakeholders through transparent and ethical business conduct. HMC will comply with its legal responsibilities, foster an ethical business management culture among its employees. Furthermore, HMC will promote an ethical business management culture among its suppliers.

The UN Global Compact is a voluntary initiative launched by the UN that seeks to align business operations and strategies globally using ten universally accepted principles in the areas of human rights, labor, the environment and anti-corruption. HMC joined the UN Global Compact in 2008 and declared its commitment to fulfilling its social responsibilities throughout its business practices. In addition, an ethics committee was established in 2007 in order to improve transparency in the management decision making process. In 2002, we adopted a voluntary fair trade compliance program in order to ensure fair trade with our suppliers. HMC’s ethical business management policies are making a considerable contribution towards strengthening HMC’s competitiveness and creating new economic values by eliminating many sources of management inefficiency.

Regulation Compliance

Complying with all laws and regulations, as well as respecting internationally accepted norms of business conduct in all its business practices is a key business principle at HMC. With that principle as a starting point, HMC also strives to promote voluntary compliance with all regulations, and has created a fair trade compliance program to prevent any unfair business conduct.

Voluntary Fair Trade Compliance Program In 2012, the CEO’s statement on voluntary compliance was issued through the HMC intranet (Autoway), HMC’s purchasing portal for suppliers and various other channels, reaffirming HMC’s determination to promote fair trade practice. The number of staff responsible for the compliance program has increased to ensure more effective implementation.

In 2012, both collective training sessions and on-line courses on fair trade compliance were run for all employees of relevant business departments including sales division. A company-wide survey was also conducted on fair trade voluntary compliance, in order to effectively identify the current status of the program and to obtain suggestions for improvement.

HMC plans to further promote its VFTC program in 2013. For example, efforts to further publicize the CEO’s 2012 statement on VFTC will be made and signing of the fair trade compliance agreement will become mandatory for all newly recruited HMC employees starting in 2013. An internal contest for VFTC program improvement will be held and selected ideas will be implemented to further foster an internal culture which promotes compliance. A special VFTC training session for executives will also be created in 2013 as well as full revision of the VFTC handbook for distribution to all employees.

All HMC employees are obliged to use the following codes of conduct on voluntary fair trade compliance.

Voluntary Fair Trade Compliance Code of Conduct

- First,** all employees should remember that compliance with fair trade regulations is an essential requirement in HMC’s business management practice.
- Second,** all employees must assess the relevance of fair trade regulations with their job responsibilities.
- Third,** all employees must consult with relevant HMC staff when they become aware of a potential fair trade regulation non-compliance risk.



HMC Ethical Management homepage
(<http://audit.hyundai.com>)

Ethical Business Management

In 2001, HMC established the HMC Ethics Charter, the Employee Code of Conduct, and the Guidelines for Ethical Business Conduct to set clear guidelines for all its employees and to promote a transparent and ethical business management culture. All relevant documents are made available on-line for awareness raising and as an on-demand reference.

The HMC Ethics Charter The HMC Ethics Charter was created to help employees make ethically correct decisions in their business conduct and is applicable not only to HMC but also to suppliers.

The HMC Ethics Charter is available at <http://audit.hyundai.com/Common/html/rule/charter.aspx>

Cyber Audit Office HMC operates a cyber audit office which collects information on unethical business conduct such as bribery and potential corruption cases. All reports need to be made using real names however the identity of the informant is strictly protected during any investigation.

Typical cases reported to the cyber audit office are as follows.

Common Types of Unethical Conduct Reported

- Unfair business decisions made due to personal connections (e.g. school alumni, hometown friends)
- Request or acceptance of bribes and unjustified gifts
- Illegal requests and abuse of authority
- Suggestion for improvement in unfair business practices
- Other business conduct that violates employee Code of Business Conduct on ethical business management

Reporting to the cyber audit office can be made via e-mail, telephone, fax and so on. An internal investigation is conducted when deemed necessary and the results are then shared with the informant. An average of 7 to 10 days is required to process a case. Some cases are transferred to other teams for more detailed assessment.

Protecting the identity of the informant is a high priority. The three principles implemented to ensure this are as follows.

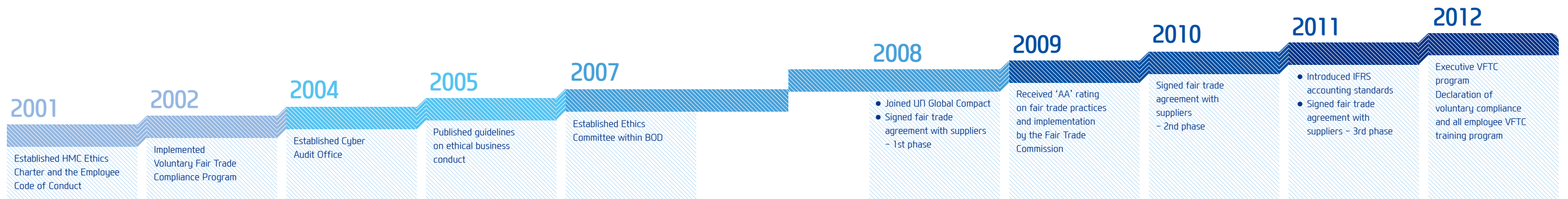
Informant protection policy

Never disclose or hint at the identity of the informant, unless agreed with the informant.

Informant shall be protected from any act of discrimination for reporting suspicion of unethical business conduct to the cyber audit office.

Informant who reported unethical business conduct involving him or herself shall receive preferential treatment regarding any penalty for his or her contribution.

Ethical Business Management Promotion Activities



Governance

Board of directors (BOD)

HMC has a board of directors (BOD) as required by Korean law. It is comprised of four executive directors and five external directors. The BOD has three subcommittees including the Audit Committee, the External Director Candidate Nomination Committee and the Ethics Committee to support the effective operation of the BOD.

Audit Committee comprises four external directors and is responsible for auditing HMC finances and operations. It has the authority to demand executive officers provide information on the company's operational and financial status. The committee is responsible for reporting their findings to the BOD.

The External Director Candidate Nomination Committee comprises two executive and three external directors. All HMC external directors must first be nominated by the committee and then approved at the general shareholders' meeting by a majority of the attending members.

The Ethics Committee established in 2007 to increase the transparency of internal business transactions and to promote ethical business management practices. The Committee was made a subcommittee of the BOD in 2012 to enable more effective enforcement of transparent and ethical business management. The committee is comprised of three external directors, one executive director and is headed up by one of the three external directors.

Board of Directors Composition

| Classification | Name | Position | Committee | Date of appointment | Duration of service |
|---------------------|-----------------------|---|---|---------------------|---------------------|
| Executive directors | Mong-koo Chung | Chairman/CEO | External Director Candidate Recommendation Committee | Mar. 11 2011 | 3 years |
| | Euisun Chung | Vice Chairman | | Mar. 15 2013 | 3 years |
| | Chung-ho Kim | President/CEO | External Director Candidate Recommendation Committee Ethics Committee | Mar. 15 2013 | 3 years |
| | Gap-hwan Yun | President/CEO | | Mar. 16 2012 | 3 years |
| External directors | Se-bin Oh | Lawyer, DongIn Law Group | External Director Candidate Recommendation Committee Audit Committee, Ethics Committee | Mar. 11 2011 | 3 years |
| | Il-hyung Kang | Head of Daeun Tax Service company | External Director Candidate Recommendation Committee Audit Committee | Mar. 16 2012 | 3 years |
| | Young-chul Yim | Lawyer; Shin & Kim | Ethics Committee, Audit Committee | Mar. 16 2012 | 3 years |
| | Sungil Nam | Professor, Economics Dept., Seogang University | External Director Candidate Recommendation Committee Audit Committee | Mar. 15 2013 | 3 years |
| | Yujae Lee | Professor, Business Management Dept., Seoul National University | Ethics Committee | Mar. 15 2013 | 3 years |

Creating and Sharing Economic Gains



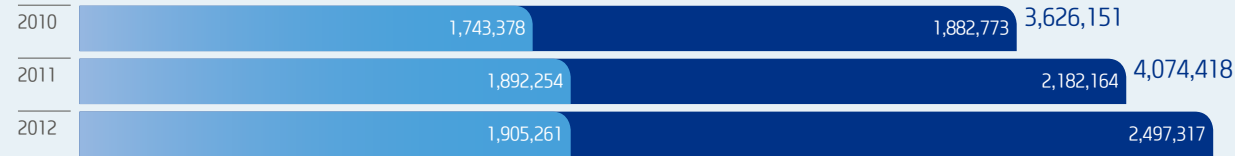
HMC is expanding its global production and sales network in order to strengthen its competitiveness and to manage the uncertainties of the global economy. As of 2012, we have established a total of 17 manufacturing plants in 8 countries spanning both advanced economies and emerging economies. Each plant is equipped with advanced manufacturing facilities for the production of vehicle models tailored for local markets.

The global production network, high quality products and services were all developed with the goal of delivering higher customer satisfaction, which is our top priority. Moreover, we aim to become a company that fosters the economic growth of the local communities where we operate by creating jobs for members of local communities. Ultimately, we want to become an integral part of the communities within which we operate.

PERFORMANCE MAP

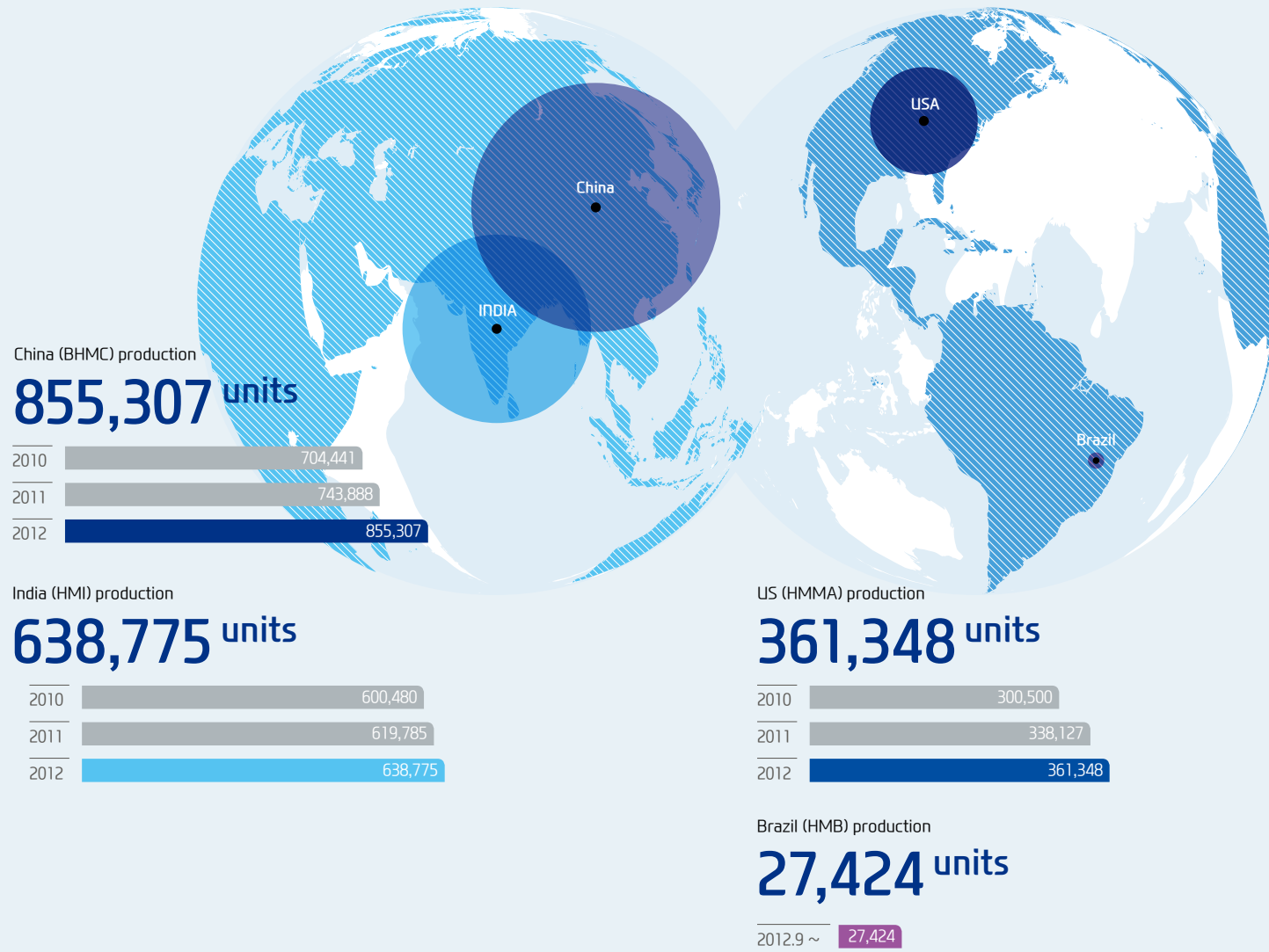
GLOBAL PRODUCTION STATUS

■ Domestic ■ Overseas | Unit: units



4,402,578 units

PRODUCTION STATUS BY REGION



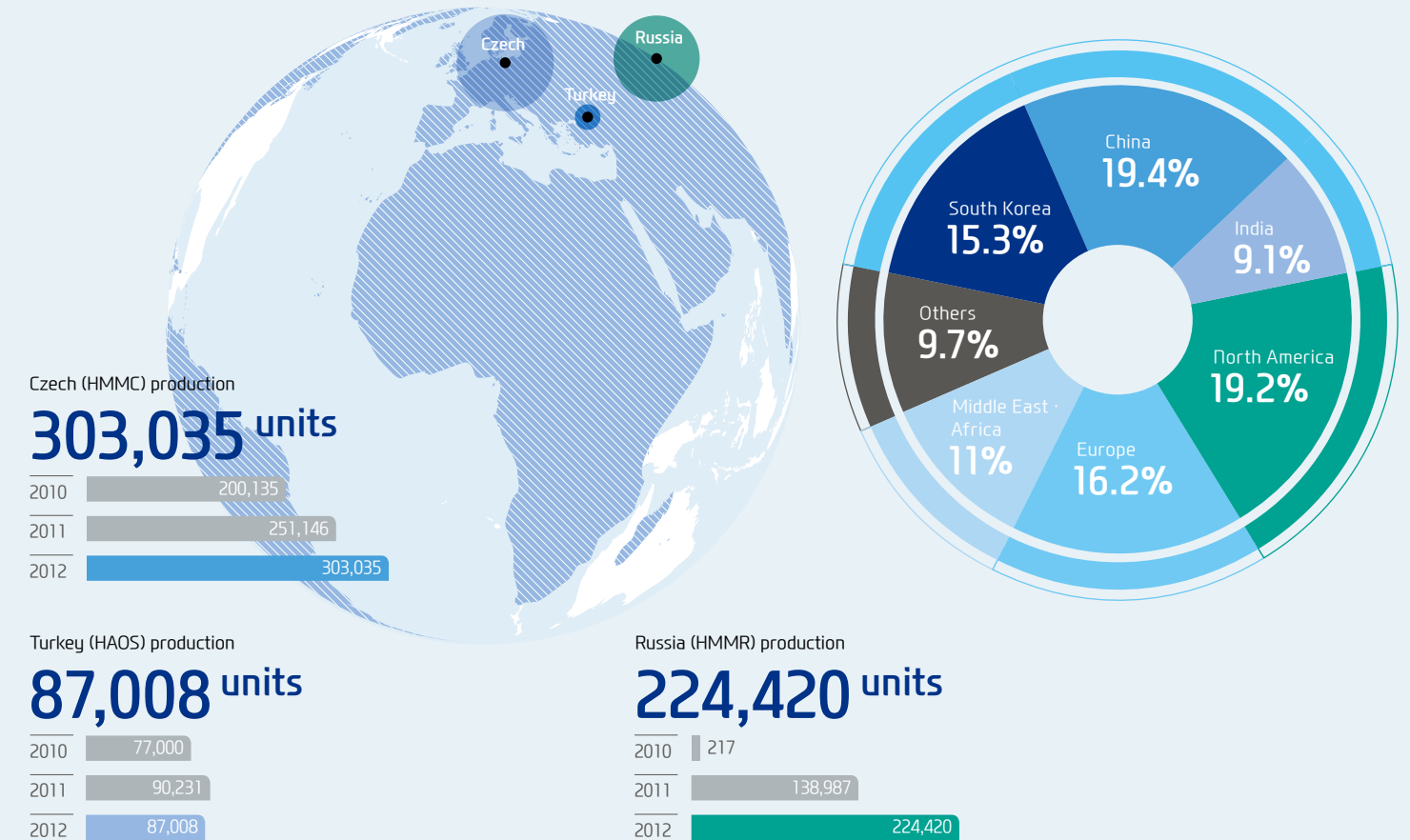
GLOBAL SALES STATUS

■ Domestic ■ Overseas | Unit: units



4,410,357 units

MARKET SHARE IN KEY MARKETS





1. Hyundai Manufacturing Brazil with an annual production volume of 150,000 units per year becomes operational in 2012
2. Beijing Hyundai Motor Company celebrates accumulated sales of over 4 million units
3. Hyundai Motor Manufacturing Alabama

Global Production

HMC established its first overseas production plant in Turkey and began to build on its success in other regions. In 2012, HMC began operation of its first plant in Brazil, expanding its global production base to 17 plants in 8 countries. In 2010, overseas production capacity surpassed domestic production capacity. In 2012, 56.7% of Hyundai vehicles were produced at overseas plants.

The recent increase in overseas production capacity was due to the successful launch of HMC's third plant in China, increasing annual production capacity to 900,000 units and HMC's new plant in Brazil. The completion of the 'Szechuan Hyundai' manufacturing plant in 2014 will further increase HMC's overseas production capacity and allow HMC to more effectively respond to changing demands in the commercial vehicle market in China.

The number of vehicles produced in overseas plants increased to 2,497,317 units in 2012, which was a 14.4% increase. Overall production volume increased to 4,402,578 units which represented an 8% increase. The diversified global production network has strengthened HMC's capacity to more effectively manage the risks of the changing business environment.

Global sales

HMC had yet another year of growth despite a global economic recession. In 2012, the number of vehicles produced at HMC's domestic plant and sold worldwide was 1,911,259, which was a 1.35% increase from the previous year. Sales volume in the domestic market was 667,496 units which was a decrease of 2.2%, due to a variety of reasons including the slow economy and the relatively small number of new models being released. However, HMC's market share increased by 0.9% in the domestic market, thanks to strong sales of the new Santa Fe, i30, i40 and i40 saloon.

In 2012, the number of vehicles produced and sold from overseas plants was 2,499,098 units, which was a 14.9% increase from the previous year. Sales of overseas produced vehicles accounted for 56.6%.

In the North American market, the number of vehicles sold increased by 8.9% to 703,000. The low interest rate and increased demand for replacement vehicles were identified as the main contributing factors that led to the increase in sales. It is also noteworthy that HMC achieved an increase in sales while providing the lowest discount and other financial incentives. Sonata and Elantra were the top selling models with more than 231,000 and 202,000 sold respectively. Sales of high-end models such as Azera, Genesis and Equus also increased as they became increasingly recognized for their high quality and excellent overall value.

Sales in the Chinese market increased by 11.8% thanks to the strong launch of the YF Sonata, the continued popularity of the Verna and strong sales of localized models in China. In 2012, Hyundai began operation of its third plant in China, which was completed 10 years after Hyundai's first plant in China began operating. The increased production capacity in China is expected to support Hyundai's continued growth in China.

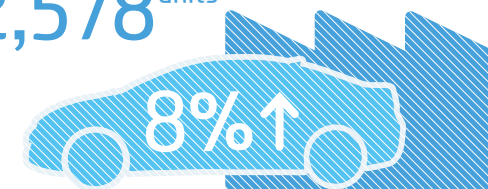
The European automotive market continued to suffer due to the economic recession in 2012, which led to a decrease in demand for new vehicles. However, HMC succeeded to increase its sales to more than 444,000 units which was an increase of 10.2%, thanks to strong sales of newly released models, namely the i40 and ix35.

The global economy is expected to have a much slower recovery than was predicted before, as a result, the global automotive market is expected to experience a slow down for some years to come. Such expectations have made HMC shift its focus to qualitative growth through internal improvements and building capacity for future competitiveness. In addition to building internal capacity, we plan to increase sales by 5.9% to 4.66 million units, using the newly added capacity in 2012.

2012 GLOBAL PRODUCTION VOLUME

An increase by 8% compared to 2011

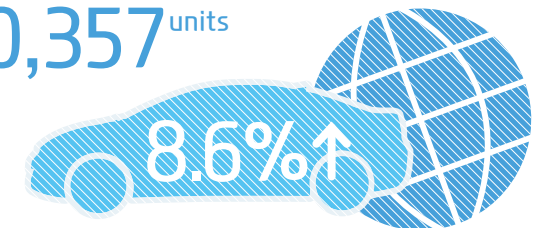
4,402,578 units



GLOBAL SALES VOLUME

An increase by 8.6% compared to 2011

4,410,357 units



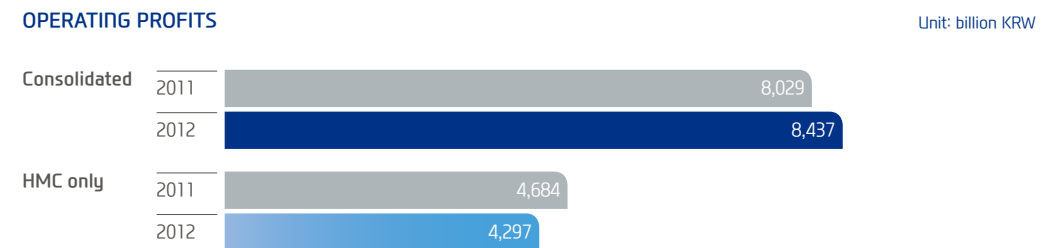
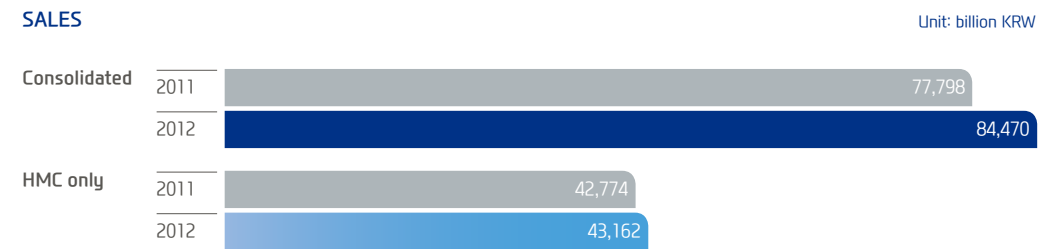
Business Performance and Distribution of Economic Gains

Business Performance

The global economic recession, which began in 2011, continued into 2012. The demand for automobiles has fallen in many markets including South Korea, further increasing market uncertainties. However, HMC still achieved record sales and production volume due to an aggressive investment strategy and focus on product quality.

| Key Financial indicators | 2011 | | 2012 | | Note |
|---------------------------------|--------------|----------|--------------|----------|--|
| | Consolidated | HMC only | Consolidated | HMC only | |
| Sales (billion KRW) | 77,798 | 42,774 | 84,470 | 43,162 | |
| Operating profits (billion KRW) | 8,029 | 4,684 | 8,437 | 4,297 | |
| Rate of operating profits (%) | 10.3 | 11.0 | 10.0 | 10.0 | |
| Net profit (billion KRW) | 8,105 | 4,741 | 9,056 | 5,273 | Consolidated : including non-controlling ownership |
| ROE(%) | 20.1 | 14.6 | 18.9 | 14.2 | |
| EBITDA (billion KRW) | 10,364 | 6,242 | 10,961 | 5,952 | |
| Total capital (billion KRW) | 40,328 | 32,522 | 47,918 | 37,020 | |

※ Figures for operating profit in previous years have changed due to changes in accounting standards.
 ※ EBITDA = Operating profit + Depreciation of tangible assets + Depreciation of real estate held as investment + Depreciation of intangible assets



SALES BY OVERSEAS PRODUCTION SUBSIDIES

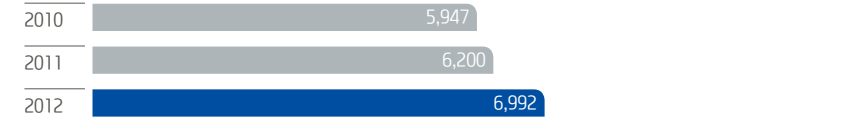
Based on sales data from only HMC before adjustment for consolidation, Unit: billion KRW



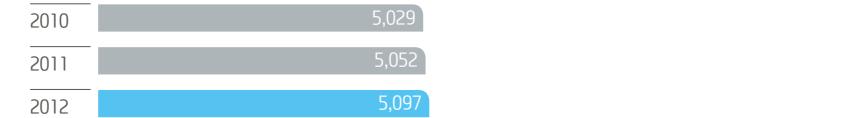
CHINA(BHMC)



US(HMMA)



INDIA(HMI)



CZECH(HMMC)



RUSSIA(HMMR)*



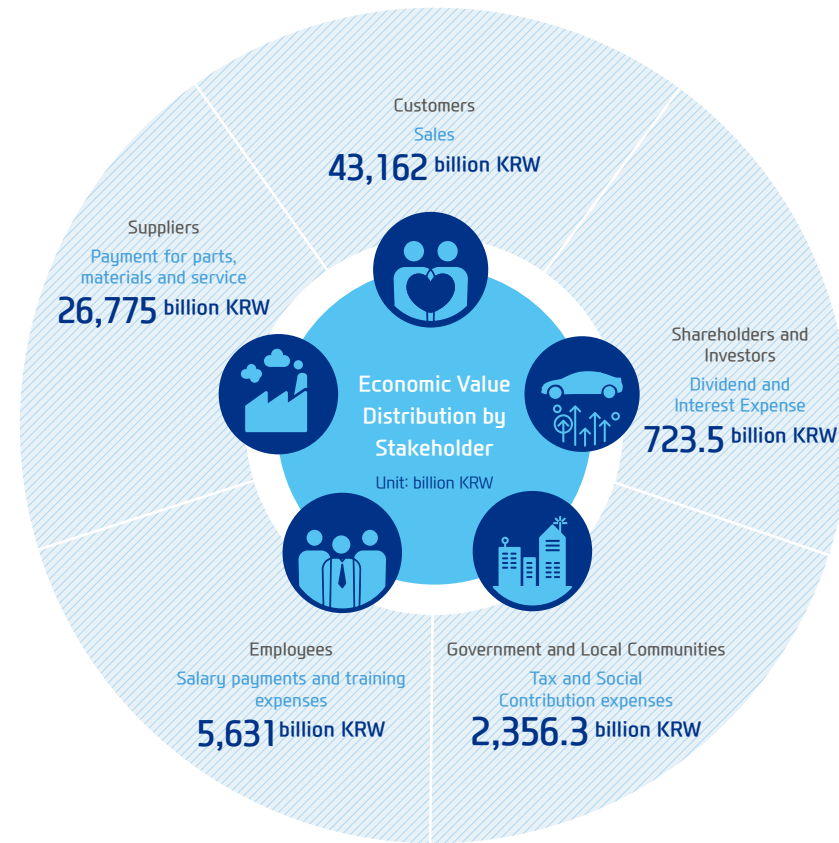
TURKEY(HAOS)



BRAZIL(HMB)*



Sharing Economic Gains



Employees In 2012, HMC paid a total of 5,595 billion KRW to employees, which was an increase of 5.3% from 2011. Payment to employees includes salaries, retirement benefits and fringe benefits. Employee training expenses increased to 36 billion KRW which was a 28% increase compared to 2011.

| Employee salary and training expenses | | | |
|---------------------------------------|-------------------|-------|-------|
| | Unit: billion KRW | | |
| | 2010 | 2011 | 2012 |
| Salary | 4,682 | 5,312 | 5,595 |
| Training fees | 22 | 28 | 36 |

Investors and Shareholders HMC pays dividends to share its economic gains with shareholders. In 2012, we paid a cash dividend of 1,900 KRW for each common share. The total dividend payment was 520.8 billion KRW, which was an increase of 8.5% compared to the previous year. Interest expense for 2012 was 202.7 billion KRW, which was a decrease of 29% from 2011.

Shareholder Dividend Payment

| | | 2010 | 2011 | 2012 |
|--------------------------------------|----------------------------|---------|---------|---------|
| DPS (in KRW) (dividend rate) | Common shares | 1,500 | 1,750 | 1,900 |
| | 1st preferred stock | 1,550 | 1,800 | 1,950 |
| | 2nd preferred stock | 1,600 | 1,850 | 2,000 |
| | 3rd preferred stock | 1,550 | 1,800 | 1,950 |
| Earnings per share (in KRW) | Earnings per share | 12,804 | 17,456 | 19,404 |
| | Diluted earnings per share | 12,804 | 17,456 | 19,404 |
| Total Dividend (in million KRW) | | 412,227 | 480,105 | 520,833 |
| Interest Expense (in million KRW) | | 355,254 | 286,672 | 202,716 |

Suppliers Payment for parts and materials was 26,185 billion KRW while payment for services was 590 billion KRW. These accounted for 62% of total sales.

Purchasing expenses

| Unit: billion KRW | | | |
|---|--------|--------|--------|
| | 2010 | 2011 | 2012 |
| Materials | 22,720 | 26,054 | 26,185 |
| Outsourced service | 454 | 537 | 590 |
| Proportion of supplier payment to sales (%) | 63% | 62.2% | 62.0% |

Government and local communities Tax paid to central and regional government by HMC in 2012 was 2,282.1 billion KRW (central government: 2,105.7 billion KRW, regional government: 176.4 billion KRW). CSR activity expenses were 74.2 billion KRW.

Tax Payment and Social Contribution Expenses

| Unit: billion KRW | | | |
|------------------------------|-------|-------|---------|
| | 2010 | 2011 | 2012 |
| Central government tax | 2,215 | 2,585 | 2,105.7 |
| Regional government tax | 165 | 194 | 176.4 |
| Social contribution expenses | 67.4 | 75.2 | 74.2 |

CREATING SHARED VALUE

Some make their way by following the beaten path.
However, Hyundai Motor creates its own path.
We have achieved sustainable growth by being creative and innovative.
Our vision of creating a 'technology utopia' is
deeply rooted in our founding principles.
We have and will always plan ahead for a better future for
humanity and the natural environment.
We share our values through our business activities,
using our management philosophy of Love for humanity,
a Sense of unlimited responsibility and
Realizing possibilities, as our guiding principles.

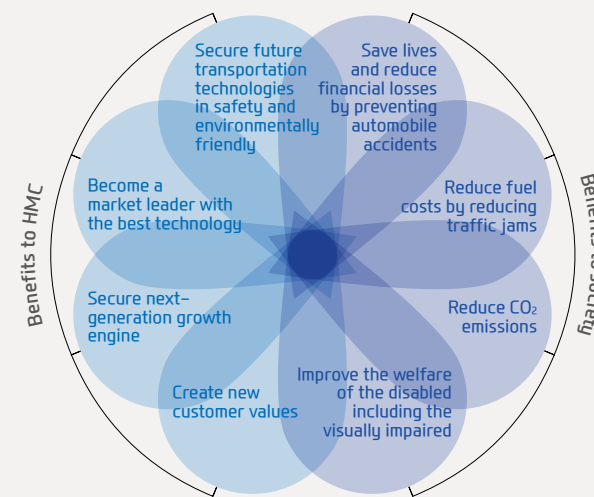


01 Technology Innovation

A Braille version of this page for the visually impaired can be found on page 97.

A RENAISSANCE OF AUTOMOTIVE CULTURE UNBOUND BY TIME AND SPACE

SHARED VALUE CREATED THROUGH SMART CAR DEVELOPMENT



Convergence technology: leading a creative change of automobile culture

Growing consumer and societal demand for improved automobile safety and convenience has led to increasing convergence between the IT and manufacturing industries. Recently, we have witnessed early prototypes of autonomous vehicles which were made possible through advanced sensor technologies that accurately assess the surrounding environment. There is also a growing interest in smart cars which can assess driving conditions, diagnose their operation status and that are also equipped with an autonomous driving function which can take its passengers to a destination without the need for a driver.

A true smart car may not become a reality in the near future and much progress needs to happen before we will see them on the street. However, smart cars can benefit society, especially those who suffer from disabilities including the visually impaired. HMC will strive to create new social values with technological innovation and to create a better automobile culture.

Social Value of Smart Car Development

The successful development of Smart Car technologies will significantly boost HMC's competitiveness in the global market and bolster its position as an industry leader. It will

not only help us increase sales and profit but reduce traffic problems and environmental impacts. Development of a completely autonomous vehicle will provide a new level of freedom in terms of where we can go and how much time we need to devote to driving. We are confident that an autonomous smart car will boost human welfare and quality of life like no other product can.

What HMC is doing

An ultimate smart car created using advanced IT and computer technologies can be a real game changer in improving mobility of humanity. Naturally, HMC is concentrating efforts on its development. During the first phase, we successfully commercialized a technology which enabled limited autonomous driving; keeping the vehicle on a designated highway lane. We are currently focusing on the development of a new technology which will enable autonomous driving on automobile only roads.

The final step will be the commercialization of an autonomous driving system which can be used on all roads. HMC will continue to focus on the development of autonomous driving technologies and lead a new automobile culture that benefits everyone.



1, 2. Bi-annual Autonomous Vehicle Contest for college students

Autonomous smart car: a vehicle with a driver's license

Today, the automobile is no longer just a simple piece of machinery but it is a product of many values. We used to dream about reading a newspaper and enjoying a cup of coffee while the car drove itself. Now, such a thing is no longer just a dream, it is about to become reality.

The emergence of autonomous vehicles has great significance on a societal level because it allows people who were unable to operate cars such as the visually impaired to use them. HMC's smart cars will create a new social value by granting equal access to cars for more people than ever before. This equal access to mobility, made 21st possible by autonomous vehicles will set a new norm for the 21st century.

What makes HMC's smart car drive itself?

A wide array of advanced technologies are employed in making HMC's smart car. Some of the key technologies include parking space recognition system using ultrasonic sensors, automated steering control system that keeps vehicle on the set track, traffic sign recognition system, road obstacle and pedestrian recognition system and lane recognition system. HMC continues to strive to develop advanced IT and other convergence technologies and infrastructure to make autonomous vehicles a reality.



02

Human Resource Management

FOSTERING A WORKFORCE WITH GLOBAL COMPETENCY AND CREATIVITY

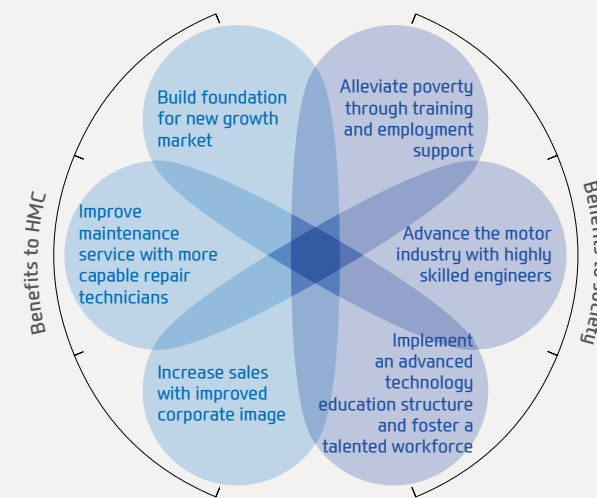
Fostering workforce to capture new opportunities

Innovation in automobile technology can lead to direct improvement in quality of life. Although automobiles are a product of an advanced civilization, the benefits created can be passed to all life forms on earth. HMC has faith in human dignity and the unlimited capacity of humanity. We believe in the value of investing in people because it is a fundamental requirement for the sustainability of humanity. This is why our human resource development program is rich in its breadth and depth.

Aiming to alleviate the difficulties of the people of Ghana suffering from disease, war and poverty, we established Hyundai-KOICA Dream Center, which serves as a training center for auto technicians. Our goal is to train the talented young people of Ghana as automobile maintenance technicians and help them find employment. We plan to build other 'Dream Centers' in developing countries within Africa and Asia in the near future.

The 'Dream Centers' will not only help the current generation find work but help them become the future leaders of the automotive industry in the region, serving as pioneers for HMC's future operation in the region. We believe that establishing Dream Centers is the best way HMC can contribute towards improving the conditions of these local communities.

SHARED VALUE CREATED THROUGH HUMAN RESOURCE DEVELOPMENT



Shared value achieved through workforce with global competency

Hiring and nurturing talented individuals not only strengthens the business foundations of a corporation but also strengthens the foundation for a stronger global community. Although many parts of the world have been developed, there are still many people in the world who have not received an education or hold a job. HMC is committed to improving their conditions in any way that we can. We want to improve the conditions of local communities by working together because we firmly believe that our growth can only be achieved when the conditions of local communities are improved.

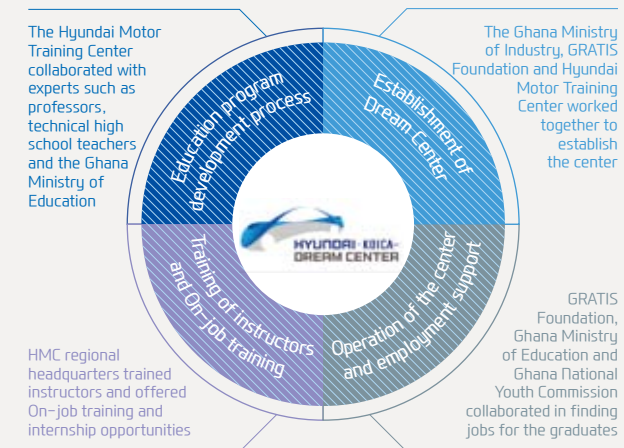
What HMC is doing

Nurturing highly skilled auto maintenance technicians is a necessary foundation for developing an automotive industry. HMC is working towards establishing an adequate number of auto technicians in all the areas we operate in and the establishment of Hyundai-KOICA Dream Center is one of our key initiatives. We established our first center in Ghana in January 2013. HMC plans to build its second Dream Center in Indonesia for training in advanced maintenance skills. We will also continue our programs focused on fostering automotive engineers and creative human resource development, such as Local Community Member Employment program, Creative Talent Recruitment and the HMC Young Meister Technician training program.

Dream Center: a place where dreams come true

Completed in December 2012, the 'Hyundai-KOICA Dream Center' is a technical high school in Koforidua City, Ghana, which was established in collaboration with KOICA, the Plan Korea, GRATIS Foundation of Ghana and the Plan Ghana. The number of imported used automobiles has grown rapidly in Koforidua City which has created a demand for skilled repair technicians yet the skilled workforce and adequate repair facilities were in short supply.

HMC offers an education program adapted from a program for Hyundai mechanics, providing vehicles and transmissions as training materials, and dispatching professional educators and training qualified teachers. The Happy Move Hyundai Global Youth Volunteers also helped build the dormitories for the Dream Center. HMC plans to hire graduates of Dream Centers in their repair shops or help them find a job elsewhere.



Bento: Aspiring to be the best auto repair technician in Ghana



Bento, Freshman at Hyundai-KOICA Dream Center

I set two goals when I began my training at the Dream Center. The first goal was to become the best auto repair technician in Ghana and the second one is to work for Hyundai. I had seen many Hyundai vehicles on the road and seen equally many Hyundai commercials before I entered the Dream Center. I always said to myself 'I will work for Hyundai someday as a repair technician' whenever I saw a Hyundai vehicle or commercial; it was my dream. I now believe that wishes do come true. I believe my dream and passion have given me the opportunity to study at the Dream Center. It's hard work, training from 7 AM to 3 PM. But I like my classes especially engineering, technology and electronics. They are not easy but I am happy and proud that I can attain in-depth knowledge on these subjects.

1. Hyundai-KOICA Dream Center Opening ceremony held at Koforidua City, Ghana (Jan. 29th 2013)
2. Before: Local repair center with inadequate facilities
3. After: Hyundai-KOICA Dream Center established on the site of the old repair center

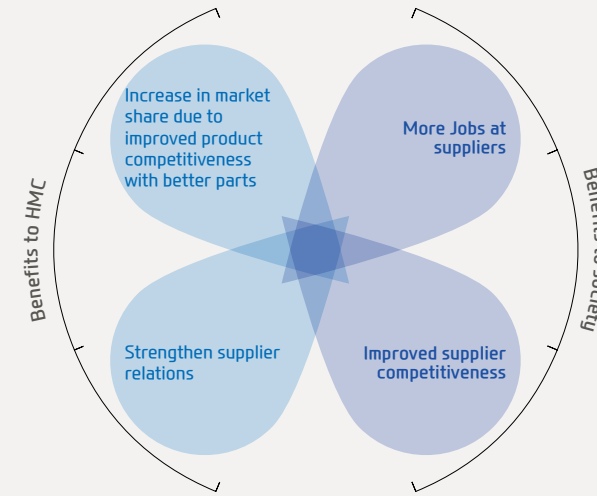


03

Happy Together

CREATING SOCIAL VALUE WITH ALTRUISTIC RELATIONSHIPS

WORKING TOGETHER WITH SUPPLIERS TO CREATE SHARED VALUES FOR MUTUAL BENEFITS



Creating a better world with relationships full of warmth and mutual trust

The word 'we' has a special significance which transcends the boundaries that define each one of us as individuals. The world would be a poorer place if the concept of 'we' did not exist. Although we refer to different entities using different terms such as large companies and SMEs, HMC and its suppliers, we believe that HMC, our suppliers and customers are all members of a larger family. Just like everything else, companies like HMC are linked with everything else by an intricate web of relationships.

We dream of a world where we can coexist with others and aspire to share with others. However, there is competition in the motor industry and cultivating a win-win relationship with suppliers is a key to competitiveness. HMC strives to think and act from supplier's perspective and to find a way to achieve truly win-win growth for both.

Working together with suppliers to create shared values for mutual benefits

HMC is providing practical support to strengthen the business stability of its suppliers. For example, HMC hosted HMC supplier job fairs to help supplier companies recruit talented workers and strengthen their competitiveness. The job fairs also strengthen our partnership with suppliers, contributing to increases in sales and market share in the long term.

What HMC is doing

In March 2013, HMC hosted the 2nd HMC Supplier Job Fair at the COEX convention center and hosted smaller job fairs in the cities of Gwangju and Daegu. We conducted a survey to assess the satisfaction of participants, the results of which will be used to make the next job fair even better. HMC has also established the Supplier R&D Support Corps, R&D Supplier Tech Days, patent registration support and Supplier Quality Management Training Center in order to achieve win-win growth.



1. One-on-one recruitment consultation at the Ajin Industrial Co. Ltd. booth. Ajin has an overseas internship program which sends interns to their US-based operation site. Most of the interns who successfully complete the program are offered a permanent position.
2,3. The 2013 HMC Supplier Job Fair attracted over 1,500 visitors

'Tackle it together' with Hyundai Motor

HMC is striving to maintain a win-win partnership with suppliers. Our aim is to become the ideal business partner, creating win-win opportunities that satisfy everyone involved. Strengthening the competitiveness of our suppliers and their sustainable management practice is directly linked to strengthening of our own competitiveness. We have signed win-win growth agreements with all of our suppliers and have been offering a number of support measures including direct financial support, technical support, overseas business development support and indirect support for 2nd and 3rd tier suppliers which works for our 1st tier suppliers.

The annual HMC Supplier Job Fair is a key supplier support program based on our philosophy of shared growth. First held in 2012, the job fair raises the profile of our suppliers, especially ones that are struggling to hire new employees, and helps them attract talented workers. Overall, we believe that everyone involved; our suppliers, the job seekers interested in the automotive industry and government, which provides support to help create jobs, are important partners of HMC, in our endeavor to create a well-functioning ecosystem within the automotive industry.

HMC Supplier Job Fair

Although HMC makes all the vehicles, over 95% of the parts come from suppliers. Considering the long lifecycle of our products which is 15 to 20 years from development to the end of the products life, suppliers are incredibly important long-term partners even if they only provide a single component for one model. It is therefore vital that they are able to hire talented workers. The job fair is proving to provide opportunities for low-profile yet highly successful HMC suppliers to hire well-qualified job applicants.

HMC takes full responsibility for organizing the job fair from planning to advertising. Furthermore, all expenses are paid by HMC, so that the participating suppliers can focus on hiring the best talents. In 2012, HMC hired approximately 15,000 new employees and many of the 20,000 job seekers who participated in the job fair became part of this group.

In 2013, the scope of HMC Supplier Job Fair was expanded to include 2nd and 3rd tier suppliers, increasing the scale of the event as well. One of the participants praising the event said "Production volume has increased due to strong sales of HMC vehicles in 2012, requiring us to find more workers. We were able to attract a lot of really good applicants."

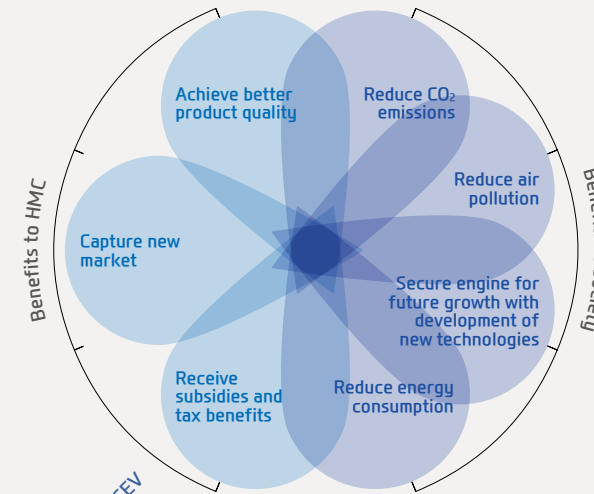


04

Climate Change Response

REALIZING ENERGY JUSTICE AND TACKLING CLIMATE CHANGE

CREATING SHARED VALUE THROUGH REALIZATION OF ENERGY JUSTICE



Pioneering a new path to the ultimate green vehicle

Trees in the rainforest are beautiful and majestic. Firmly rooted in the land, their trunks and branches grow tall and wide working together with the sun and wind. The lush green forest is rich with life. Humanity depends on well-functioning ecosystems like the rainforest to support our lives. However, all life forms on earth are under threat because of climate change to one degree or another.

Powered using gasoline and diesel, conventional automobiles are directly linked with the problems of energy security and climate change, and as a responsible global citizen this is why HMC is making supreme efforts to develop green vehicles. Development of green vehicles is also of strategic significance because in the future it will serve as the new growth engine for the automotive industry, providing an enormous business opportunity.

Investing in green vehicle development is not only beneficial for society but is also an important business activity for sustainable growth. HMC will proactively implement its environmental management activities, benefiting society and securing a new growth engine for the automotive industry.

Creating shared value through the realization of energy justice

The commercialization of green vehicle technologies will help HMC capture a larger market share, increase its sales and bolster its brand image as an innovator. The development of green vehicle technologies can tackle both energy problems and climate change issues, in turn benefiting society. Green vehicle development also contributes to improved technology transfer and capacity building, thereby strengthening relationships with suppliers.

What HMC is doing

HMC created 'Blue Drive Green Vehicle Development Strategy' which aims to accelerate the transition to alternative energy and reduce greenhouse gas emissions. The strategy calls for improvement to the internal combustion engine, development of bio-fuel, hybrid electric, plug-in hybrid, electric and hydrogen fuel cell electric vehicles. For example, HMC began mass production of FCEVs in 2013 with the goal of producing 1,000 FCEVs by 2015. HMC also aims to reduce production cost by half by strengthening internal capacity to independently produce all of the core components, developing low-cost alternative materials, increasing utilization of parts in multiple green vehicle models and reducing the number of parts required. If successful, HMC will significantly accelerate the commercialization of FCEVs.

Hyundai ix35 FCEV reaches the final destination of the cross-Europe demonstration drive in Monaco



The Polaris project

The first zero emission FCEV by HMC

'Polaris' was the name of the first FCEV development project by HMC. Part of the Small Bear constellation, Polaris is the brightest star in the northern sky which has long served as a reference point for sailors and travelers and the project was to serve the same purpose for HMC in its green vehicle development. The name of the project was Hyundai's declaration to the world that we will continue our endeavor until we successfully commercialize an FCEV which emits nothing but water.

FCEVs are regarded as the ultimate vehicles of the future, surpassing even the most advanced hybrid electric vehicles and electric vehicles. The most recently released ix35 FCEV is the third generation FCEV. In 2012, the ix35 FCEV successfully completed its 4,000km cross Europe road tour, organized by the H2moves Scandinavia through Germany, Italy, France, the UK and Denmark, demonstrating its exceptional reliability. In January 2013, HMC began mass production of the ix35 FCEV, making it the first automaker to mass produce FCEVs. The knowledge gained from the mass production is expected to further improve HMC's capacity to improve the reliability and quality of the FCEVs.

ix35 FCEV successfully completes its first cross-Europe tour

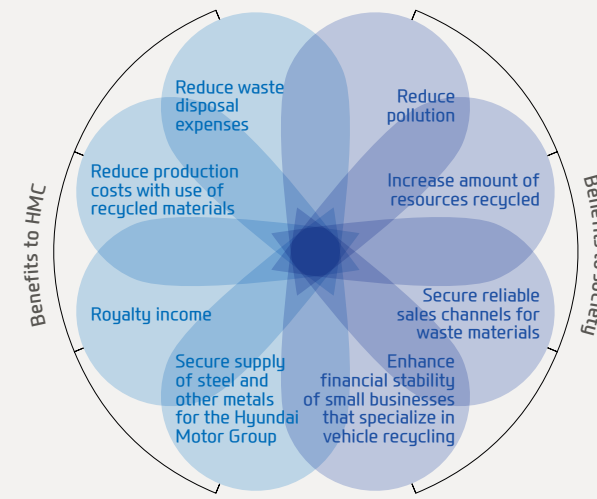
In April 2012, two ix35 FCEVs began their cross-Europe tour in Oslo, Norway. The two FCEVs then travelled through Denmark, Germany, France and finally reached Monte Carlo, Monaco. They travelled a total of 2,260km of distance without any support vehicles including mobile H2 refueling stations. Marius Bonstein of the Zero Emissions Resource Organization, an NGO based in Oslo, was one of the two drivers who drove the ix35 FCEV in the tour. "This was the first tour of its kind. Why did I do this? Because I want to show the world that there is a vehicle that can take you from Oslo to Monte Carlo without emitting any air pollutants" said Marius. The ix35 FCEV has a driving range of over 500km per charge, which is what made it possible to complete the cross-Europe tour, relying on only a few hydrogen stations on the way.

05

Recycling Automobiles

RECYCLING: RESPONSIBLE MANAGEMENT FOR HUMANITY'S FUTURE

CREATING SHARED VALUE THROUGH RECYCLING RESOURCES



Keeping the resources in the circle of life

Technology innovation is not just about making the most advanced product but also about recycling and reusing resources from old products. It is a fact of life that even the most advanced products lose their utility over time and become obsolete, and this is why HMC as an automaker feels a strong sense of responsibility for recycling. Deeply aware of the value of a clean environment to the future of humanity, HMC strives to use resources responsibly and recycle them, just as mother nature does.

Steel, the single most important material in the manufacturing of automobiles comes from the earth. It is extracted and processed to become the main ingredient in a car and then returned to the earth when disposed of. However, it is far better to make use of the steel from scrapped cars to build new ones instead of making new steel using iron ore. This is why we are making our vehicles easy to recycle and why we are actively investing in the vehicle recycling business. HMC is committed to making a contribution towards setting the right policies for vehicle recycling and leading the future of automobile recycling.

Creating shared value through the recycling of resources

Recycling the maximum amount of resources from vehicles that have reached the end of their useful life and minimizing associated waste is an activity that is valuable for society as a whole as well as creating value for the business. More effective recycling of automobiles can significantly contribute to the overall recycling of resources in our society.

What HMC is doing

HMC is participating in an automobile recycling demonstration program led by the Korean government. The goal of the program is to raise the recycling rate to over 95% by end of 2013. Recycling more than 30% of end of life vehicles is another goal of the program. HMC is expanding its recycling to include plastics, rubbers and certain types of glass which were previously regarded as unrecyclable. We also completed development of a method to recover heat energy from automotive shredder residue (ASR) which will further increase the automobile recycling rate.



Hyundai Genesis Disassembly

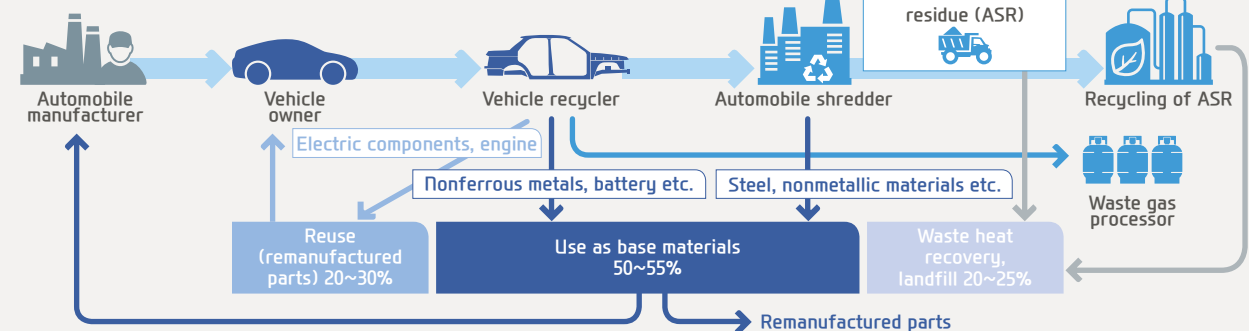
Keeping the resources in the industrial loop

Promoting automobile recycling is an important policy of HMC. Striving to be a recycling-based business, HMC strives to protect the ecosystem by minimizing the extraction of natural resources. By keeping resources in the production loop, recycling can reduce pollution and prevent the depletion of resource. This is why HMC is developing technologies that enable not just recycling of metals but other resources in automobiles including plastic and glass.

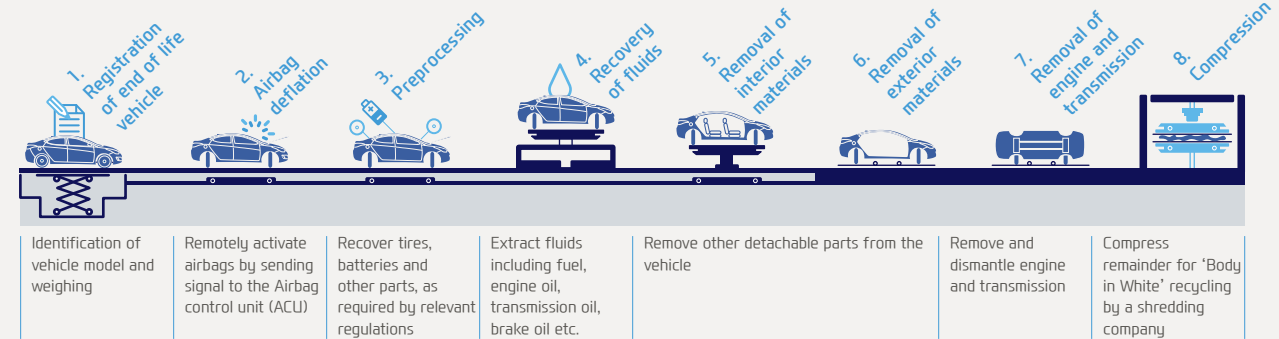
Hyundai's advanced vehicle recycling system

The Automobile Recycling Center has an eight-step processing line from end of life vehicle registration to compression of vehicle body for efficient recycling of vehicles at the end of their lives. Over 4,000 test cars are recycled at the center each year. New recycling techniques and technologies are developed at the center, which are then transferred to external vehicle recyclers. We are also developing a low-cost vehicle dismantling system for use by small scale automobile recyclers. In February 2013, the center signed an agreement with the Ministry of Environment to collaborate on the 2nd phase of the establishment of the advanced vehicle recycling system. The new program is expected to help establish the foundation for automobile recycling at automobile manufacturing plants, creating new opportunities for collaboration with independent automobile recycling companies.

AUTOMOBILE RECYCLING CONCEPT MAP



AUTOMOBILE RECYCLING CENTER - AUTOMOBILE PROCESSING SYSTEM



Automobile is the manifestation of a dream of humanity.
In history, the best transport technology has served as evidence of humanity's current state of technological advancement.

HMC is committed to creating a better future with its creative thinking by realizing humanity's dream of the perfect transportation.

It's the collaboration with all members of society that keeps the wheels of HMC turning.

HMC will strive to make a positive contribution for all life on earth as it continues to operate in the future.

green

car

LEADING THE FUTURE OF TRANSPORTATION

We aim to become a green leader through the development of green technologies and are committed to becoming a recycling-based company. We endeavor to protect the ecosystem that will enable future generations to have a long-lasting prosperous future. The recycling of resources is an important requirement in enabling a sustainable future. Steel, which is a key resource for the automobile industry is never wasted as it can be recycled over and over once it is extracted from the earth. HMC's resource recycling system connects the broken link between production and disposal. HMC's product carbon footprint management, GHG reduction activities at operation plants and other green technologies and activities are firmly rooted in HMC's management philosophy.



recycle

life

1 Environmental Management



1, 2. Hyundai Green Zone China project: Tree planting in the Chakanor desert, one of the main sources of yellow dust sand storm

HMC's Environmental Management System

Environmental Management Certification

HMC has mandated all operation sites to earn environmental management certification in order to strengthen environmental management at operation sites to a globally competitive level. In 2012, Hyundai's Czech plant (HMMC) received the EMAS certification. It also renewed its ISO 14001 certification along with Hyundai's Turkish plant (HAOS). The recently completed Russian and Brazilian plants are preparing to obtain ISO 14001 certifications. By 2013, all HMC plants will have certified environmental management in place.

Key Performance

THE EMAS CERTIFICATION FOR HMMC



Pollution management

There is an increasing demand for a cleaner environment on both a societal and a local level. Understanding this, HMC is striving to improve its pollution management by going beyond legal compliance. Thanks to effort to date, HMC recorded zero non-compliance in pollution management at all domestic operation sites for the last two years.

Water resources management

Water resources is very important in the automotive industry. Water scarcity is also a source of growing concern in China, North America, India and many other countries. HMC is well aware of responsible use of water and has implemented measures for its improved management including a zero discharge system. Zero discharge systems were installed in the Asan and Indian plants. We have also installed a water reuse system that reprocesses and recycles vehicle cleaning water used during the electro-coating process, which is one of the most water-intensive process in automobile manufacturing. Furthermore, we have installed water saving devices at Headquarters and the R&D Centers.

Protecting biodiversity

In order to minimize the impact on wild animals and plants on a site, HMC conducts comprehensive environmental impact assessments before establishing new facilities or expanding existing ones. For example, we transplanted a large number of trees from the Czech plant site to another area instead of chopping them down. HMC operated Hyundai Green Zone China between 2007 and 2012, which aimed to turn 50 km² of the Chakanor area of the Kunshantag desert in Inner Mongolia into grassland, stopping further desertification and restoring the ecosystem.

Recycling of resources

Design for Recycling

Digital verification of recyclability If environmental protection is the top objective, improving recyclability of a vehicle should be one of the top priority development objectives, and this is why we assess recyclability when we are developing new vehicle models. For example, our engineers evaluate the ease of dismantling for recycling using 3D design models. When a problem is detected, the engineers consult with the part designer and make changes to ensure we achieve the best possible level of recyclability for the new vehicle.

Ease of dismantling evaluation All new vehicles developed by HMC are evaluated for ease of dismantling. First, the vehicles are subjected to digital verification of recyclability when a 3D blue print is completed. Prototype models are built based on the blue print and verified for recyclability standard. The prototype model is then disassembled to verify the ease of dismantling, the results of which are compared to previously developed models. The results are then recorded and supplied to engineers working on the development of the next new vehicle.

Development of improved fastener for increased ease of dismantling

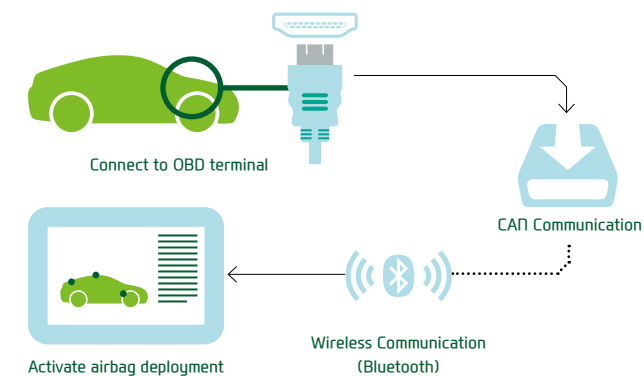
HMC is making design changes to parts which improved dismantling. The development of a new type of fastener is one of the key focuses of our design improvement. The new fastener is expected to reduce the cost of dismantling as well as the cost of repair services.

3. Lithium-ion battery discharger for safer disposal and recycling



1-1_OBD-LINKED AIRBAG DEPLOYMENT DEVICE

*OBD: On Board Diagnostics



End of life vehicle dismantling technology

Advanced OBD-linked airbag deployment device

Currently, removal of the airbag is one of the most time consuming steps in vehicle recycling, which increases the overall cost of vehicle recycling. The automotive industry developed an international standard on airbag deployment, the ISO 26021 after working together to reduce the time required for airbag deployment. Following the new standard, HMC developed a new airbag deployment device which can make removal of airbags much less time consuming. Technology has also been developed for using the deployed airbag in the manufacture of other automobile parts. 1-1

Lithium-ion battery discharger

Electric vehicles (EV) and hybrid electric vehicles (HEV) have high voltage batteries which can pose a risk to people involved in vehicle recycling and disposal operations. Recognizing the risk, HMC has developed a lithium-ion battery discharger which enables the safe disposal or recycling of high voltage batteries in EVs and HEVs. HMC will continue to develop advanced technologies that enable the safe recycling of all types of automobiles manufactured by HMC.



page.34
Please refer to 'CSV Issue 5. Recycling of resources' on page 34 for more information on recycling.

Advanced automobile recycling system program

Since 2012, HMC has participated in the advanced automobile recycling system program in partnership with the Kia motor company. The program is an initiative of the Korean Ministry of Environment and is expected to recover 51 tons of waste refrigerant (300g per vehicle) which will cause 110,000 tons less of CO₂ to enter the atmosphere.

Automobile Recycling Center

HMC is operating an Automobile Recycling Center (ARC) for the efficient recycling of vehicles and the development of vehicle dismantling technologies. The ARC has an eight step processing line designed to efficiently dismantle and recycle vehicles with over 95% of recycling rate. Over 4,000 prototypes and test vehicles built as part of new vehicle development are recycled at the center each year. New recycling techniques and technologies are developed at the center, which are then shared with external vehicle recyclers. We are also developing a low-cost vehicle dismantling system for use by third party automobile recyclers.

Climate change response

GHG Emissions

HMC is managing GHG emissions and energy consumption in line with relevant government policies. The number of vehicles produced in 2012 increased by 8.1% to 4,402,578 units from 4,074,418 in 2011. However, GHG emissions per vehicle produced decreased by 2.5 % from 0.561 tCO₂e in 2011 to 0.547 tCO₂e in 2012. 1-2

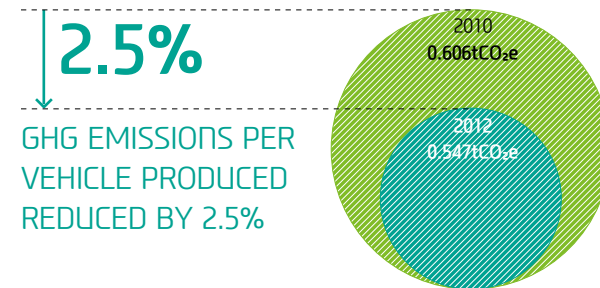
The GHG emissions from domestic facilities including the three production plants, Ulsan, Asan and Jeonju, accounted for 64.5% of total emissions. The remaining 35.5% of the GHG emissions were from overseas facilities. In 2012, the proportion of indirect (Scope 2) GHG emissions accounted for more than 60%. GHG emissions generated from HMC's overseas operation sites increased by 18.4% from 721,132 tCO₂e to 854,045 tCO₂e between 2011 and 2012. The increase was due to the establishment of a new plant in Brazil and increased production at existing plants. 1-3

*Scope 1 GHG Emission: Direct emissions

*Scope 2 GHG Emission: Indirect emissions

| | 2010 | 2011 | 2012 |
|----------|-------|-------|-------|
| Domestic | 0.884 | 0.826 | 0.815 |
| Overseas | 0.348 | 0.330 | 0.342 |
| Total | 0.606 | 0.561 | 0.547 |

Key Performance



| | 2010 | | | 2011 | | | 2012 | | |
|----------|---------|---------|-----------|---------|-----------|-----------|---------|-----------|-----------|
| | Scope1 | Scope2 | Total | Scope1 | Scope2 | Total | Scope1 | Scope2 | Total |
| Domestic | 542,936 | 998,988 | 1,541,927 | 559,929 | 1,002,734 | 1,562,658 | 545,577 | 1,006,937 | 1,552,510 |
| Overseas | 222,363 | 432,526 | 654,889 | 261,445 | 459,687 | 721,132 | 326,992 | 527,053 | 854,045 |

*The 2012 GHG emission data included in the report has not been verified by a third party verifier and is therefore subject to change. Verified 2012 data will be included in next year's report.

1. Solar panels installed at Namyang R&D center
2. High efficiency LED lights installed at Asan plant

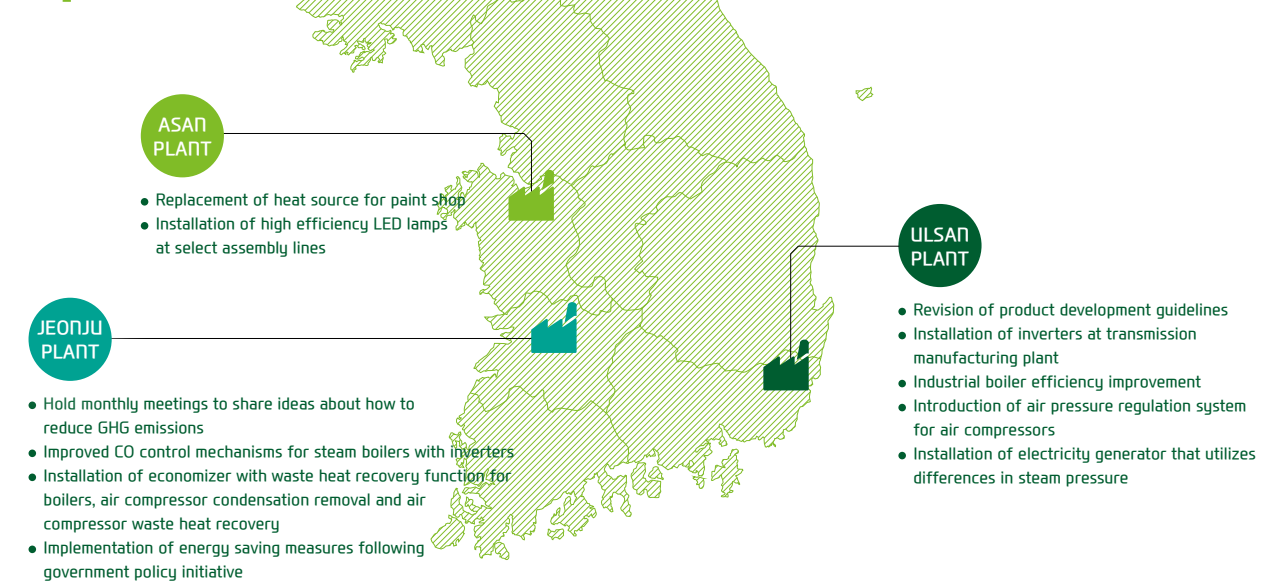


GHG emissions reduced at domestic plants

Ulsan Plant In 2011, the Ulsan plant became the first automobile manufacturing plant in Korea to receive ISO 50001 Energy Management System certification. Energy managers at the Ulsan plant focused their efforts to take advantage of the new energy management system in 2012. For example, a set of new rules were implemented to require GHG reduction in the development of new parts and new inverters were installed in the transmission manufacturing plant to help achieve the reduction. HMC is also in the process of implementing an investment of 10 billion KRW to improve the efficiency of the industrial boiler. Expected to be completed by 2014, the improved boilers will bring about a significant reduction in GHG emissions. Another 1.9 billion KRW was invested to establish an air compressor load sharing control system, which resulted in significant savings of electricity and reduction in 4,101 tons of CO₂e in 2012. Also in 2012, another investment was made, of 0.92 billion KRW, to install electricity generator which can utilize the difference in steam pressure. The generator is expected to become operational in 2013. 1-4

Asan plant A total of 294,750 vehicles were manufactured at the Asan plant in 2012, which was 2.6% less than 2011's production volume. GHG emission per vehicle produced also decreased by 4.9%. Replacement of the paint shop's heat source and installation of high efficiency LED lamps on some of the assembly line were key contributing factors that led to the steep reduction in GHG emissions per unit production in 2012. We plan to install LED lamps at all points of assembly lines, to improve the energy efficiency of the steam supply system to the waste water processing plant, paint shop waste heat recovery and to implement other energy saving measures to achieve further reductions in GHG emissions.

1-4_2012 GHG EMISSIONS REDUCTION MEASURES IMPLEMENTED IN DOMESTIC PLANTS



- Hyundai Czech plant has undertaken a wide range of GHG emissions reduction activities
- Czech Minister of Environment hands over EMAS certification to president of Czech plant



Jeonju plant Jeonju plant has implemented a number of GHG reduction measures under the leadership of the Energy task force, sharing GHG reduction ideas with other plants on a monthly basis. Thanks to the efforts made by the task force, GHG emissions at the Jeonju plant were reduced by 4.4% in 2012 compared to 2011 levels. Some of the measures which contributed to the reduction were an improved CO control mechanism for the steam boiler with inverters, installation of an economizer with a waste heat recovery function for boilers and air compressor condensation removal using waste heat from dryer system. Other measures were implemented, as part of the government campaign for energy saving. Measures taken include a change to the operation time of the melting furnace and replacement of old light bulbs with high efficiency light bulbs. Electricity consumption was reduced by 10.5% as a result of the implemented measures. 1-4

of deodorization system and installation of motion sensors in the bathrooms. Other office building and training centers were retrofitted with energy saving devices such as inverters for air conditioning systems, motion sensor-activated lighting systems and changes in temperature and operating hours of air conditioning systems.

Other buildings New water coolers with 36% higher energy efficiency were installed at the Paju training center. The Rolling Hills hotel invested 117 million KRW to replace lights bulbs with high efficiency LEDs.

CO₂ capture and utilization

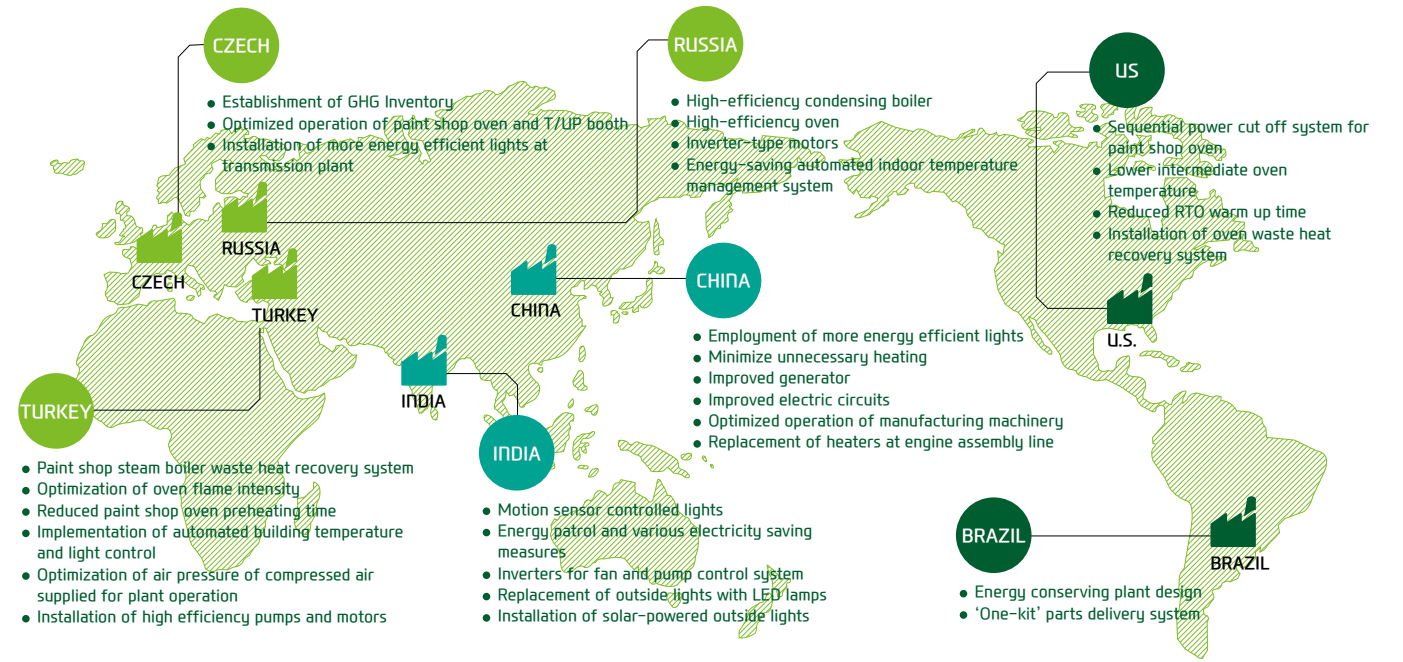
Demonstration plant In 2012, HMC began the construction of a demonstration plant* for CO₂ capture and utilization within the Namyang R&D Center. The plant has the capacity to capture and utilize 18 tons of CO₂ per year and will be operated to evaluate the feasibility of this technology and to identify optimal management know-how. If successfully commercialized, HMC and other subsidiaries will not only achieve a reduction in CO₂ emissions but also utilize CO₂-derived materials in the manufacture of automobile parts, creating additional economic value. 1-5

*Demonstration Plant : an experimental industrial plant in which processes or techniques planned for use in full-scale operation are tested in advance

Namyang R&D center In 2012, a total of 23 GHG emissions reduction measures were implemented, resulting in a CO₂ emissions reduction of 3,530 tons. Key measures included the installation of inverters for motors employed in test equipment, use of regenerative electricity, installation of more effective insulation panels, use of LED lights in newly built buildings. In 2013, additional CO₂ reduction measures are planned, such as utilization of waste heat from incinerator and increased use of regenerative electricity, which is expected to reduce CO₂ emission by 6,700 tons. Other measures to be implemented in the future are the use of LED lights in all new buildings and the use of more effective insulation panels which is expected to improve insulation efficiency by 21%.

HMC HQ In 2012, a number of energy saving measures were implemented at the HMC HQ such as reduced operating hours

1-6_GHG EMISSIONS REDUCTION MEASURES IMPLEMENTED AT OVERSEAS PLANTS



Overseas plant GHG reduction measures

Czech plant Starting in 2013, the Czech plant will be subject to the European Union Emission Trading Scheme with emission allowances and a reduction target. In 2009, we established a GHG emissions inventory and have been achieving significant reductions in GHG emissions with a focus on electricity saving. In 2012, the Czech plant received the European Eco-Management and Audit Scheme (EMAS) certification which is awarded by the European Commission, strengthening the plants green credentials.

U.S Plant (HMMA) The U.S. EPA introduced a Mandatory Reporting Rule in 2011. Accordingly, the HMMA has been reporting its direct GHG emissions to the EPA since 2011. Most of the direct GHG emissions from HMMA are associated with natural gas use and therefore efforts to reduce emissions have concentrated on measures such as installation of a waste heat recovery system.

China Plant The third plant in China was completed in 2012, increasing annual production capacity from 600,000 to 900,000 units. Faced with a significant increase in associated energy use, we are focusing on the following three activities to reduce energy use: first, we are improving energy management by eliminating unnecessary lighting and heating. Second, we are improving our generator and electrical systems and optimizing the assembly robot operations. Lastly, we are replacing outdated equipment such as old heaters in the engine assembly lines.

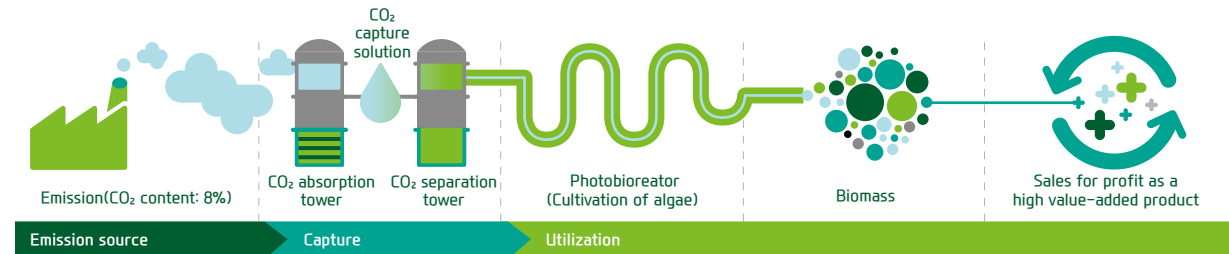
India plant (HMI) Hyundai has two plants in India, which have a combined annual production capacity of 650,000 units. We implemented an energy patrol system to ensure the elimination of any unnecessary energy use. Inverters were installed to improve the efficiency of energy intensive devices such as fans and pumps to minimize energy loss due to unnecessary operation. We are also increasing the use of renewable energy in order to achieve further GHG reductions.

Russia plant (HMMR) High energy efficiency was a high priority objective during the construction of the Russian plant, which became operational in 2011. For example, high efficiency condensing boilers and direct heat ovens were fitted. We also installed inverter type motors in order to minimize electricity use.

Turkey plant (HAOS) HMC's HAOS plant is subject to government regulations on energy use and resource efficiency improvement which were created as part of the Energy Efficiency Act. As a result, we have been receiving annual energy management training in addition to submitting annual energy reports to the Energy and Resource ministry. Furthermore, we have implemented a long list of energy saving measures which include the introduction of a real-time energy use monitoring and control system.

Brazil plant Minimizing energy consumption was an uttermost priority in design of the new Brazil plant. For example, the plant employs a new kind of parts-supply setup called a "one-kit" system, which not only ensure high build quality but decrease the overall size of the plant, which in turn, contribute to reduction in energy use. 1-6

1-5_CO₂ CAPTURE AND UTILIZATION PROCESS AT DEMONSTRATION PLANT



2 Green Vehicle Development



Green Vehicle Technology Development

Improving vehicle energy efficiency

High efficiency transmission HMC has released new types of transmissions with the same ease of use as an automatic transmission but with improved efficiency. For example, the dual clutch released in 2011 has 5 to 6% higher efficiency compared to an automatic transmission. The basic structure is identical to a manual transmission, but it is combined with a computerized shifting mechanism. The Kappa CVT, developed in 2012, will be mass produced in 2013. Designed for optimal energy efficiency and seamless operation at all speeds, the Kappa CVT significantly improves upon the fuel efficiency of small vehicles.

Responding to overstated fuel efficiency in the US market Hyundai Motor America agreed to voluntarily adjust the fuel economy ratings of several of its 2011-13 models, following discussions with the U.S. Environmental Protection Agency. Current and previous owners of affected vehicles were compensated.

Vehicle weight reduction

New lighter materials A large number of methods are employed to reduce the weight of vehicles. Increased use of aluminum, high-strength steel, magnesium and carbon fiber-reinforced materials are the most common ways to achieve weight reductions. Recently, the use of high-strength steel increased up to 50% of total steel automotive parts, providing

a lighter and safer body. New high strength aluminum alloys have been developed and efforts are ongoing to expand their application in vehicles. HMC is also making significant investment in developing technologies that enable use of next-generation lightweight materials including magnesium and carbon fiber reinforced materials.

New manufacturing process HMC developed a new manufacturing technology which can reduce thickness of cast iron parts by up to 30%. Hollow forging method can significantly reduce the weight of steel shaft parts. New manufacturing technologies are expected to deliver weight reductions of between 10% and 30%, using commercially-available materials.

Next-generation lightweight technology development HMC has been leading on the 'Multi-material Mix Ultra Lightweight Vehicle Body Development' project since 2010. This 13.5 billion KRW project, with 50:50 government and private funding, is scheduled to be completed in 2015, with the goal of identifying the optimal combination of materials, for a lightweight vehicle body, competitively priced, and ideal for commercial vehicles. The outcome of the project is expected to set a new trend in lightweight vehicle body design in the foreseeable future. HMC is aiming to employ a combination of high-strength steel, aluminum, magnesium and carbon fiber-reinforced materials to make a vehicle body that weighs 30% less than a comparable vehicle body currently in production.

1. Hyundai HB20 flexible fuel vehicle for Brazil
2. The first LPi Hybrid in the world: Hyundai Avante (Elantra) LPi Hybrid



Biofuel and other alternative fuel vehicles

Alternative fuel vehicles Hyundai has developed a variety of engines that can run on alternative fuels including biofuels. For example, Hyundai has already developed models capable of running on a mixture of ethanol and gasoline, as a response to increasing use of ethanol in North America and Brazil. In 2011, we launched the Tucson FFV in Brazil. The European market requires a different response because of the high number of diesel vehicles, as well as vehicles that run on bio diesel, which is made from rapeseed, palm or soybean, and are much more commonly used in the region. We are working towards the standardization of BD5 fuel (95% diesel, 5% bio diesel) and the production of diesel vehicles capable of running on BD5 fuel. All Hyundai vehicles released since 2010 are capable of running on BD5 as well as bio fuel with up to 20% to 30% bio diesel content.

Hybrid electric vehicles

CNG hybrid low floor bus In 1999, HMC developed the Country mini-bus with a serial hybrid system, which was the first hybrid mini bus. The CNG hybrid electric bus 'Blue City', developed in 2010, was the second hybrid bus by Hyundai. The Blue City was built utilizing HMC's 10 years of research in CNG engine technologies and the best available hybrid technologies. A demonstration program was launched in 2012 in collaboration with the Ministry of Environment, Seoul Metropolitan government and the KANGV. The demonstration program demonstrated the significantly reduced CO₂ emissions from the Blue City hybrid bus and led to the wider distribution of the Blue City hybrid buses starting in 2013.

Development of Propriety LPi Hybrid and Gasoline Hybrid Drive Systems Powered by both an internal combustion engine and an electric motor, the hybrid electric vehicles (HEVs) have gained significant popularity as greener alternatives to conventional vehicles, with their reduced fuel consumption and improved performance. Hyundai has developed several HEVs starting with its first HEV concept car, the FGV-1 Hybrid in 1995. In 2004, we developed the Click Hybrid and in 2005 produced the Verna Hybrid. Hyundai mass produced the world's first LPi HEV, the Avante (Elantra) LPi hybrid, for sale in the Korean market. In 2011, we released the Sonata Hybrid, in both Korea and the U.S., which has outstanding fuel efficiency and performance characteristics and plan to expand our hybrid line-up with midsize cars and SUVs in the future.

3. CNG hybrid low floor bus



LEADING THE FUTURE OF TRANSPORTATION

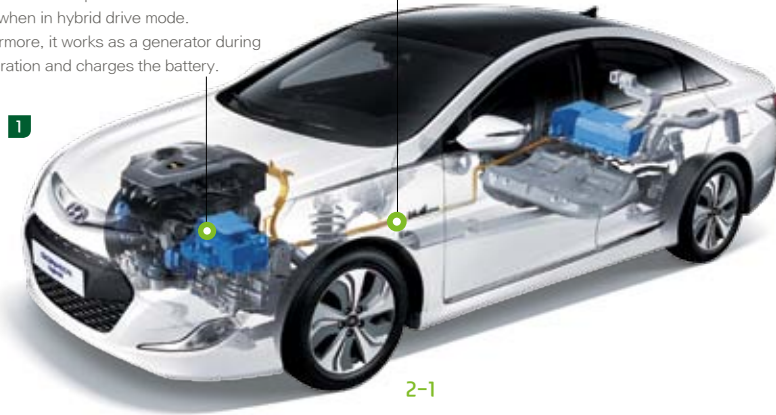


Electric Motor

The electric motor has multiple functions in the Sonata hybrid. First, it propels the vehicle by itself when the Sonata Hybrid is in EV mode and provides an additional boost when in hybrid drive mode. Furthermore, it works as a generator during deceleration and charges the battery.

Parallel hybrid drive system

Hyundai's proprietary parallel hard-type hybrid system in the Sonata hybrid, is simple in its structure with an electric motor and engine clutch between the engine and transmission, which gives the Sonata Hybrid excellent fuel efficiency and dynamic performance while enabling it to operate in an EV-mode.



1. Sonata hybrid equipped with simpler hybrid system powered using smaller electric motor
2. Innovative new hybrid concept car design by Hyundai
3. EPCU(Electric Power Control Unit) for BlueOn EV

Sonata hybrid The Sonata Hybrid is the first mass-produced gasoline hybrid model by Hyundai. It is also Hyundai's first hybrid model sold overseas. Equipped with a custom hard-type hybrid system, which is simpler in structure compared to existing hybrid models employing a smaller electric motor, the Sonata Hybrid boasts excellent fuel efficiency and performance while keeping the price comparatively low. The Sonata hybrid is also the first mass-produced hybrid model with an advanced lithium-ion battery which has a four layer safety system. In addition, the 2013 Sonata hybrid has improved fuel efficiency compared to the 2010 model. It won the 2012 Autobytel & AutoPacific Consumer Awards* as the highest rated hybrid car. 2-1

* AutoPacific's 2012 Vehicle Satisfaction Awards are based solely on input from over 75,000 owners of new vehicles, with a focus on overall ownership experience obtained through survey of 48 questions on performance, quality, safety and convenience.

Plug-in hybrid Hyundai is aiming to release a mid-size plug-in hybrid car by as early as 2015. Plug-in Hybrids are HEVs with larger batteries which can be charged using an external power source, which allows them to be driven as an electric vehicle using the electricity stored in the battery. Once the battery is drained, it can be driven as an HEV using both the internal combustion engine and the electric motor system.

Electric Vehicle

Compact EV development Faced with increasing environmental concerns, electric vehicles have come under the spotlight as a key sustainable option for the future. In addition to EV development, HMC is also strengthening its partnerships with relevant stakeholders to enable the commercialization of EVs. For instance, we signed an MOU with the Korean Electric Power Corporation to collaborate on the development and standardization of EV chargers. HMC is also actively responding to the new energy policy, which encourages increased supply of EVs, by the Chinese government and has launched an EV demonstration program by testing 50 compact EV taxis in the Pinggu district of Beijing.

BlueOn EV Hyundai has released a number of EVs including the Sonata EV in 1991 and the first Korean highway capable BlueOn in 2010. The BlueOn EV is equipped with a lithium-ion polymer battery and a range of new electric drive components to provide top class performance. It has an incredible range of 140 kilometers on a single charge. The top speed of the BlueOn is 130 km/h and it can accelerate from zero to 100 km/h in 15.7 seconds. All of the core EV components were developed domestically, strengthening the foundation for continued improvements in EV technologies in Korea. HMC sold 277 BlueOn EVs between 2010 and 2012, ten of which were supplied as official vehicles for the Expo 2012 at Yeosu, attracting a lot of interest from visitors.

National Research Project on Compact EV Development

HMC is participating in the 'Green Transportation System Based on Next Generation Electric Vehicle' commissioned by



4. ix35 FCEV with zero emissions and great performance - Hydrogen Fuel Cell Electric Vehicle

the South Korean government, as one of 43 partners including large corporations, SMEs, universities and research institutes. The participants plan to invest a total of 84 billion Korean Won (KRW): between May 2011 and April 2014 44.2 billion KRW from government and 39.8 billion KRW from private sector participants. The ultimate goal of the project is to develop an affordable electric powertrain for a compact car. The team is striving to achieve a driving range per single charge of over 200km, a 0 to 100km/h acceleration time of 11.5 seconds, a charging time of five hours for slow charging and 23 minutes for rapid charging. HMC is aiming to launch a compact EV in 2016 that meets these project goals.



page.32
Please refer to 'CSV Issue 4. Energy Justice' section on page 32 for more information on HMC's hydrogen fuel cell electric vehicles.

Hydrogen fuel cell electric vehicle (FCEV)

FCEV Development An FCEV has zero direct emissions just like an EV yet with higher energy efficiency and performance compared to an EV. In general, an FCEV is also at least twice more energy efficient compared to a conventional vehicle, making the FCEV the most energy efficient vehicle technology available today. Hyundai has been operating an FCEV demonstration program in collaboration with the Korean government since 2006. Hyundai also participated in the North America FCEV demonstration program led by the U.S. Department of Energy between 2004 and 2009. The FCEV demonstration program was launched in 2009 in Korea, in Seoul and Ulsan and was successfully completed in 2013. The third-generation ix35 FCEV has outstanding fuel efficiency, driving range and top speeds. As a result, it was chosen as the FCEV of choice for the European Commission-backed Fuel Cells and Hydrogen Joint Undertaking.

Vehicle Tailpipe Emission Reduction Technologies Strengthening Vehicle Emission Standards

In recent years, tailpipe emissions have improved significantly, however increasing population density in cities and the ever increasing number of automobiles have made further improvements necessary. In response, the EU has adopted the Euro 5 standard, which requires new models to meet more stringent standards for PM and NOx emissions. The Euro 6 standard, which requires a 56% cut in NOx emissions from diesel cars compared to Euro 5, will become effective in 2014. In the US, the Californian government is requiring auto makers to sell an increasing number of vehicles that meet the Zero Emission Vehicle standards. The Korean government also revised its Clean Vehicle standards, imposing much more stringent requirements for NOx and PM emissions.

Benefits of new gasoline engine technology

Use of gasoline direct injection technologies is one of the most potent new technologies which can reduce both CO2 emissions and other tailpipe emissions from gasoline engines. Use of gasoline direct injection technologies can boost the fuel efficiency of gasoline engines by 2 to 3%. It also boosts the performance characteristics of the engine as well. HMC is already employing gasoline direct injection technologies across its full range of vehicles from the compact Accent to the large Equus (Centinells). In 2012, the improved Nu 2.0 CVVL engine was first introduced in the YF Sonata, contributing to an outstanding improvement in fuel efficiency, reduced CO2 emissions and tailpipe emissions.





Clean Diesel Engine Development We have strengthened our NOx reduction technology research including the development of the LeanNox Trap (LNT), and a Low Pressure EGR System (LP EGR), which in combination reduce NOx emissions by 56% from diesel engines. The new Santa Fe released in 2012 is equipped with a newly developed Euro 6 compliant R engine. Fuel efficiency was also improved by up to 30% compared to the gasoline engine model, reducing CO₂ emissions by as much as 20%. A number of Hyundai cars and SUVs released earlier are equipped with various clean diesel engines that are compliant with the Euro 5 standard. 2-3

2-3_CLEAN DIESEL ENGINE

LOWER CO₂ EMISSION

20%↓

HIGHER FUEL EFFICIENCY COMPARED TO A COMPARABLE GASOLINE ENGINE

20~30%↑



Strengthening Hazardous Materials Management

Establishment of Global Environmental Expert Network Council

HMC expanded the environmental management scope to all operation sites and established the Global Environmental Expert Network (GrEEN), in order to proactively respond to ever-strengthening environmental regulations and to better fulfill its environmental responsibilities. The relevant teams were briefed and a network of internal environmental affair experts was created in early 2012. The first workshop was held in the second half of 2012. 2-2

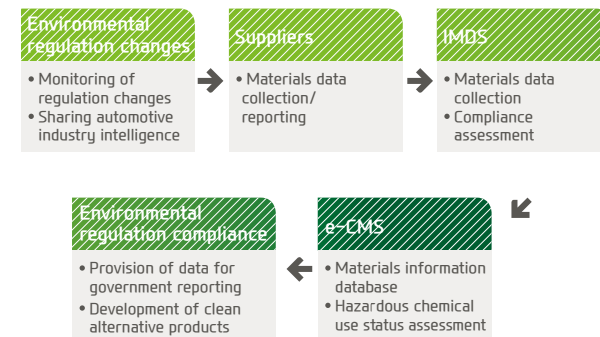
2-2_2012 GLOBAL ENVIRONMENTAL ISSUES WORKSHOP

| | |
|-------------------|--|
| Program structure | 18 presentations and 5 discussion sessions |
| Topics covered | Regulations on hazardous chemicals, end-of-life vehicles, intelligence on new regulations, future activities |
| Participants | 68 HMC experts in charge of environmental compliance from Europe, North America, India, Turkey, China, Pamyang R&D center, Quality assurance dept., IT dept., HMC HQ and Mobis |

Hazardous chemical management in parts

A comprehensive electronic database that tracks data such as the weight and materials information of automotive parts has been created, which is used to ensure compliance with the various environmental regulations. In 2004, HMC joined the International Material Data System (IMDS) to enable

2-4_HAZARDOUS CHEMICAL MANAGEMENT PROCESS FOR ENVIRONMENTAL REGULATION COMPLIANCE



more effective management of hazardous materials used in automobile parts and to ensure regulation compliance right from the vehicle development stage.

In 2007, HMC developed a propriety chemical management system, 'e-Chemical Management System (e-CMS)', which creates a customized materials information database using the information collected from the IMDS for all vehicle models produced since 2005. 2-4

* International Material Data System: an Internet based parts materials and weight information management system co-developed and operated by a group of participating automotive companies (www.mdssystem.com)
 * e-Chemical Management System (e-CMS): a HMC propriety chemical management system, which verifies environmental regulation compliance and helps identify regulation compliant alternatives using the parts material information collected from the IMDS



2-5_ HMC MODELS WITH CARBON FOOTPRINT CERTIFICATION

| Year/Month | Model | Year/Month | Model |
|------------|------------------|------------|-------------------------------------|
| 2009. 10 | Sonata | 2011. 2 | Veloster |
| 2010. 7 | Tucson ix | 2011. 8 | i40 |
| 2010. 9 | Avante (Elantra) | 2011. 9 | i30 |
| 2011. 1 | Grandeur (Azera) | 2012. 2 | Low Carbon Product Sonata hybrid |
| 2011. 2 | Accent | 2012. 4 | Santa Fe |

Low Carbon Product

Eliminating the Use of Four Heavy Metals

In 2006, we created a voluntary ban on the use of these four heavy metals with the announcement of the 'HMC Global Standard on four Heavy Metals.' We had already begun prohibiting the use of the heavy metals in all cars produced for sale in Europe since July 2003. From May 2008, all Hyundai vehicles sold in the Korean market were made free from the four heavy metals. We plan to develop safer alternatives and to expand the scope to include all vehicles, even those sold to markets that do not have any regulations yet.

EU REACH regulation response process

The EU REACH policy became effective in 2007. REACH is enforced very strictly, requiring all companies manufacturing or importing chemical substances into the EU, in quantities of one ton or more per year, to register these substances. In response to the implementation of this directive, HMC created a chemical substance management system and a database containing materials information in order to reduce not only the chemicals currently subjected to EU REACH but substances which are likely to be subjected to restrictions in the future.

Prohibition on the Use of Ozone Depleting Chemicals (ODCs)

Since 1989, the US imposed strict regulations on the use of ODCs and placed a special tax on the use of these substances. The Korean government also instituted a ban on the use of chlorofluorocarbons (CFCs), halon and carbon tetrachloride (CCl₄) in 2010. The Korean government plans to institute a ban on the use of methyl chloroform (1.1.1-TCE) after 2015. HMC prohibits the use of ODCs at all of its production facilities in Korea. We are also monitoring the use of ODCs by our suppliers and have been maintaining full compliance with all relevant regulations.

Greening new models and environmental certifications

Hyundai has been conducting life cycle assessment based on the ISO 14040/44 standards, which calculates the environmental effect of new models over the complete product life cycle which consists of extraction of raw materials for parts, part manufacture, vehicle manufacture, use and disposal of vehicles. Environmental impact of new models have been certified by third parties for assurance. In 2010, we received environmental certification for the Tucson ix (sold as ix35 in Europe) from the TÜV Nord and have since received certification for five additional models. In 2012, Santa Fe and Elantra received environmental verification by the UL. We also received carbon footprint certification from the Korean government for 11 models so far, starting with the Sonata in 2009. The Sonata hybrid was recently certified for low carbon product for achieving a significant reduction in its carbon footprint through improvements made including higher fuel efficiency. HMC will continue its efforts to reduce environmental burden including GHG emissions through overall life cycles of vehicles. 2-5

HB20: FULL OF NEW FEATURES, JUST FOR BRAZIL



BUILDING A NEW MODEL FROM THE GROUND UP: THE MAKING OF THE HB20

DESIGN

Dynamic and sleek

Although HB20 is a compact car, Hyundai employed advanced packaging technologies to extend the wheel base and to create a roomy cabin for passengers, with great style, practicality and comfort unlike any other car in its class.



POWER

Ready for all mixes of ethanol and gasoline

The HB20 has an engine capable of running on the flex fuel system, which allows its driver to use any mix of ethanol and gasoline. The high power engine of the HB20 gives it superior performance compared to the competition.



SAFETY AND CONVENIENCE

A class above

HB20 is equipped with class-leading convenience features including parking sensors, outside mirror repeaters and a cutting edge anti-theft system. It has dual airbags as standard and various other safety features including an emergency brake assistance system which redistributes the braking force to provide stable braking.



The name of HB20 came from 'Hyundai's Brazil car' and it was a vehicle built for a new continent to be manufactured in a new plant by a newly trained workforce. It was one of the most complex development projects and had never been attempted before. Fortunately, all divisions collaborated enthusiastically on the project, leading to the successful mass production of the HB20 exclusively for the Brazilian market, in September 2012. Development of the HB20 involved many serious challenges including delay of the project as a result of the 2008 financial crisis. However, the HMC teams overcame all the obstacles and succeeded to create a great model, tailored specially for Brazilian consumers.

Sales of the HB20 began in October 2012, its CUV-cousin HB20X was released in November 2012 and the HB20S (HB20 Sedan) was released in 2013. HB20 is manufactured in Hyundai's new plant in Brazil, which will serve as Hyundai's base camp in its competition against US and European competitors.

3 Development of safer and more convenient products



Safety enhancement

Vehicle Safety Assessment

HMC vehicles have scored highly in vehicle safety assessment tests worldwide. In Korea, Santa Fe won five stars in frontal, rear and offset collision tests, earning '2012 Safe Car of the Year' in the New Car Assessment Program (NCAP) conducted by the Korean Automobile Testing & Research Institute. The i30 won five stars in overall safety in the Euro NCAP safety testing. In the US, the Elantra (4-door), Sonata and Sonata Hybrid received

the highest 'Good' ranking in high-speed front and side crash tests as well as in the roll over test. Both models were selected as 'Top Safety Picks' by the Insurance Institute for Highway Safety. 3-1

Active collision prevention technologies

Autonomous Emergency Braking There is a growing demand for active collision prevention system worldwide. In fact, the Euro NCAP Advanced is encouraging standard fitment of autonomous emergency braking system from 2014. HMC

3-1_NEW VEHICLE SAFETY ASSESSMENT RESULTS

| | |
|---|--|
| K-NCAP - Korea's Ministry of Land, Transport and Maritime Affairs | i30, i40, Santa Fe - Top rating in overall safety(★★★★★) |
| Insurance Institute for Highway Safety | Sonata, Azera, Santa Fe, Elantra (sedan) - Top Safety Pick of 2012 |
| US NCAP - Insurance Institute for Highway Safety | Elantra (4-door), Sonata and Sonata Hybrid(★★★★★) |
| Euro-NCAP | Santa Fe(★★★★★)/top safety score in large offroad vehicle group i30(★★★★★) |



Equus blind spot
detection system

is developing an advanced braking system which makes a collision warning based on inputs from sensors installed on the vehicle, and autonomously apply brake when deemed necessary in order to protect drivers and the vehicle from possible collision. The onboard system can detect vehicles standing still, slow moving vehicle and pedestrians in front, which allows vehicle collision during low speed operation and reduce damage during high speed operation. Overall, Hyundai's autonomous braking system is expected to significantly enhance safety.

Emergency Driver Assistance System The introduction of the electronic vehicle control system led to improvements in sensor accuracy and overall vehicle performance. This has also led to development of active safety technology which can detect dangerous situations and make active adjustments. The Emergency Driver Assist System can analyze the location and speed of vehicles in the vicinity, detect the possibility of a collision, identify the safest route which will help avoid a collision and prompt the driver to maneuver the vehicle out of danger. The system also constantly analyzes information from all sensors at the front and rear end of the vehicle and analyzes the safest route out of the possible collision. The system also actively intervenes with steering and braking input from the driver, adjusting the input to effectively maneuver the vehicle and driver out of emergency situations.

Blind spot detection system

HMC became the first company to successfully develop a blind spot detection system that warns the driver of fast-approaching vehicles from behind. Equus became the first HMC model to employ the system in 2012, significantly improving the safety of its passengers.

Enhancing driver convenience

Smart Cruise Control with GPS technology

The new advanced SCC not only detects vehicles within a driver-specified distance, and automatically maintains a consistent following distance but also uses GPS information to adjust speed accordingly. For example, it receives extra information from the GPS navigation system including road conditions and speed limits and changes the speed of the vehicle accordingly. The SCC can also decelerate the vehicle to a low enough speed ahead of a hard turn. The conventional cruise control system must be manually disabled or decelerated with driver intervention, yet the SCC increases driver convenience by making such intervention unnecessary in most situations. HMC plans to develop an even more advanced SCC that will utilize GPS information to provide extra convenience for the driver.



Blue-link application
which provides various
services that enhance
driver convenience,
using the cellular
phone network and
GPS information

Integrating IT in automobiles

Use of smart technologies is making automobiles smarter and creating a more convenient, safer and greener driving experience for drivers. In 2011, HMC announced the 'Blue-link', a new global telematics service brand which utilizes a GPS system and cutting-edge mobile telephone technology. The 'Blue' represents Hyundai and 'Link' represents 'connectivity.' By utilizing information technologies 'Blue Link' is designed to make driving more convenient, safer and greener. Blue Link has many convenient features including weather information, voice-to-text messaging, navigation and a remote start. It also has advanced features including emergency support services in case of a crash for example, as well as safety features such as remote vehicle diagnosis.

Blue Link also assists drivers in operating vehicles in a more eco-friendly manner with advanced navigation, management of vehicle part replacement records, gas station information and monthly CO₂ emissions reports. The third-generation Santa Fe, launched in 2012, is the first model to be equipped with the Blue-link technology in Korea.

Smart and Connected Vehicle

HMC is investing significant resources to develop new information technologies which will effectively turn automobiles into a mobile office when needed. The new technology will allow its passengers to receive e-mail and process text messages on the go. The system will also analyze traffic conditions and the location of the vehicle and when a delay is expected it will send an automated message with the estimated arrival time to the person at the destination. Such vehicles are called 'Smart and Connected Vehicles.' HMC will continue to strive to lead the automobile market by leading in automobile-IT convergence.





FOCUS ON PRODUCT QUALITY



Equus



Elantra

North America In 2012, the Elantra won the 2012 North American Car of the Year and the 2012 Canadian Car of the Year. The Sonata was selected as the best affordable family sedan and the Genesis received the third highest score in the JD Power Vehicle Dependability Study (VDS).

Europe In Europe, the i40 won the 2011 EuroCarBody Golden award from the Automotive Circle International, which made the i40 the first model by an Asian car maker to win the award, proving HMC's technological capacity. The Solaris (Accent-based compact sedan) won the Car of the Year 2012 award in Russia. Solaris also won the 2011 "Golden Klaxon" in the "compact car" nomination and the Grand Prix of the magazine "Za rulem" in the "Small class" nomination, making Solaris the first HMC model to receive all three major awards.

China/Brazil etc. According to JD Powers 2012 China IQS survey, the YF and EF Sonata were 'segment winners' with top IQS scores. The HB20, which was first produced in HMC's new manufacturing plant in Brazil was selected as the '2013 Brazilian Car of the Year.' In the Middle East, the Centennial (Equus) won the '2012 Sports Auto Car of the Year.' The Equus also won the top spot in the Strategic Vision's Total Value Awards out of 350 models. Overall, HMC vehicles have received high praise for their great quality and utilization of innovative new technologies, with resultant increasing prominence in the luxury vehicle markets.

Environmental management system with transparency and credibility



Q. What are your key responsibilities at HMMC?

I joined HMMC in September 2007 and my first assignment was taking care of the Integrated Pollution Prevention and Control (IPCC) permit and implementing comprehensive pollution prevention measures. I also took part in setting up an environmental management system which was later certified for ISO 14001. My current responsibilities include water and waste water treatment (evaluation, testing and compliance), preparation of annual IPCC evaluation reports, annual reports to government, annual environmental statement for EMAS, ISO + EMAS documentations and reports and so on.

Q. Congratulation on receiving the EMAS certification.

What is the significance of EMAS certification in a nutshell?

EMAS certificate is given by the Czech Ministry of Environment to companies that have a comprehensive environmental management system in place. The certification can boost the confidence of investors, insurance companies, public administration and banks. It also strengthens relations with the public. EMAS certified companies publicly issue an annual environmental statement and disclose all environmental data, leading to higher transparency. In the longer term, EMAS certification can lead to improved market access and increased market share. However, we will have to publicize it much more actively in order to realize the full benefits.

Q. Hyundai made a significant investment to build HMMC.

Do you think the establishment of HMMC was helpful to the Czech economy especially the Moravia Silesian region?

Yes, it was very helpful in boosting the Czech economy and particularly that of the Moravia Silesian region. In the past the Moravia Silesian region had some of the highest unemployment figures in the Czech Republic. HMMC has helped to create more than 10,000 jobs, including that of suppliers. HMMC's operations have also contributed to the creation of many more jobs indirectly.

Q. Have there been any negative impacts as a result of the investment made by Hyundai?

A few small environmental groups still do not welcome HMMC because of the impact on the local environment such as noise, air and water pollution. However, I think their claims are unjustified. The Czech Minister of Environment told us that HMMC is a very clean factory with almost zero-impact on the environment. When I spoke with another official from the ministry he told me that he was not convinced by the claims made by the environmental groups.

Q. Do you have any special environmental issue for 2013?

Yes, HMMC is expected to be included in the EU Emission Trading Scheme. EU environmental officials are in contact with the Czech Ministry of Environment for inclusion of HMMC, which means we will have to come up with a response plan and negotiate with the government on reduction targets amongst other things.



Customers

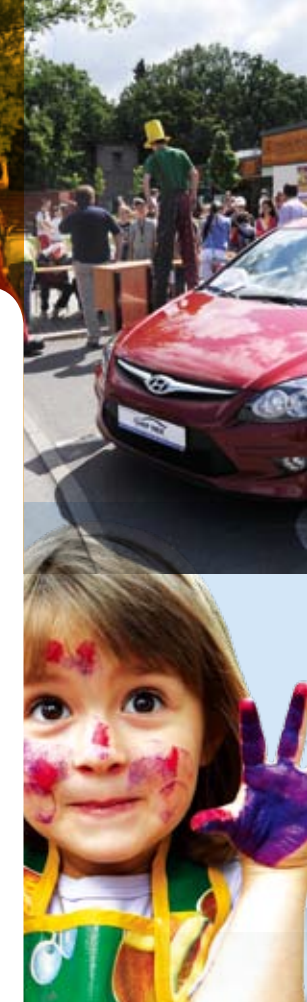


Employees



MAKING LIFE BETTER

HMC aims to make a positive contribution to the global community, upholding values that benefit everyone. By working together, we will be able to tackle the challenges that we face. HMC is committed to achieving sustainable growth and sharing the benefits with our customers and other stakeholders. HMC will set a new benchmark in sustainable management as a responsible global citizen, providing a highly tailored customer service, nurturing a capable global workforce, fostering a positive corporate culture, win-win shared growth with SMEs and implementation of our strategic social contribution activities.



Local Communities



Partners



1 Customers

New customer service system which allows high quality service provision using smart phone apps and video materials



Improving customer satisfaction

Quality First Management

HMC began to focus on quality improvement in 1999. In 2002, the quality management teams at HMC and KMC were merged into the Hyundai-Kia Quality Management Division under direct supervision of the HMC chairman. In 2003, we created two new quality management units to ensure the quality of cars exported overseas. The quality management and maintenance teams were also merged to ensure more effective operation. In 2004, the Global Quality Management Office was established with the purpose of responding to any quality problems reported any day of the year, 24-hours

a day. Currently, senior executives from all divisions meet twice a month to discuss quality management issues and to improve the emotional appeal of our vehicles with the goal of positioning HMC as a 'Best Buy Brand'.

Improving Customer Satisfaction on Quality

HMC vehicles performed favorably in the JD Power's Vehicle Dependability Study (VDS), scoring 125 PP, which placed HMC in fourth place among the 21 non-luxury brands. The study, which measures problems experienced by the original owners of three-year-old vehicles, includes 201 different problems across all parts of the vehicle. Overall dependability is determined by the number of problems experienced per

100 vehicles (PP 100), with a lower score indicating higher quality. Hyundai Genesis achieved the highest score from the 13 new cars tested and received the third highest scores among 214 models surveyed. Elantra also received an award in the compact sedan category. Established in 1968, JD Power and Associates is a marketing information services company specializing in consumer satisfaction surveys for the automobile market and their results are one of the key references for consumers purchasing a new vehicle. HMC scored 107 PP (problems per 100 vehicles) in the JD Power 2012 IQS study as a brand. The ranking was lower than previous years, with many luxury brands achieving very high scores. 1-1

Key Performance

HIGH SCORE IN THE JD POWER VDS STUDY FOR THREE CONSECUTIVE YEARS



Improving Customer Satisfaction

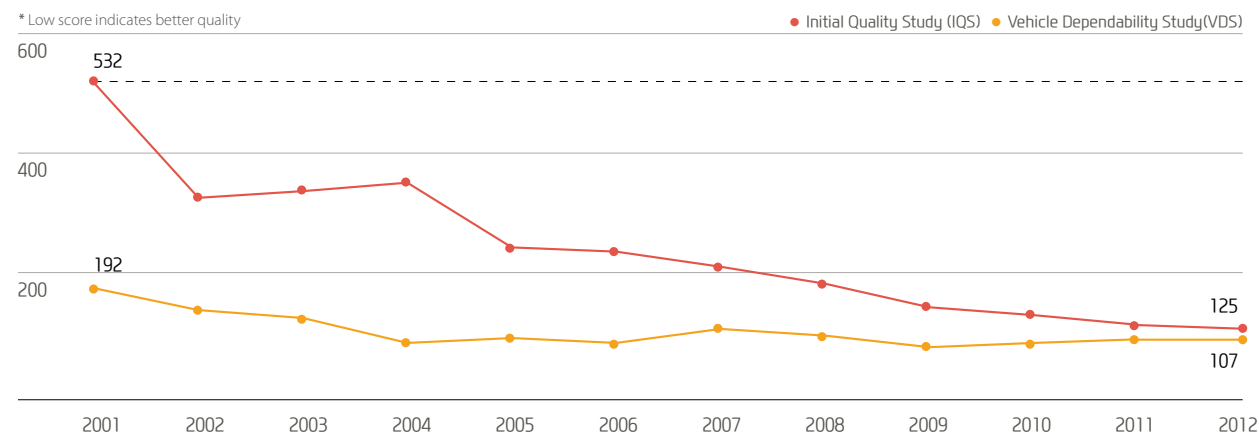
Domestic HMC operates a dedicated customer service center that handles customer complaints and inquiries. Customer can either call or post inquiries on the customer service web site to receive expert assistance on problems they are experiencing or to file a complaint. Customer opinions collected at the center are analyzed and passed to the relevant teams to improve processes and resolve any identified issues. We also regularly assess customer satisfaction by surveying customers who have recently purchased a Hyundai vehicle about the services they received.

Overseas Various activities are carried out to enhance customer satisfaction including a special program for overseas called 'Voice of the Customer'. In addition to conducting customer satisfaction surveys on a regular basis, we also conduct in-depth interviews with customers through focus groups, to analyze customer complaints and to enable us to implement measures to address any identified issues. Another important initiative is our Dealer Enhancement Program, which is designed to enhance capacity, improve facilities and enhance overall management. Dealers are also invited to visit Korea to increase their understanding of Hyundai's operations and to strengthen partnerships with staff based in Korea.

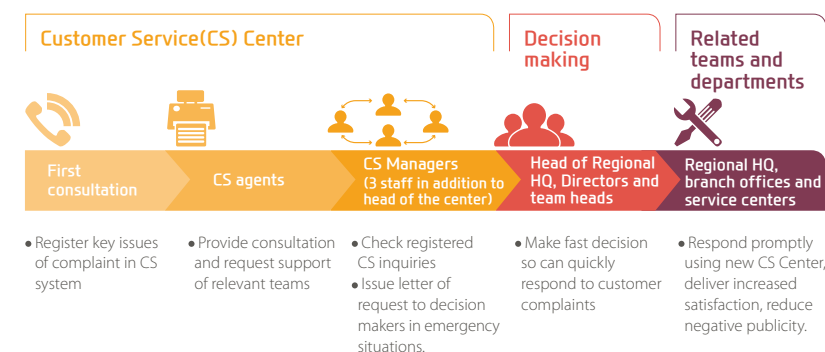
Cooling Zone system

As the name suggests, the 'Cooling Zone System' was created to take care of all customer inquiries and complaints professionally, ensuring everyone stay 'cool.' The cooling zone has internal guidelines which set out that complaints must be responded to within 24 hours, and provide a streamlined decision making process. We expect the new system to deliver increased customer satisfaction, to enhance the capacity of relevant HMC departments and to foster a more positive mindset amongst effected employees. 1-2

1-1_CHANGE IN JD POWER IQS AND VDS SCORES



1-2_COOLING ZONE MANAGEMENT PROCESS

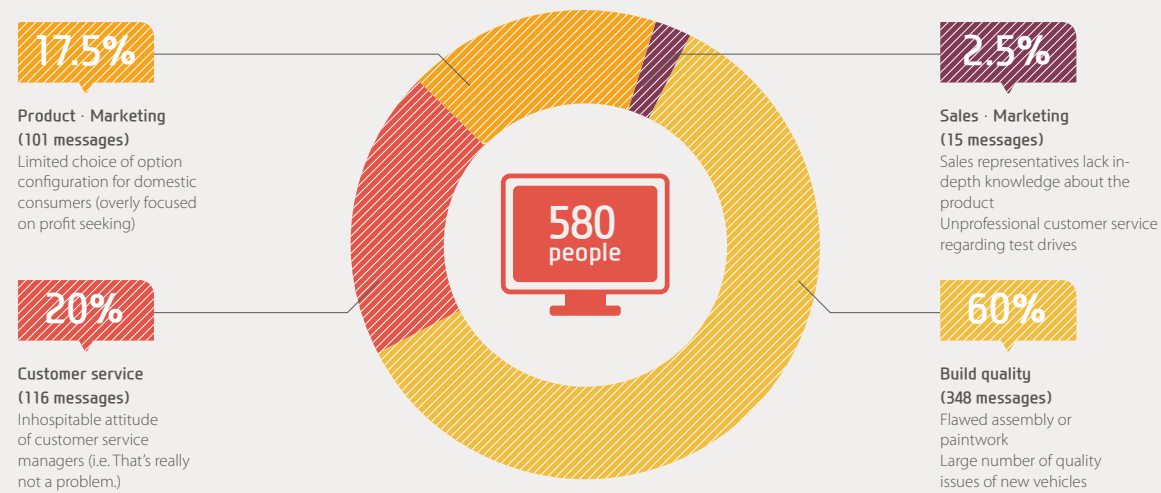




HMC FACE TIME WITH CUSTOMERS

HMC has reached out to a number of web communities and set up a web board called 'Direct advice from customers' on various popular motoring websites. To date, a large number of customers have shared their views and knowledge about various automobile models within their online communities, enabling other consumers to make their purchasing decisions based on the insight gained from these communities. During the first half of 2012, 580 customers left messages on the 'Direct advice from customers' board about what Hyundai must do better. We collected their frank messages and published a booklet, which will be used for internal training. Many of the opinions expressed in these messages have been taken onboard and we are currently implementing improvement measures.

ANALYSIS OF POSTS ON THE 'DIRECT ADVICE FROM CUSTOMERS' BOARD



INTERNAL TRAINING TEXTBOOK



ONLINE MOTORING COMMUNITIES WITH HMC COMMUNICATION WEB BOARDS

| Model | name of Web site | Web address |
|------------------|-------------------|--|
| Avante (Elantra) | Club MD | www.clubmd.co.kr |
| i30 | New i30 Club | www.clubgd.kr |
| Veloster | V Mania | www.vmania.kr |
| Sonata | YF Sonata club | www.yfsonataclub.kr |
| i40 | Hyundai i40 | cafe.naver.com/tro11 |
| Grandeur (Azera) | Club HG | www.clubhg.kr |
| Genesis Coupe | BK Mania | www.bkmania.com |
| Tucson ix | Tucson ix Club | www.ixclub.kr |
| Grand Starex | Grand Starex Club | cafe.daum.net/kssduc |
| Porter II | Porter II | cafe.daum.net/por2 |

1. Special driver's training program for new female drivers
2. Charming Blue perfume, specially made for exclusive use in HMC shops



Promoting shared understanding

In 2011, HMC launched the 'Hyundai Motor, understanding and communication' program which was designed to dispel myths and misunderstandings. HMC hosted on-line dialogues that explained the truth about alleged use of weaker steel in vehicles for certain regions, flaws with the motor-driven power steering system, design-related issues and so on. HMC also set out its management philosophy and talked about the high quality of our products.

In 2012, HMC staff also participated in the off-line meetings with the online community members. Staff engaged with the community members, collected their opinions and published the results and lessons learned as a booklet and a DVD.

HMC is also taking the initiative to support female drivers in Korea. The number of female drivers has grown quickly and more than 10 million women now hold driver's license. Therefore there are a growing number of new female drivers who could use extra training on how to drive safely. Recognizing such needs, HMC has created a special driver's training program for new female drivers, in collaboration with the Korea Transportation Safety Authority. The training program consists of 'How to driver better' and 'Driving safely.'

Hyundai Customer Satisfaction Index

In 1999, we developed the Hyundai Customer Satisfaction Index to measure the satisfaction of customers who own our vehicles. The survey collects customer opinions in four areas: product quality (price), sales service, maintenance service and corporate image. The data is then analyzed to calculate an HCSI score and to identify areas for improvement. In addition to its use in improving specific business processes, the survey results are also used as a basis for policy decisions throughout our business practices.

In 2012, the HCSI score fell by 0.6 due to lower scores in the product quality/price area although scores were higher in all other areas. We also pay close attention to customer

1-3_HCSI CUSTOMER SATISFACTION INDEX



satisfaction surveys conducted by third parties including the National Customer Satisfaction Index (NCSI) by the Korean Productivity Center, the Korean Customer Satisfaction Index (KCSI) survey carried out by the Korean Management Association Consultancy (KMAC), and the Korean Standard Service Quality (KSSQ) Index conducted by the Korean Standards Association. 1-3

Customer Information Protection

With the increasing emphasis on protecting personal information, HMC aims to protect all of our customer's information. We began by establishing the customer information protection committee in 2011 and embarked upon regular training for relevant employees on customer information handling and auditing outsourced service agents. Our customer information database is encrypted to prevent hacking and customer data is managed according to rigorous internal security regulations. We have also placed a ban on the collection of resident registration numbers through websites and implemented an expiration date for customer information since 2012 in order to prevent data leaks and also to ensure compliance with the Personal Information Protection Act and other relevant regulations. A number of activities including regular training and internal assessments are conducted to address potential issues and to raise awareness about the importance of data protection.

Going above and beyond complete customer satisfaction

Five Senses Brand Experience Center

We opened a Five Senses Brand Experience Center to offer visitors an opportunity to experience the Hyundai brand and





1. Home to Home service, which pick up and drop off of vehicles from locations chosen by customers
2. Free check-up service to ensure safer driving

our vehicles using all five of their senses. The center has its own unique music and is sprayed with 'Charming Blue', a custom-made perfume, creating a unique atmosphere for a unique customer experience, unlike anywhere else. Customers are also offered a number of premium services which can only be found in the center.

Home to Home Service

Dropping off or picking up vehicles for service can be a hassle for customers with extremely busy schedules. For such customers, Hyundai launched a new 'Home to Home' repair service in 2011, which collects vehicles at a time and location of the customer's choice and then, returns the vehicles when the repair work is completed. It is a premium service only available to Hyundai customers.

Creating a 'One Stop' service environment

In 2012, we established a 'One Stop' service center. Customers who arrive at one of the HMC service centers are greeted by customer service managers who process customer request and provide explanations after the service is completed. The centers also have a number of fun & convenient facilities for customers such as golf practice facilities, exercise facilities and cafeterias.

Blueme service for female drivers

HMC launched the 'Blueme' service in a number of service centers, which is the first female-only customer service in the automotive industry. The Blueme service consists of face to face explanations, vehicle diagnosis, free delivery of repaired vehicle and rental car services. HMC designed the Blueme service to better accommodate female drivers who would like to have extra information and support in maintaining their vehicles in top condition.

Overseas customer service

Guaranteeing complete customer satisfaction

HMC has an ever-growing global network of service centers furnished with high-tech equipment and certified elite service technicians who provide a top quality service. Moreover, HMC was the first automaker to operate the 'Before Service' program which has benefited over 4 million overseas customers with its free check-up service. HMC also launched a new 'Home to Home' repair service in



2011, which collects vehicles at a time and location of the customer's choice and then, returns the vehicle when the work is completed, saving the customer valuable time out of their busy schedule.

HMC has recently made significant improvements at the Hyundai Customer Care Center, making operators more effective at handling customer requests and initiating some exciting changes to HMC's customer service. For example, a number of new customer service initiatives were instigated including the provision of rental cars.

Providing superior customer service

HMC is making a continuous effort to nurture elite repair technicians and to provide advanced technical support to its customers. The Global Service Support Center established to improve customer service worldwide, provides remote diagnostic and technical support, which allows any HMC service center to handle even the most complicated problems. HMC also hosts bi-annually the 'Global Service Technician Olympics' to encourage service technicians worldwide. It was first held in 1995 and has since taken place eight more times. Training programs are also offered to service advisors responsible for customer receptions. In 2012, we also held the first 'Hyundai Service Advisor Championship' to further motivate the best service advisors.

Starting in 2013, we began to implement a new IT-based service process management system, which is designed to allow customers to track the service process from start to finish. This is just one of the many initiatives to ensure complete customer satisfaction and HMC's leadership in customer service.



2 Employees



Employee management

Employee Status

By the end of 2012, the total number of employees had increased to 98,348, a 13.8% increase from 2011. Slightly more than 61% of employees (60,030) are based in Korea. Employees stationed at overseas operation sites have also increased to 38,318, up 31.6% compared to the previous year. The increase in the overseas workforce is due to employees hired for the new plant in Brazil, increased production activities at the US HMMA plant and the establishment of the Sichuan Hyundai commercial vehicle manufacturing plant. 2-1

Increasing Local Hiring We are steadily hiring an increasing number of local staff thanks to HMC's expanding global production network. For example, the number of employees in North America and Europe is 6,221 and 5,991, respectively. The number of employees in China and India increased even

more significantly to 22,584 up by 46% compared to 2011. HMC's overseas operations are making a positive contribution to local communities by creating jobs and stimulating the local economies. 2-2

Equal Opportunities: hiring female employees Due to the auto industry's labor-intensive job characteristics, the ratio of male and female employees is somewhat unbalanced at HMC. Therefore, HMC has been making an extra effort to attract female talent to create a more balanced and effective workforce.

Thanks to these efforts, the number of domestically employed female employees has been increasing steadily and was 2,576 at the end of 2012. Benefits include ninety-day maternity leave and special monthly days off. Furthermore, childcare centers have been built at a number of sites for working mothers. At the end of 2012, the number of female employees overseas was 3,830. 2-3, 2-4



Hiring and remuneration

Open Recruitment To secure the very best talent from all over the world, we have diversified our recruitment channels. Recruiting top talent in all areas is of the utmost importance if HMC is to lead the ever-evolving automotive industry. To ensure the very best talent from the global human resource pool is utilized, we have continued to improve our communication efforts. 2-5

| 2-1_DOMESTIC WORKFORCE STATUS BY JOB TYPES | | | in persons |
|--|---------------|---------------|---------------|
| | 2010 | 2011 | 2012 |
| Administration | 11,355 | 11,502 | 11,755 |
| R&D | 6,790 | 7,700 | 8,240 |
| Production & Maintenance | 31,765 | 31,568 | 33,312 |
| Sales | 6,270 | 6,264 | 6,225 |
| Others | 281 | 269 | 498 |
| Total | 56,461 | 57,303 | 60,030 |

| 2-2_OVERSEAS WORKFORCE STATUS BY REGIONS | | | in persons |
|--|---------------|---------------|---------------|
| | 2010 | 2011 | 2012 |
| North America | 5,005 | 5,149 | 6,211 |
| Europe | 3,974 | 5,744 | 5,991 |
| China | 7,443 | 9,625 | 13,768 |
| India | 5,511 | 5,795 | 8,816 |
| Others | 1,791 | 2,057 | 3,532 |
| Total | 23,724 | 29,125 | 38,318 |

2-5_HMC TALENT RECRUITMENT PROGRAMS

| Global Top Talent Forum | Global Scholarship | H-innovator Internship | Japan's Best Talent Recruitment | Job Fair |
|---|--|--|---|--|
| Seminars are held to share HMC's research projects and recent achievements, as a means of recruiting talented students overseas universities. | Scholarships are provided as a potential means of nurturing future managers. | Interns are recruited with zero consideration to the names of schools or English test scores. It is a channel for hiring students with high potential but without impressive sounding resumes. | This is a major means of recruiting top talent in green vehicle technologies. | Pass over HMC recruitment process to students, hold mini interviews and explain different HMC jobs |

Reward system HMC's reward system has strengthened the links between business performance and rewards, ensuring that employees are fairly evaluated and rewarded in respect of their achievements. We have also established a standardized job performance evaluation system for increased transparency and fairness. Base salary for all HMC employees is determined by their position and is not affected by the employee's gender. Unlike associates and deputy managers who receive standardized salaries regardless of their job performance, employees in managerial positions receive performance-based salaries in order to strengthen the link between job

2-3_DOMESTIC FEMALE EMPLOYEE STATUS



2-4_DOMESTIC FEMALE EMPLOYEE STATUS (2012)

| | No. of female employees | Proportion of total workforce (%) | No. of female executives |
|---------------|-------------------------|-----------------------------------|--------------------------|
| North America | 987 | 15.9 | 3 |
| Europe | 1,052 | 17.6 | 3 |
| China | 1,553 | 11.3 | 0 |
| India | 141 | 1.6 | 0 |
| Others | 97 | 2.7 | 0 |
| Total | 3,830 | 10.0 | 6 |

* Female employee data is based on information from 11 operation sites
* Launch of Hyundai Brazil plant in September 2012, addition of third shift workforce at our US plant and the establishment of Sichuan Hyundai were the main causes for the increase in the overseas workforce.

1. A poster for the global top talent forum
2. Students gather at the HMC job fair booth



performance and compensation. In addition, promotion criteria have been changed from the previous seniority-based system, which favored researchers with more experience, to a promotion point system that favors staff with significant achievements. We also conduct 360 degree evaluation for team leaders and higher managers to help senior management staff develop their leadership capacity. 2-6

2-6_PERFORMANCE EVALUATION SYSTEM

| Evaluation system | Detail |
|---------------------------------|---|
| Personal achievement evaluation | Evaluation of achievement by individual employees |
| Capacity evaluation | Evaluation of employees aptitude |

Improving Employee Satisfaction HMC has been assessing employee satisfaction for many years. In 2008, a customized employment satisfaction index, the Employee Satisfaction Index (ESI) was developed, which has is used in the annual survey.

In 2012, 19,352 employees stationed at headquarters and R&D centers were surveyed, with a total of eighty six questions in ten areas including job satisfaction, performance evaluation, promotion, compensation and other benefits. The response rate was 59%. The results indicated a slight increase in overall job satisfaction which is considered to be a result of improvements made to the work environment and related policies. The survey results are used as the basis for improving personnel policies and the work environment.

Human Rights Protection We publicly announced the HMC Ethics Charter which conveys our commitment to protecting the human rights of all members of Hyundai. We have reinforced our commitment to protecting human rights in all of our business conduct by selecting 'Respect for People' as one of our new five core values. HMC is in full compliance with local regulations on human rights protection at all work sites.



1. A BHMC employee hard at work
2. An HMA employee in his office

Employee complaint consultation and preventing sexual harassment programs We are currently operating an employee complaint consultation center called 'Talk talk center' Employees can receive professional consultation on all issues from family problems to work-related issues. A new online-based employee complaint center named 'Once Click HR' service was established on November 2011, for those who cannot make it to the center.

In 2012, 38 employees filed complaints, of which 71% were work related. The internal consultants made constructive suggestions to the employees who filed the complaints through meetings and analysis of their career development plans.

All HMC employees are also required to participate in mandatory classes on preventing sexual harassment on a regular basis. HMC also operates employee complaint processing units at its overseas sites and is making an effort to ensure full compliance with local laws and regulations.

Labor Relations Management

Labor Union HMC management fully recognizes the freedom of association, the right to organize, and the right for collective bargaining. In Korea, a total of 44,358 members, which accounts for 74% of the total domestic workforce are members of the HMC Labor Union. Hyundai Motor India (HMI) has its own labor union, and the Public Assembly of Beijing Hyundai

Motor Company (BHMC) represents BHMC employees. Employees of Hyundai Motor Manufacturing in the Czech Republic have formed a union with over 400 members, which accounts for about 17% of its overall workforce.

Labor-management agreement on introduction of two daytime shift system

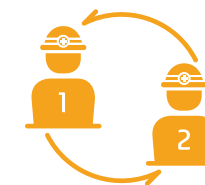
In 2012, the HMC labor union and top management agreed to abolish the night shift and to transition to a two daytime shift system. The agreement was made as a result of discussions that had been ongoing for a number of years. The two parties agreed to maintain production levels and salary by achieving an improvement in productivity. The new system will replace the old system with two 10 hour-long shifts and a short night shift with a combination of 8 hour and 9 hour shifts, reducing operation hours by a minimum of 3 hours. The change will come with productivity improvement measures, changes to daily schedules, adjustment of HMC-only off days will be implemented in order to maintain production capacity.

The change in the work shift system is expected to reduce work hours by 11.5%, which is equivalent to 239 hours on average. We expect the change to improve the quality of life for HMC employees working in the relevant manufacturing plants by allowing them to spend more time with their families, on their hobbies and other personal interests. A new monthly salary system was also introduced to replace the old hourly

wage system. The new salary system is expected to encourage staff to increase productivity with the added assurance of a stable income flow. We expect the new system to increase the competitiveness of domestic manufacturing plants.

Key Performance

LABOR-MANAGEMENT AGREEMENT MADE ON NEW DAYTIME SHIFT SYSTEM



Health & Safety

Safety Management System Each HMC manufacturing plants has a dedicated team in charge of environment and health and safety (H&S) management. A licensed medical doctor is hired at each site as the health manager and the H&S team, which consists of experienced experts who actively promotes the health of employees. Furthermore, the Industrial Health and Safety Committee, which is comprised of an equal number of labor and management representatives, makes decisions on the company's ESH policies and other key issues to better prevent safety-related accidents and to continue improving overall workplace safety.

Environment, Health and Safety Management System

HMC has the EHS system which meets the occupational health and safety management standards (KOSHA 18001, OHSAS 18001) implemented in all domestic operating sites. The Asan plant, which received KOSHA 18001 certification in 2000, received OHSAS 18001 in December 2012. The Namyang R&D center has received both KOSHA and OHSAS 18001 certification, improving E&HS management. The new E&HS systems are interlinked with the existing integrated environment, safety and health system (i-ESH), which can be accessed via HMC's intranet (<http://iesh.hmc.co.kr>). The 'i-ESH' system collects information and data on safety, health and environment related issues. The data is then repackaged into various forms of statistical data to be used by employees working at the relevant work sites. The combination

of two systems has proven to be effective in making positive changes. A comprehensive risk assessment is conducted once every three years to proactively manage the risks associated with new technologies and processes incorporated in each production plant.

Overseas plant safety management

In 2012, we implemented a number of programs to increase safety management capacity and to enhance the related management systems. First, we promoted OHSAS 18001 certification at all of our overseas operating sites and trained staff based in Korea in charge of safety management. The programs led to the establishment of a decision-making system with stronger involvement of relevant local HMC staff in charge of safety management, in addition to strengthened understanding of safety management system and risk management methods. Thanks to these activities, industrial accident rates at overseas manufacturing plants have decreased in all regions except for China. 2-7, 2-8, 2-9

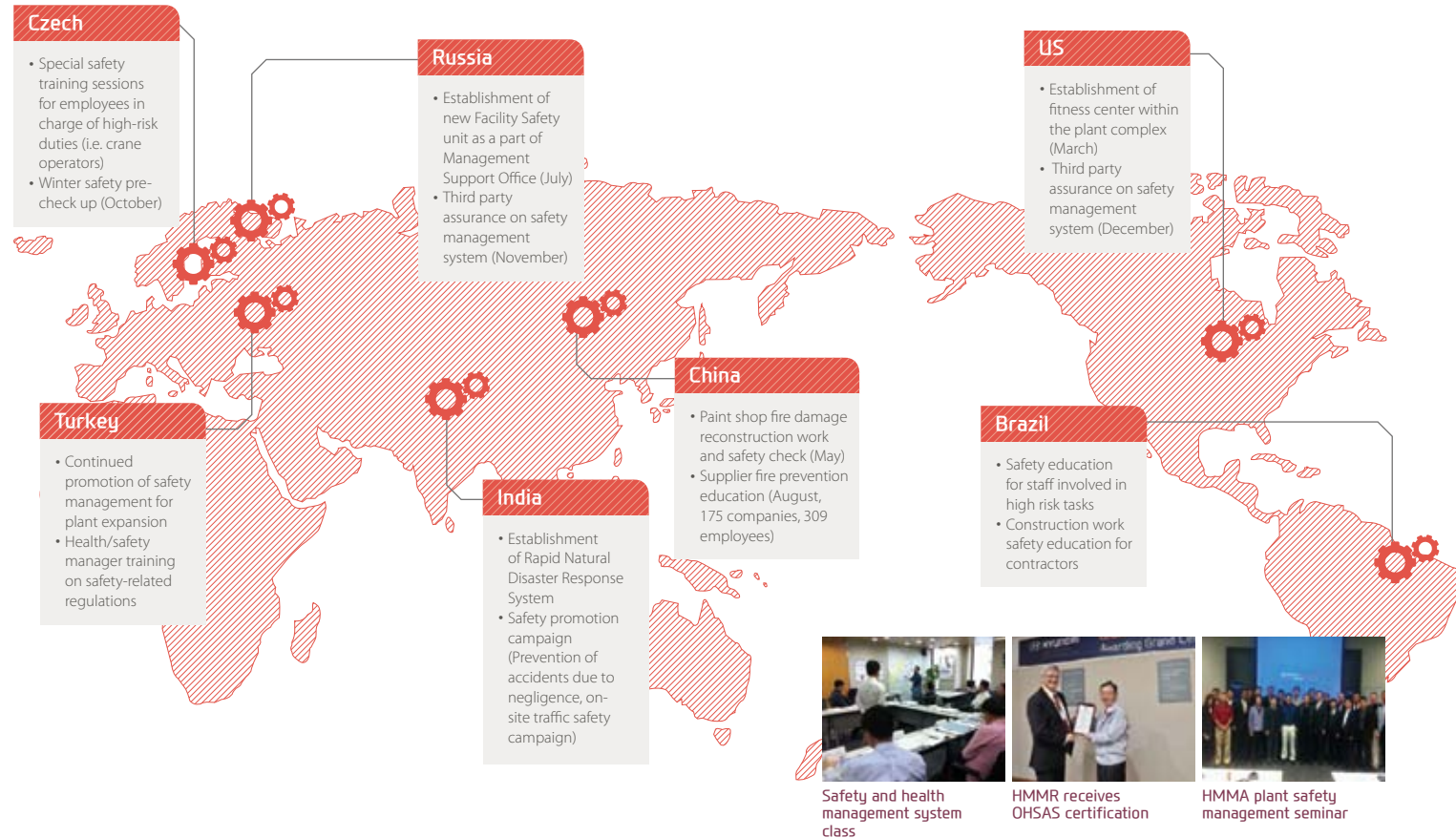
Key Performance



2-7 INDUSTRIAL ACCIDENT RATE Unit: %

| Domestic | |
|----------|------|
| 2010 | 1.60 |
| 2011 | 1.22 |
| 2012 | 1.22 |
| Overseas | |
| 2011 | 0.82 |
| 2012 | 0.39 |

2-8_2012 OVERSEAS OPERATION SITES SAFETY MANAGEMENT ACTIVITIES

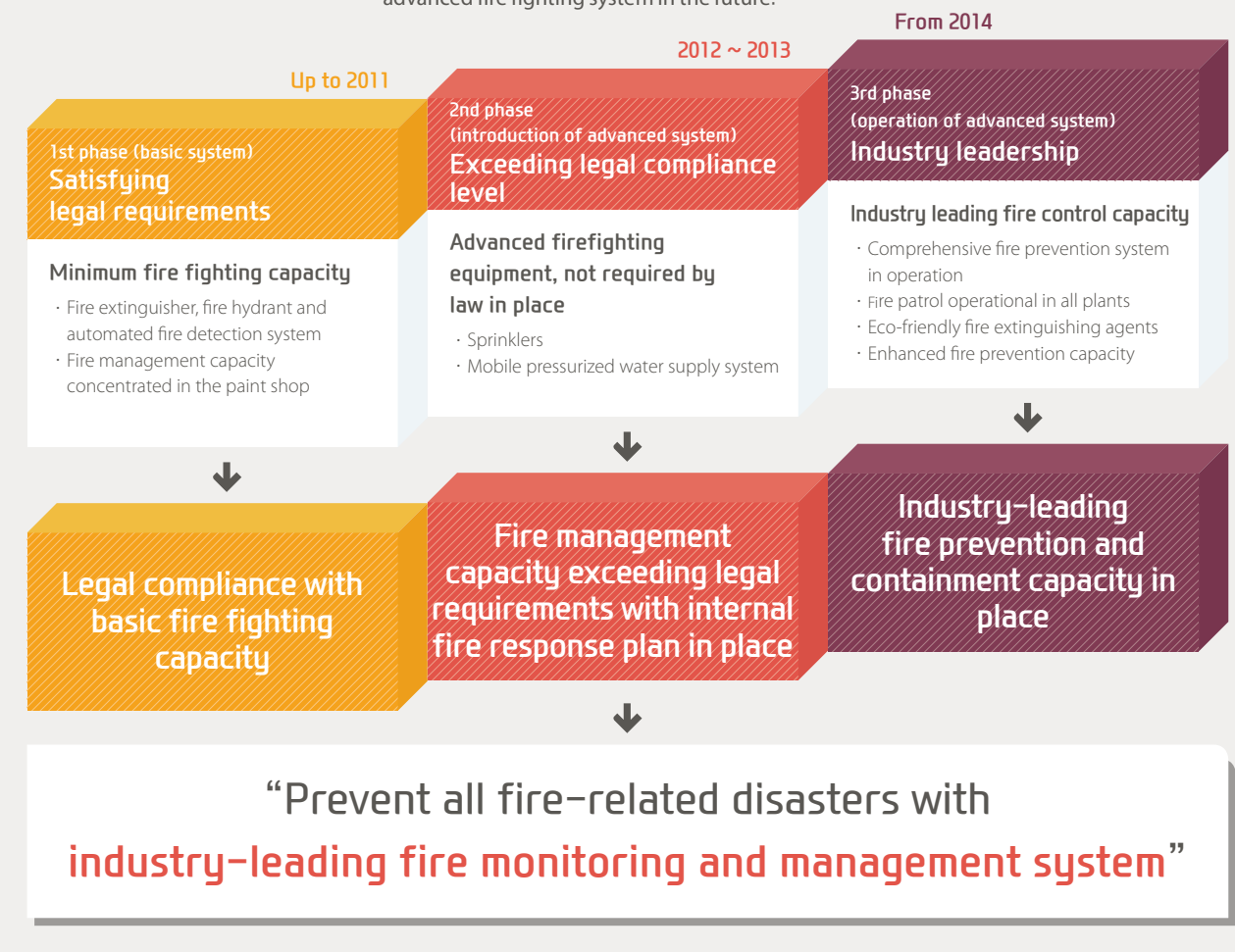


2-9_2012 OVERSEAS PLANT SAFETY MANAGEMENT PROGRAM

| Program | Detail | Time and place |
|---|--|--|
| Safety manager capacity building training | Advanced training program for managers in charge of safety management at overseas plants by third party expert group • Participants: 8 Korea-based managers dispatched to overseas plants | March 19~23, 2012 HMC HQ and DNV training center |
| Global safety management seminar | The 2nd Global safety management seminar hosted by Business Planning Office • Participants: 27 Korea-based managers and locally-hired managers in charge of safety management. • Detail: 2012 Safety management results and 2013 management target setting. Sharing results of implementation of safety improvement measures and lessons learned | November 15~16, 2012 HMMA (US) |
| OHSAS 18001 certification | Occupation Health and Safety Assessment certification for HMC plants in the US(HMMA) and Russia(HMMR) • Purpose: Establishment of strengthened health and safety management system for better management with added benefit of positive publicity • Certification agency: DNV (Det Norske Veritas) | December 2012 - HMMA (US) November 2012 - HMMR (Russia) |

ESTABLISHING A COMPREHENSIVE FIRE PREVENTION SYSTEM AT THE ULSAN MANUFACTURING COMPLEX

Recent assessments had indicated that the fire prevention system at the Ulsan manufacturing complex was not sufficient. For example, plant-level real-time fire monitoring was not in place yet which made timely response difficult. The recent changes made to the Fire Services Act increased the level of equipment and facilities required, creating even more challenges for the management team. The establishment of a comprehensive fire prevention team enabled real-time monitoring, which in turn a fast response possible, significantly increasing the likelihood of containing a fire early on and limiting the impact. The new system also set the foundation for the establishment of a more advanced fire fighting system in the future.





1, 2. HMC employees in 'Creative Thinking' training sessions

Free Health Check ups Free health check-ups are provided biennially to administrative and R&D workers and annually to plant workers. HMC is the first company in Korea to provide a Chinese medicine check-up program as an alternative to its regular medical check-up program. For employees over the age of 35, as well as their families, full health check-ups are provided. Through our on-line medical service site, Online Med, our employees can conveniently make arrangements for full health checks at their hospital of choice at a time that suits them.

Industrial accident prevention measures and medical facilities HMC operates an industrial medical center and medical clinic in every domestic manufacturing plant and at the Namyang R&D Center. The centers are responsible for improving health of employees as well as operating a comprehensive industrial accident prevention program. Each site also has a 24-hour emergency clinic in operation year around. Our Industrial Medical Centers have comprehensive facilities, including a physical therapy room, a clinical laboratory and a radiation room. Employees working at HMC and its suppliers can receive a full range of medical services, from preventive medicine, to diagnosis and treatment. The center also conducts annual regular and special check-ups for employees working in hazardous environments and based on the results, provides additional medical services as required. On average, approximately 100,000 visits are made by HMC and supply company employees to the Industrial Medical Center each year, most commonly for treatment of respiratory and digestive ailments.

Employee health management HMC's Ulsan plant is the largest industrial site in South Korea, with a rapidly aging workforce. As a result, significant efforts are made to manage the health of this large workforce. For example, a structured medical care program, which includes monthly check-ups, consultation and treatment, is offered to employees with symptoms that could lead to serious chronic illness in the future. Results have been very positive, with over ninety percent showing improvement. Since 2004, health treatment services have been provided to employees suffering from muscular skeletal diseases. Between 2004 and 2012, a total of 6,542 employees received treatment for muscular skeletal diseases.

Human resource development

Nurturing talent

Career development support HMC offers support programs and opportunities for development for individual employees. The career development support program is a flagship program which helps individual employees transfer from one department to another, provided that their career development plan requires such a move and the transfer can be managed internally without a gap in operational capacity. Between two to three thousand employees have made requests for transfer since the system was introduced and an increasing number of employees are transferring each year. The increase in the number of employees with multi-departmental experience has helped improved inter-departmental communication, ultimately leading to a more efficient operation. The program is also helping employees self-development. **2-13**

Job shadowing program for top performing employees

Job shadowing opportunities are provided for top performing staff at overseas subsidiaries. The program serves the dual purposes of boosting performance at HMC's overseas subsidiaries and strengthening HMC's global business management capacity. During the first quarter of 2012, a total of 17 employees from 9 different overseas subsidiaries were selected and sent to HMC headquarters, with additional fifteen employees participating in the 2012. The program has many other benefits such as strengthened communication between HMC HQ and participating overseas subsidiaries, more importantly boosting morale and capacity of highly talented HMC employees participating in the program. **2-10**

2-10_OVERSEAS EXCHANGE PROGRAM FOR TOP PERFORMING EMPLOYEES

| | |
|-------------------|---|
| Induction program | Overview of business environment and HMC's long-term management strategy, Seminar on HMC values, HMC operation site visits |
| Work program | Project implementation and establishment of communication channel between HMC headquarter and overseas subsidiaries (Programs vary by team) |
| Mentor system | A mentor is assigned to each participating employee throughout the whole program |
| Weekend program | Cultural programs on traditional and contemporary Korean culture |

Building Global Expertise The Global curriculum focuses on increasing the global expertise of the trainees, internalizing core values, fostering global leadership and enhancing the ability to communicate with staff and stakeholders from different cultures. The Global Human Resource Development Standard (GHRDS) curriculum is developed to provide structured training and professional development for our locally-hired personnel at overseas business sites.

Developed at HMC headquarters, the GHRDS program consists of core training modules (HMC values, diversity, job skills) and complimentary custom modules developed by our overseas offices. The training modules are designed to provide high quality learning opportunities for locally-hired employees overseas and Korean staff dispatched to overseas posts.

With the increase in HMC's overseas business, our foreign language training program has been expanded in order to prepare HMC employees for this increasingly globalized operation. Overall, HMC offers a comprehensive training program, tailored to individual needs and job requirements, to support the development of its employees. **2-12**

| 2-11_EMPLOYEE TRAINING EXPENSE AND TIME SPENT | | | |
|--|------|------|------|
| | 2010 | 2011 | 2012 |
| Training expenses per employee (in 10,000 KRW) | 54 | 64 | 77 |
| Training hours per employee (in hours) | 49 | 51 | 61 |
| Total training budget (in 100 million KRW) | 304 | 362 | 441 |

2-12_HMC TRAINING PROGRAMS

| Training | Detail |
|----------|---|
| Domestic | <p>Intensive Language Course Intensive foreign language training for a small group of select employees, small group lessons, 1:1 coaching, online and smart phone apps for self-training</p> <p>English Speaking Club English speaking club, Your English Square (Y.E.S.) service</p> |
| Global | <p>Global e-Campus Tailored training programs that fit local demands and available resources</p> <p>Global Professional Program Leadership and business skills program</p> |

2-13_HMC EMPLOYEE TRAINING PROGRAM STRUCTURE

| | Specialist(Working level staff) | Operating Leader(Head of teams) | Directional Leader(Head of office) | Visionary Leader(Head of division) |
|-------------------|---------------------------------|----------------------------------|------------------------------------|------------------------------------|
| HLC(Leadership) | Leadership Competency Program | Leadership Pipeline Program | | |
| HPC(Professional) | Professional Academy | InnoBiz School | | |
| | Job Competency | | | |
| HVC(Value) | New Employee Orientation | Value Build-up Program | | |
| | | Organization Development Program | | |
| HGC(Global) | Regional Expert Program | Expatriate Program | | |
| | | Global Communication Program | | |
| | | Culture&Diversity Program | | |

HMC MABUK CAMPUS: THE BIRTH PLACE OF CREATIVE CULTURE

STUDY, PLAY AND CREATE



마북 캠퍼스 전경



마북 캠퍼스 포럼관

HMC's Mabuk campus is a new training center for HMC employees opened on May 17th 2012. Located in Yongin city in the Gyeonggi province, the new Mabuk campus serves as the central training ground for all HMC employees with a rich set of programs such as leadership training, introduction to HMC core values, basic training for new recruits, InnoBiz School, New Challenge, Top talent program, LCP, Overseas subsidiary executives training and HMC group employees training courses. The Mabuk campus has a total of 36 classrooms of various sizes, including the grand auditorium, designed to cater for the specific courses offered. It also has a dormitory building which can accommodate up to 561 participants.

The Mabuk campus was designed to provide an ideal environment for the education programs. We recognize that fostering a creative work force is the key to creating an innovative work culture at HMC. Open minded creative thinking needs to be nurtured in an appropriate environment. Therefore, we have aimed to build the right kind of environment that will encourage learning and creative thinking. For example, to promote effective learning we have created a balanced mixture of learning space and space to relax in. Furthermore, spaces have been created where individuals can focus on their learning without distraction.

The classrooms of the Mabuk campus were created to provide a comfortable, practical and effective environment for learning. There are many seminar rooms for small group discussions and larger rooms for meetings and conferences. There are also cafeterias and lounges on each floor of the main building to ensure that visitors can relax between each learning session.

HMC firmly believes that the success of a company can only be achieved only when it has a capable and empowered workforce. The Mabuk campus will continue to evolve to become a nurturing ground for HMC's workforce, leading to enhanced performance, global expertise and a positive corporate culture.



Employee benefits

HMC Employee Benefits for family We believe in keeping employees and their families happy and therefore provide a variety of benefits, which in turn, contribute to the long-term competitiveness of HMC. One of the top benefits is tuition support: employees can receive tuition support for up to three children all the way from kindergarten to university. HMC also subsidize medical expenses for employees and their family. Family members can include spouse, children, parents and parents-in-law, and benefit varies from full to partial reimbursement. HMC employee's family can visit the 'Hyundai Family Community' site and access information on what benefits are available to them, educational services and other helpful information. 2-14

Housing Support and Other Benefits HMC provides employee housing and dormitories for employees with do not own a home. Long-term, low interest housing loans are available as part of the HMC benefits package. Such benefits were created to help our employees fulfill their dream of owning their own home and being financially secure. The "Saemaul Bank," which is a cooperative fund created through employee savings, provides employees with low-interest loans and the profits are then distributed among employees as dividends. HMC also operates employee assistance centers that provide free legal advice and other administrative support such as issuing various legal documents.

1. Guitar lessons at the Hyundai cultural center
2. Family of HMC suppliers having fun at a cultural event at the H-Festival



Supporting Leisure Activities HMC actively supports employees' hobbies and other leisure activities, for example hobby clubs with more than 30 members are eligible for official support. HMC actively encourages employees to refresh themselves by taking time away from work to focus on themselves. We even introduced the 'Refresh vacation' program to help HMC members take time away from their workplace and recharge their energy. This program has already had a positive impact, enhancing productivity and helping create a positive work culture. 2-14

2-14_REALIZING OUR VISION OF A HARMONIOUS RELATIONSHIP BETWEEN ALL EMPLOYEES THROUGH SHARED LEARNING EXPERIENCES

| Strategy | TRUST | PRIDE | FUN |
|-----------|---|--|---|
| Objective | Respect for members, shared vision, strong internal communication | Cultural awareness, stronger morale, stable home economy | Fun workplace, positive culture, effective internal communication |
| Program | <ul style="list-style-type: none"> Large-scale 'Happy Music Concert' to promote a sense of unity and active participation with HMC members and local citizens 'Vision concert' to convey HMC's vision through a musical or a play | <ul style="list-style-type: none"> Special lectures and lessons on humanity subjects and hobbies Classical music and plays for 'One Heart One Family' Academy members Marriage counseling program and classes on married life | <ul style="list-style-type: none"> H-Got Talent, cultural event created by volunteers Mini-festival for your town Art festival displaying the art work of HMC employees and their family |



Win-win growth with suppliers

Strengthening global competitiveness of HMC suppliers

HMC has picked three areas to focus on in its drive to enhance suppliers; technology development capacity, quality competitiveness and productivity improvement. The Supplier R&D Support Corps and the Supplier Quality Management Training Center were established in order to provide sustained support in technology transfer. HMC also provides sample parts from competitor models to suppliers for free after researching them together. This helps suppliers improve their technology and also saves them some money. HMC has been also hosting the 'R&D Tech Days' which promotes information sharing among suppliers on new automotive technologies.

Recently, there has been a steady increase in the level of conflict over intellectual property rights, making propriety technology development and patenting even more important. Recognizing this, HMC is actively supporting suppliers by sharing patents, co-registration of patents, technology protection as well as technology development support.

Establishing win-win growth system

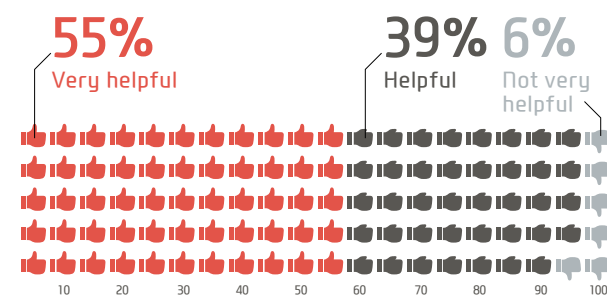
HMC launched a win-win growth portal for its suppliers in June 2012. The portal (<http://winwin.hyundai.com>) is dedicated to providing HMC's suppliers with support initiative and promoting enhanced communication between suppliers and HMC. HMC's efforts to promote win-win growth with suppliers won official recognition in 2012 for good practice from the National Commission for Corporate Partnership. Internally, HMC is recognized for its good practice in win-win relationships with suppliers, regarded as the best within the Hyundai Motor Group.

Strengthening foundations for sustainable growth

Supplier Job Fair HMC held the '2012 Supplier Job Fair' in April 2012, which was the first event of its kind in Korea. The fair was designed to help suppliers recruit talented workers and all the participating suppliers welcomed the opportunity. The job fair was held in the Seoul metropolitan area and various other parts of Korea, and not only supported suppliers' recruitment of new talent but also gave them an opportunity to raise their profile. 3-1

Product environmental guidelines for suppliers HMC has been signing environmentally-friendly parts supply agreements with its first tier suppliers since 2007. As of 2012, all domestic suppliers have signed the agreement and HMC is currently signing the same agreement with its European suppliers. The agreement binds the supplier to strictly follow HMC's Environmental Guidelines, which we believe is the standard both HMC and suppliers need to uphold in order to

3-1_HMC SUPPLIER JOB FAIR SURVEY



Key Performance

IN MARCH 2012, HYUNDAI MOTOR MANUFACTURING RUSSIA (HMMR) SUPPLIER INDUSTRIAL PARK WON THE 'BEST MARKET NEWCOMER' AWARD



1. HMC Win-win growth portal for supplier communication (<http://winwin.hyundai.com>)
2. HMC Supplier Job Fair

realize a greener future for everyone. The guidelines include information on materials which are prohibited including four heavy metals and various other hazardous materials which are subject to regulations. The guidelines also provide a wide array of information including a data entry method for the International Material Data System (IMDS) for calculating a vehicles recyclability score as well as information about Material Safety Data Sheet management, which are both necessary for ensuring compliance with applicable environmental regulations.

ISO 14001, OHSAS 18001 certification We encourage all suppliers to obtain ISO 14001 environmental management certification. As a result, as of 2012 all of HMC's existing first tier suppliers have received certification. HMC is now encouraging new suppliers to receive IS 14001 certification. We have also begun to encourage our suppliers to receive OHSAS 18001 certification in order to help them strengthen their health and safety management systems. We also actively campaign about industrial accident prevention in addition to promoting better safety through certification.



Supporting supplier cultural activity Since 2009, HMC has been hosting the 'H-festival' for the family of HMC staff and suppliers. It has become an incredibly popular event with 95% of the 2011 H-festival participants expressing high satisfaction. In 2012, the H-festival was held twice.

Green Partnership Program HMC has invested a total of five billion KRW in our 'Supply Chain Green Partnership Program' which works in collaboration with the Korean government to help under-resourced suppliers establish an effective green business management system. HMC has conducted several other environmental management improvement programs to help suppliers secure clean manufacturing technologies. 3-2

3-2_GREEN PARTNERSHIP PROGRAM

| | 1 Supply Chain Environmental Management | 2 Supply Chain Eco-Partnership | 3 Supply Chain Carbon Management | 4 Eco-energy Management Solution Management using Automotive Green Partnership | 5 Large company-SME win-win energy saving partnership |
|---------------------|---|---|---|---|---|
| Participants | 15 1st-tier suppliers | 12 2nd and 3rd-tier suppliers | 15 suppliers | HMC and 3 suppliers | 5 suppliers |
| Overview | Development of an exemplary multi-stakeholder win-win collaboration model engaging the participation of government ministries, expert organizations, academia and suppliers | Transfer of environmental management know-how and sharing of best practice | Establishment of a supplier carbon footprint management system | Development of an Eco-energy management solution using AGP | Reduction of energy use and greenhouse gas emissions from suppliers operation |
| Objective | Establishment of large corporation-SME green partnership, sharing of green management best practices and establishment of an information sharing network | Facilitation of supplier communication on environmental management using the SCEM network | Establishment of supplier GHG emission inventory, GHG reduction strategies and management plans | Strengthening of foundation for green business management to cope with climate change and various environmental regulations | Further strengthening of win-win collaboration structure by supporting energy saving of suppliers |



4 Local Communities



CSR Activities in Korea

Safe Move

Riding in a car can be fun, but only when both drivers and pedestrians are kept out of harms way. Recognizing the importance of safety, HMC supports various traffic safety campaigns and other safety promotion programs including the 'Before service' which provide free diagnostics. HMC also provides support for the children of automobile accident victims.

Easy move

Many people have mobility issues, such as the disabled, elderly, children and others. HMC strongly believes in providing support to improve mobility because it is the first step in realizing our vision of enhanced mobility for humanity. In our drive to improve their mobility, HMC supports a number of initiatives designed to enhance the mobility of those who encounter limited mobility and to in turn help them interact more freely with the rest of society.

Green move

Protecting the environment is an act of self-preservation and also about giving the next generation an opportunity to live a better life. HMC protects endangered species and supports environmental awareness education initiatives. More importantly to help protect the future of our planet, we are developing green vehicles such as electric cars and hybrid-electric vehicles.

Happy move

HMC conducts a number of activities to help local communities. We are committed to making a better world through our volunteer activities. We not only mobilize ourselves and our family members but also collaborate with college student volunteers to visit those who need our help, listen to their problems and to improve their conditions to make the world a better place.



1. The Blue Santas from Jeonju plant carrying briquettes
2. Children at the Korean Children's Green Art festival
3. Mobility devices and equipment for the disabled produced at HMC supported plants
4. Children's traffic safety campaign with 'Robo Car Poli'



- Distribution of free crosswalk mattress for children's traffic safety education
- Production and distribution of 'Robo car Poli' traffic safety education' DVD
- 'Looking for Three-Leafed Clover' campaign
- Happy Drive campaign
- Distribution of angel wing-shaped 'boarding/unloading' stickers for kindergarten buses
- Korean Children's Safety Quiz Competition
- Children's Traffic Safety Promotion street campaign
- Before service



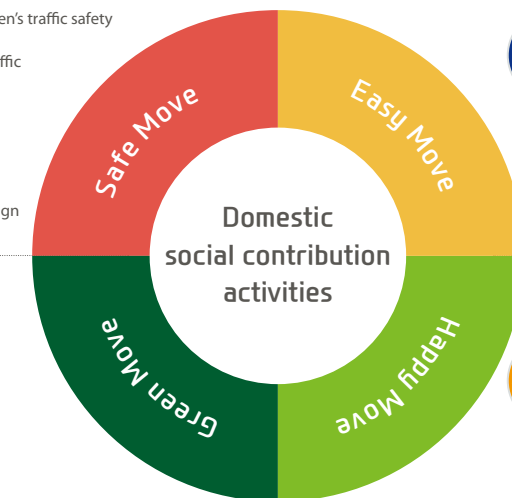
- Hyundai Green Zone Korea
- Green camp (summer, winter)
- Establishment and donation of wild bird rehabilitation facilities
- Korean Children's Green Art Festival
- Korea-Japan Youth Environmental Camp



- Support for social enterprise, the Easy Move Ltd.
- Support for improvement of mobility facility for disabled
- Support establishment of stimulating playroom for disabled children
- Support stroller and bicycle purchase for low income families through the 'Dream Road' program



- Employee volunteer corps
- The 'One Company One Farming Village support campaign'
- H-Volunteer Designer
- Blue Santa volunteer activities
- Happy Move Global Youth Volunteer corps
- 2012 Hyundai Global Friendship Tour
- The Hope Engine College Student Volunteer corps



1. International Vocational Training Competition support
2. Art Dream project to provide cultural experience to underprivileged children
3. Autonomous vehicle contest

Social contribution – Moving the World Together projects and others

Moving the World Together projects

HMC's 'Moving the World Together Projects' are created to provide support for welfare programs designed by specialist institutes and organizations with expertise in relevant areas. The idea is to boost well designed welfare programs that have not taken off due to lack of funding. This way, HMC's funding can be more effectively used in programs tailored for people with real needs.

Project ideas are submitted through a competition and then reviewed by a committee made up of experts who specialize in supporting people of all ages with disabilities. The committee selects the projects with the highest potential and feasibility for implementation and grant funding. HMC also provides project management support, expert advice and networking opportunities to further improve the quality and success of the projects

Specialized Social Contribution Activities

We also run specific social contribution activities including social welfare, education, academic events, art and culture and sports. Our social welfare programs include employee volunteer activities, support programs for children with terminal illness, multi-cultural families, underprivileged families and so on. We also have a wide variety of education support programs such as training for engineers, technology contests, equipment donations to schools and financial support. We also sponsor and host music concerts, art exhibitions and other art events to strengthen our relationship with Hyundai customers. Sponsoring smaller performances and events for underprivileged families is an important part of our art and culture activities. Lastly, we sponsor various sports events including soccer, golf and athletics.



4-1_SOCIAL CONTRIBUTION EXPENSES Unit: 100 million KRW



4-2_NUMBER OF EMPLOYEE VOLUNTEERS in persons



2012 FREE CARS FOR PEOPLE IN NEED SEASON 3

HMC's 'Gift Car campaign was first launched in 2010 and received a lot of support from the Korean public. In 2011, we launched the 'Gift Car Campaign season 2' which was supported by over 12,000 participants who left supporting messages on the 'Gift Car Campaign' blog for underprivileged families who received the HMC gift car. Recipients have so far included young Buddhist monks, the Rainbow choirs and the Farmer's band, who became well-known through the Gift Car campaign. HMC launched season 3 of the Gift Car campaign in August 2012.

In season 3, we decided to increase the number of cars given away to five cars per month, and to provide support for underprivileged families who need a car to start a small business. A total of 30 cars were given between October 2012 and March 2013 along with some funding to support the start-up of their businesses. Recipients of the cars will also be given start-up consultation opportunities, basic start-up management training, marketing support and a low interest loan from a micro-finance foundation set up by the Hyundai Motor Group.



The recipients were selected through an open application process through the Gift Car campaign website. The two key criteria were that applicants should have a business plan that required a vehicle and be determination to become economically independent. Recommendations from a third party were also considered. The campaign has continued to grow in popularity, with applicant numbers growing and increasing public interest.



Byulie Family Fried snacks

A story of hope from Mr. Han, Youngsoo
Mr. Han worked as a food delivery man to support his three children. Thanks to the donated car, he was finally able to open his own mobile fried snack store. He uses the best ingredients and maintains excellent hygiene standards to provide the healthiest food possible to his young customers.

Mr. Han at Jinwei High School at Jinwei-myun Pyungtaek city

Socks from Jaedukie's family

A story of change by Ms. Kim, Yongsook
After many failed business ventures, Ms. Kim suffered from serious depression. Thanks to her new car and the funding from HMC, she is trying once again to become an independent business woman selling socks on the street. She is supporting her two sons and hopes to donate part of her profit towards a scholarship for children in need.

Ms. Kim at Haeundae Woodong Apartment Complex

Farmer's shop

A story of challenge by Mr. Kim, Kwanjung
Mr. Kim lost his job during the 1997 Asian economic crisis and has since been working on a ship, to make a living. The car is now his most treasured asset as it has enabled him to operate at a farmers market, which he always wanted to do. Thanks to the car, he is well on his way to leading a more secure life.

Mr. Kim operates his business in Hang-dong, Sinheung-dong and Hakik-dong of Incheon city

*Check out the Gift Car campaign web site (<http://gift-car.kr>) to find out more about the winners of the season 3 Gift Car campaign.



Overseas Social Contribution Activities

Europe

HMC's flagship CSR program for Europe - Skills for the Future

Skills for the Future works to bolster young people's Science, Technology, Engineering and Math (STEM) skills, entrepreneurship and employability by connecting them with industry professionals inside and outside the classroom. HMC aims to help 10,000 students through 400 schools in 15 countries between 2012 and 2014. It was launched in September 2012 at 50 schools in Germany, UK, Italy, Spain and Czech. These learning opportunities allow students between the ages of 15 and 18 years to leave school better prepared to enter the work place.



Europe Skills for the Future

Czech Sponsorship for St. Nicholas Party



Ghana Hyundai-KOICA Dream Center

Czech

Sponsorship for St. Nicholas Party in Nosovice

The Hyundai Motor Company has been sponsoring the annual St. Nicholas Party for primary-school children and preschoolers in the area of Nosovice. Children prepare a variety of performances, such as drama and music, to put on a talent show celebrating the season's spirit for their parents and neighbors. At the party held on December 2, Hyundai employees took part in various performances, often in costume. They also gave out a range of gifts to the audience and the children, including candy, fruit and school supplies.

Ghana

Hyundai-KOICA Dream Center

HMC opened the 'Hyundai-KOICA (Korea International Cooperation Agency) Dream Center,' a technical high school in Koforidua City, Ghana. In addition to providing financial support, Hyundai utilized its resources and expertise in the automotive industry to help unprivileged students by developing an education program adapted from a program for Hyundai mechanics. Furthermore, they provide vehicles and transmissions as training materials, and have dispatched professional educators and are helping train qualified teachers. HMC plans to open other Dream Centers in developing countries in Africa and Asia, in order to make the most impact possible with the expertise and resources it has.

| Europe | |
|-------------|---|
| Europe-wide | Skills for the Future |
| Russia | Donation of Safe Move Buses for Children's Traffic Safety Education, Student Exchange Program at the Moscow State University of Engineering |
| Czech | Sponsorship for St. Nicholas Party in Nosovice |
| Austria | Support for Traffic Safety Education for Children |
| Azerbaijan | Looking for Three-Leafed Clovers Campaign |
| Serbia | Support for Traffic Safety Campaign for Children |

Middle East-Africa

| | |
|--------------------------|---|
| Ghana | Hyundai-KOICA Dream Center, Fighting Malaria Campaign |
| Syria | Painting Workshop for Underprivileged Children |
| Israel | Supporting Children's Traffic Safety |
| Morocco | Medical Support Fund for Children |
| Republic of South Africa | Internship Training Program |



page.28

Please refer to CSV Issue 2, Fostering the Workforce with Global Competency on page 28 for details about the Dream Center.

Key Performance

2012 KOREA
MECENAT*
ASSOCIATION
GRAND AWARD
GOES TO HMC



* Mecenat: Corporate Social Contribution through sponsorship of art and cultural activities and sports

Canada

Hyundai Hockey Helper for Canada

There's nothing as Canadian as kids playing hockey. Unfortunately, too many kids do not get the chance because their families can't afford the cost of equipment and league fees. Hyundai Hockey Helpers was created to help deserving kids get in the game. The fund is raised by dealers donating 2 dollars per each car sold, donations are made by customers at dealerships, through online fund-raising and donation campaigns at hockey sites. The money is then given to the most deserving kids through various non-profit organizations.



Canada Hyundai Hockey Helper

USA Hope on Wheels



Brazil Happy Move Global Youth Volunteer corps



USA

Hope on Wheels

'Hope on Wheels' is a pediatric cancer patient support program launched by Hyundai Motor America (HMA) in 1998. Currently 800 dealers contribute to the program by donating 14 dollars for each car they sell. The program has two main activities including the 'Hope on Wheel tour' which focuses on fund-raising and awareness-raising and 'Hyundai Scholars' which provides scholarships for pediatric cancer researchers.

Brazil

Happy Move Global Youth Volunteer corps

Hyundai's 'Happy Move Global Youth Volunteers' took part in a 15-day exchange program in Brazil. 100 university students engaged in various volunteer activities such as building homes, fixing facilities and participated in cultural exchanges in São Paulo and Piracicaba in July 2012. The volunteers also gave a traditional Korean performance as part of a cultural exchange with local residents.

| Asia | |
|-----------|--|
| China | Hyundai Green Zone China, Support for Dream House (Dream Classroom), Vehicles and Clothes for Qinghai Earthquake Victims |
| India | Model Village Program, Scholarship for Underprivileged Students in Nursing |
| Indonesia | Wheelchairs for disabled children |

| America | |
|---------|--|
| US | Hope on Wheels, Supporting the MADD (Mothers Against Drunk Driving), Youth Safe Driving Education Support, Support for Racial and Ethnic Diversity Initiatives by NACP |
| Canada | Hyundai Hockey Helper, Charity Volleyball Gala for the Sick Kids Foundation |
| Brazil | Happy Move Global Youth Volunteer Corps, Science without Borders project, Supporting the Piracicaba Multicultural Festival |
| Ecuador | Looking for Three-Leafed Clovers and Safe Driving Campaigns |



'SCIENCE WITHOUT BODERS' PROJECT

The project, first envisioned by the President of Brazil Dilma Rousseff, aims to strengthen science and technology capacity through increasing the international mobility of undergraduate and graduate students and researchers between 2011 and 2014. More specifically, the goal is to send as many as 100,000 Brazilian students to one of the 150 highest ranked overseas colleges and universities.

In May 2012, HMC made an official pledge to support this initiative by signing an MOU with the Ministry of Education and the Ministry of Science, Technology, and Innovation (MCTI) in the presence of both Ministers and the South Korean Ambassador to Brazil. HMC was the second company to make such a pledge. HMC plans to provide two tier supports for Brazilian students.

The first track involves providing internship opportunities for Brazilian students at HMC during summer and winter vacations. The second involves financial contribution of 500,000 USD per year for three years between 2012 and 2014 to the Brazilian government, for eligible students scholarships.



Paola, one of the participant of the internship program



Brazilian students participating in HMC internship program in Korea

After the MOU was signed, the first internship program was offered to five Brazilian students during the summer of 2012. The program was expanded with 44 students working for five weeks at HMC, Mobis, Rotem, Hyundai Engineering and Construction, Glovis, Hysco and various other companies. All the students involved found the internship experience rewarding and participating companies also improved their understanding of the Brazilian market through their interaction with the students. The internship program will be offered each summer and winter up to 2014, accommodating 60 students each session. The program has received positive feedback from Brazilian politicians and government. HMC plans to continue to operate the internship program, improving it from the lessons learned and to continue making a positive contribution towards the Korea-Brazil relationship.

APPENDICES

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Sustainable business performance data

Business performance indicators (HMC operation results only)

| Indicators | | 2010 | 2011 | 2012 |
|--------------------------------------|-------------------------------------|------------|------------|------------|
| Asset indicators (in million KRW) | Total asset | 44,479,201 | 50,236,010 | 53,945,929 |
| | Total debt | 16,046,867 | 17,714,376 | 16,926,273 |
| | Total capital | 28,432,334 | 32,521,634 | 37,019,656 |
| Sales indicators (in million KRW) | Sales | 36,761,115 | 42,774,077 | 43,162,401 |
| | Operating Profit | 3,400,323 | 4,684,413 | 4,297,228 |
| | Net Income | 3,476,238 | 4,740,886 | 5,273,448 |
| Business stability indicators (%) | Current ratio | 137.5% | 144.7% | 176.2% |
| | Debt ratio | 56.4% | 54.5% | 45.7% |
| Profitability indicators (%) | Operating profit to net sales ratio | 9.2% | 11.0% | 10.0% |
| | Net profit to net sales ratio | 9.5% | 11.1% | 12.2% |

Environmental Management indicators

| Indicators | Scope | 2010 | 2011 | 2012 |
|---|-----------------------------|------------|------------|------------|
| Energy Use (in TJ) | Domestic | 29,711 | 30,083 | 31,461 |
| | Overseas | 12,673 | 17,821 | 16,606 |
| | Total | 42,384 | 47,904 | 48,067 |
| GHG emissions (tCO ₂ e) | Domestic | 1,541,927 | 1,562,658 | 1,552,510 |
| | Overseas | 654,889 | 721,132 | 854,045 |
| | Total | 2,196,816 | 2,283,790 | 2,406,555 |
| GHG emissions per unit of production (tCO ₂ e/vehicle) | Domestic | 0.884 | 0.826 | 0.815 |
| | Overseas | 0.348 | 0.330 | 0.342 |
| | Total | 0.606 | 0.561 | 0.547 |
| Air pollutant emissions (ton) | Domestic | 608 | 528 | 458 |
| | Overseas | 421 | 565 | 581 |
| Water use (ton) | Fresh water use Combined | 19,662,123 | 20,389,938 | 20,432,247 |
| | Recycled water use Combined | 1,915,316 | 1,602,151 | 987,928 |
| Waste generated | Overall volume Combined | 535,779 | 586,750 | 658,312 |
| | Recycled volume Combined | 517,714 | 567,908 | 648,380 |
| Hazardous chemicals used (ton) | Domestic | 2,241 | 1,818 | 1,595 |
| Hazardous chemical related accidents (case) | | 0 | 0 | 0 |
| VOC emission (ton) | Domestic | 8,927 | 8,798 | 9,093 |
| Organic solvents recovered (ton) | Domestic | 2,506 | 2,987 | 2,840 |
| Product environmental certification* | Domestic | 4 | 8 | 8 |
| | Overseas | 7 | 5 | 10 |

* Product environmental certification includes domestic carbon footprint labels. A number of HMC products have received Life Cycle Assessment labels and Design for Environment labels from overseas certification agencies.

Customer value management

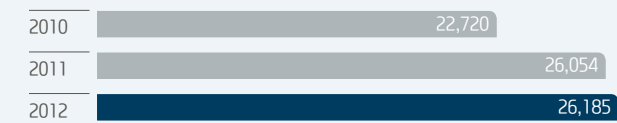
| Indicators | 2010 | 2011 | 2012 |
|-------------------------------------|------|------|------|
| Vehicle Dependability Study (point) | 148 | 132 | 125 |
| Initial Quality Study (point) | 102 | 108 | 107 |
| Customer Satisfaction Index (point) | 79.2 | 82.1 | 81.5 |

Employee

| Indicators | Scope | 2010 | 2011 | 2012 |
|--|----------|-----------|-----------|--------|
| Domestic workforce (in persons) | | 56,461 | 57,303 | 60,030 |
| Overseas workforce (in persons) | | 23,724 | 29,125 | 38,318 |
| Female employees (in persons) | Domestic | 2,321 | 2,512 | 2,576 |
| | Overseas | uncounted | uncounted | 3,830 |
| Industrial Accident Rate (%) * Accident rate = injured personnels / number of full-time employees X 100 | Domestic | 1.60 | 1.22 | 1.22 |
| | Overseas | uncounted | 0.59 | 0.39 |
| Total training expenses (in 100 million KRW) | | 304 | 362 | 441 |
| Training expenses per person (in 10,000 KRW) | | 54 | 64 | 77 |
| Training hours per person (in hours) | | 49 | 51 | 61 |

Suppliers

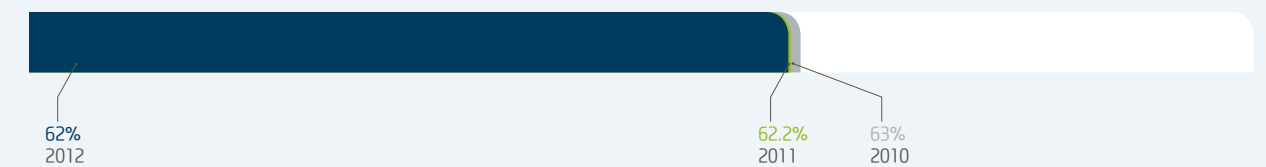
Payment for Materials and parts purchased (in billion KRW)



Outsourcing expenses (in billion KRW)

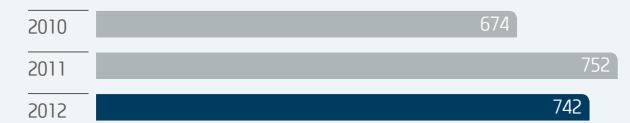


Proportion of supplier payment to sales (%)



Social Contribution

Social Contribution Expense (in KRW)



No. of Employee volunteers (in persons)



Reporting Guideline Index –GRI 63.1 / ISO 26000

Fully reported ●
Partially reported ◐
Not reported –
Not applicable N/A
Key indicators ★
New indicators ☆

| G3.1 | Description of indicators | ISO 26000 | Page No. | Application Level | |
|--|--|--|----------|--------------------------|--|
| STANDARD DISCLOSURES: PROFILE | | | | | |
| Strategy and Analysis | 1.1 | Statement from the most senior decision-maker of the organization and its strategy | 6.2 | 4~5 | |
| | 1.2 | Description of key impacts, risks, and opportunities | 6.2 | Throughout the report | |
| Organizational Profile | 2.1 | Name of the organization | - | 6~7 | |
| | 2.2 | Primary brands, products, and/or services | - | 6~7 | |
| | 2.3 | Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures | 6.2 | 6~7 | |
| | 2.4 | Location of organization's headquarters | - | 6~7 | |
| | 2.5 | Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report | - | 6~7 | |
| | 2.6 | Nature of ownership and legal form | - | 6~7 | |
| | 2.7 | Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries) | - | 16~17, 20~21 | |
| | 2.8 | Scale of the reporting organization (No. of Employees, Net sales and etc.) | - | 16~17, 20~21 | |
| | 2.9 | Significant changes during the reporting period regarding size, structure, or ownership | - | - | |
| | 2.10 | Awards received in the reporting period | - | 74 | |
| Report Parameters | 3.1 | Reporting period (e.g., fiscal/calendar year) for information provided | - | Cover, About This Report | |
| | 3.2 | Date of most recent previous report (if any) | - | Cover, About This Report | |
| | 3.3 | Reporting cycle (annual, biennial, etc.) | - | Cover, About This Report | |
| | 3.4 | Contact point for questions regarding the report or its contents | - | Cover, About This Report | |
| | 3.5 | Process for defining report content (Determining materiality, prioritizing topics within the report; and identifying stakeholders) | - | Cover, About This Report | |
| | 3.6 | Boundary of the report | - | Cover, About This Report | |
| | 3.7 | State any specific limitations on the scope or boundary of the report | - | Cover, About This Report | |
| | 3.8 | Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations | - | Cover, About This Report | |
| | 3.9 | Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report | - | Cover, About This Report | |
| | 3.10 | Explanation of the effect of any re-statements of information provided in earlier reports | - | Cover, About This Report | |
| | 3.11 | Significant changes from previous reporting periods in the scope, boundary, or measurement methods | - | Cover, About This Report | |
| | 3.12 | Table identifying the location of the Standard Disclosures in the report | - | 88~91 | |
| | 3.13 | Policy and current practice with regard to seeking external assurance for the report | 7.5.3 | 92 | |
| Governance, Commitments and Engagement | 4.1 | Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight | 6.2 | 14 | |
| | 4.2 | Indicate whether the Chair of the highest governance body(HGB) is also an executive officer | 6.2 | 14 | |
| | 4.3 | For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members | 6.2 | 14 | |
| | 4.4 | Mechanisms for shareholders and employees to provide recommendations or direction to the HGB | 6.2 | 14 | |
| | 4.5 | Linkage between compensation for members of the HGB, senior managers, and executives | 6.2 | 14 | |
| | 4.6 | Processes in place for the HGB to ensure conflicts of interest are avoided | 6.2 | - | |
| | 4.7 | Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity | 6.2 | 14 | |
| | 4.8 | Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation | 6.2 | 8~13 | |
| | 4.9 | Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities | 6.2 | 14 | |
| | 4.10 | Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance | 6.2 | - | |
| | 4.11 | Explanation of whether and how the precautionary approach or principle is addressed by the organization | 6.2 | - | |
| | 4.12 | Externally developed economic, environmental, and social charters, principles, or other initiatives | 6.2 | 94 | |
| | 4.13 | Memberships in associations and/or national/international advocacy organizations | 6.2 | 94 | |
| | 4.14 | List of stakeholder groups engaged by the organization | 6.2 | 22~23 | |
| 4.15 | Basis for identification and selection of stakeholders with whom to engage | 6.2 | 22~23 | | |
| 4.16 | Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group | 6.2 | 22~23 | | |
| 4.17 | Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting | 6.2 | 22~23 | | |

| G3.1 | Description of indicators | ISO 26000 | Page No. | Application Level | |
|---|---------------------------|---|---|---------------------------------------|---|
| ECONOMIC PERFORMANCE INDICATOR | | | | | |
| Economic Performance Indicators | EC1 ★ | Direct economic value generated and distributed (revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments) | 6.8/6.8.3/6.8.7/6.8.9 | 8~11, 22~23 | ● |
| | EC2 ★ | Financial implications and other risks and opportunities for the organization's activities due to climate change | 6.5.5 | 40~56 | ● |
| | EC3 ★ | Coverage of the organization's defined benefit plan obligations | 6.5.5 | 75 | ◐ |
| | EC4 ★ | Significant financial assistance received from government | - | - | - |
| | EC5 | Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation | 6.4.4/6.8 | - | - |
| | EC6 ★ | Policy, practices, and proportion of spending on locally-based suppliers | 6.6.6/6.8/6.8.5/6.8.7 | - | - |
| | EC7 ★ | Policy, practices, and proportion of senior management hired from the local community at significant locations of operation | 6.8/6.8.5/6.8.7 | 65~66 | ◐ |
| | EC8 ★ | Development and impact of infrastructure investments and services provided primarily for public benefit | 6.3.9/6.8/6.8.3/6.8.4/6.8.5/6.8.6/6.8.7/6.8.9 | - | - |
| | EC9 | Understanding and describing significant indirect economic impacts, including the extent of impacts | 6.3.9/6.6.6/6.6.7/6.7.8/6.8/6.8.5/6.8.6/6.8.7/6.8.9 | - | - |
| ENVIRONMENT PERFORMANCE INDICATORS | | | | | |
| Materials | EN1 ★ | Materials used by weight or volume | 6.7/6.7.7 | - | - |
| | EN2 ★ | Percentage of materials used that are recycled input materials | 6.7/6.7.6 | - | - |
| Energy | EN3 ★ | Direct energy consumption by primary energy source | 6.5/6.5.4 | 86 | ◐ |
| | EN4 ★ | Indirect energy consumption by primary energy source | 6.5/6.5.4 | 86 | ◐ |
| | EN5 | Energy saved due to conservation and efficiency improvements | 6.5/6.5.4 | 46~50 | ◐ |
| | EN6 | Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives | 6.5/6.5.4 | 46~50 | ◐ |
| | EN7 | Initiatives to reduce indirect energy consumption and reductions achieved | 6.5/6.5.4 | 46~50 | ◐ |
| Water | EN8 ★ | Total water withdrawal by source | 6.5/6.5.4 | Sustainable business performance data | ◐ |
| | EN9 | Water sources significantly affected by withdrawal of water | 6.5/6.5.4 | - | - |
| | EN10 | Percentage and total volume of water recycled and reused | 6.5/6.5.4 | Sustainable business performance data | ◐ |
| Biodiversity | EN11 ★ | Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | 6.5/6.5.6 | 40~42 | ◐ |
| | EN12 ★ | Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected area | 6.5/6.5.6 | 40~42 | ◐ |
| | EN13 | Habitats protected or restored | 6.5/6.5.6 | - | - |
| | EN14 | Strategies, current actions, and future plans for managing impacts on biodiversity | 6.5/6.5.6 | - | - |
| | EN15 | Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk | 6.5/6.5.6 | - | - |
| Emissions, Effluents, and Waste | EN16 ★ | Total direct and indirect greenhouse gas emissions by weight | 6.5/6.5.5 | 42~43 | ◐ |
| | EN17 ★ | Other relevant indirect greenhouse gas emissions by weight | 6.5/6.5.5 | 42~43 | ◐ |
| | EN18 | Initiatives to reduce greenhouse gas emissions and reductions achieved | 6.5/6.5.5 | 42~45 | ● |
| | EN19 ★ | Emissions of ozone-depleting substances by weight | 6.5/6.5.3 | 50~51 | ◐ |
| | EN20 ★ | NOx, SOx and other significant air emissions by type and weight | 6.5/6.5.3 | 50~51 | ◐ |
| | EN21 ★ | Total water discharge by quality and destination | 6.5/6.5.3 | 40 | ◐ |
| | EN22 ★ | Total weight of waste by type and disposal method | 6.5/6.5.3 | - | - |
| | EN23 ★ | Total number and volume of significant spills | 6.5/6.5.3 | 50~51 | ◐ |
| | EN24 | Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally | 6.5/6.5.3 | 50~51 | ◐ |
| | EN25 | Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff | 6.5/6.5.4/6.5.6 | 50~51 | ◐ |

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Fully reported ●
 Partially reported ◐
 Not reported -
 Not applicable N/A
 Key indicators ★
 New indicators ★

Fully reported ●
 Partially reported ◐
 Not reported -
 Not applicable N/A
 Key indicators ★
 New indicators ★

| G3.1 | | Description of indicators | ISO 26000 | Page No. | Application Level |
|---|--------|---|--|----------|-------------------|
| Products and Services | EN26 ★ | Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation | 6.5/6.5.4/6.6.6/6.7.5 | 40~51 | ● |
| | EN27 ★ | Percentage of products sold and their packaging materials that are reclaimed by category | 6.5/6.5.4/6.7.5 | - | |
| Compliance | EN28 ★ | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations | 6.5 | 40 | ● |
| Transport | EN29 | Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce | 6.5/6.5.4/6.6.6 | - | |
| Overall | EN30 | Total environmental protection expenditures and investments by type | 6.5 | - | |
| LABOR PRACTICES & DECENT WORK PERFORMANCE INDICATORS | | | | | |
| Employment | LA1 ★ | Total workforce by employment type, employment contract, and region, broken down by gender | 6.4/6.4.3 | 65~66 | ● |
| | LA2 ★ | Total number and rate of new employee hires and employee turnover by age group, gender, and region. | 6.4/6.4.3 | - | |
| | LA3 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 6.4/6.4.3/6.4.4 | 75 | ● |
| Labor/ Management Relations | LA4 ★ | Percentage of employees covered by collective bargaining agreements | 6.4/6.4.3/6.4.4/6.4.5/6.3.10 | 68~69 | ● |
| | LA5 ★ | Minimum notice period (s) regarding significant operational changes | 6.4/6.4.3/6.4.4/6.4.5 | - | |
| Occupational Health and Safety | LA6 | Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs | 6.4/6.4.6 | - | |
| | LA7 ★ | Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender | 6.4/6.4.6 | 69 | ● |
| | LA8 ★ | Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases | 6.4/6.4.6/6.8/6.8.3/6.8.4/6.8.8 | 66~72 | ● |
| | LA9 | Health and safety topics covered in formal agreements with trade unions | 6.4/6.4.6 | 66~72 | ◐ |
| Training and Education | LA10 ★ | Average hours of training per year per employee by gender, and by employee category | 6.4/6.4.7 | 72~73 | ● |
| | LA11 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings | 6.4/6.4.7/6.8.5 | 72~73 | ◐ |
| | LA12 | Percentage of employees receiving regular performance and career development reviews, by gender | 6.4/6.4.7 | - | |
| Diversity and Equal Opportunity Employment | LA13 ★ | Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity | 6.3.7/6.3.10/6.4/6.4.3 | 14 | ◐ |
| | LA14 ★ | Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation | 6.3.7/6.3.10/6.4.3/6.4.4 | - | |
| | LA15 ★ | Return to work and retention rates after parental leave, by gender | 6.3.7/6.3.10/6.4.4 | - | |
| HUMAN RIGHTS PERFORMANCE INDICATORS | | | | | |
| Investment and Procurement Practice | HR1 ★ | Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening | 6.3/6.3.3/6.3.5/6.6.6 | - | |
| | HR2 ★ | Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken | 6.3/6.3.3/6.3.5/6.4.3/6.6.6 | - | |
| | HR3 | Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained | 6.3/6.3.5 | 66~68 | ◐ |
| Non-discrimination | HR4 ★ | Total number of incidents of discrimination and corrective actions taken | 6.3/6.3.6/6.3.7/6.3.10/6.4.3 | - | |
| Freedom of Association and Collective-Bargaining | HR5 ★ | Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights | 6.2/6.3.3/6.3.4/6.3.5/6.3.8/6.3.10/6.4.3/6.4.5 | 68 | ◐ |
| Child Labor | HR6 ★ | Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor | 6.3/6.3.3/6.3.4/6.3.5/6.3.7/6.3.10 | - | |
| Forced and Compulsory Labor | HR7 ★ | Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor | 6.3/6.3.3/6.3.4/6.3.5/6.3.7/6.3.10 | - | |
| Security practices | HR8 | Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations | 6.3/6.3.5/6.4.3/6.6.6 | - | |
| Indigenous Rights | HR9 | Total number of incidents of violations involving rights of indigenous people and actions taken | 6.3/6.3.6/6.3.7/6.3.8/6.6.7 | - | |
| Assessment | HR10 ★ | Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments | 6.3.6/6.3.9/6.3.10 | - | |
| Remediation | HR11 ★ | Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms | 6.3.6/6.3.9/6.3.10 | - | |

(continue to next page)

| G3.1 | | Description of indicators | ISO 26000 | Page No. | Application Level |
|---|--------|---|-----------------------------------|----------|-------------------|
| SOCIETY PERFORMANCE INDICATORS | | | | | |
| Local Community | SO1 ★ | Percentage of operations with implemented local community engagement, impact assessments, and development programs. | 6.3.9/6.8/6.8.5/6.8.7/6.6.7 | 78~84 | ● |
| Corruption | SO2 ★ | Percentage and total number of business units analyzed for risks related to corruption | 6.6/6.6.3 | - | |
| | SO3 ★ | Percentage of employees trained in organization's anti-corruption policies and procedures | 6.6/6.6.3 | 72~73 | ◐ |
| | SO4 ★ | Actions taken in response to incidents of corruption | 6.6/6.6.3 | - | |
| Public policy | SO5 ★ | Public policy positions and participation in public policy development and lobbying | 6.6/6.6.4/6.8.3 | - | |
| | SO6 | Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country | 6.6/6.6.4/6.8.3 | - | |
| Anti-competitive Behavior Unfair competitive Behavior | SO7 | Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes | 6.6/6.6.5/6.6.7 | - | |
| Compliance | SO8 ★ | Monetary value of significant fines and total numbers of non-monetary sanctions for non-compliance with laws and regulations | 6.6/6.6.7/6.8.7 | - | |
| Local Community | SO9 ★ | Operations with significant potential or actual negative impacts on local communities | 6.3.9/6.8/6.8.5/6.8.7 | - | |
| | SO10 ★ | Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities | 6.3.8 | - | |
| PRODUCT RESPONSIBILITY PERFORMANCE INDICATORS | | | | | |
| Customer health and Safety | PR1 ★ | Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures | 6.3.9/6.6.6/6.7/6.7.4/6.7.5 | 60~63 | ◐ |
| | PR2 | Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes | 6.3.9/6.6.6/6.7/6.7.4/6.7.5 | - | |
| Product and Service Labeling | PR3 ★ | Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements | 6.7/6.7.3/6.7.4/6.7.5/6.7.6/6.7.9 | - | |
| | PR4 | Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes | 6.7/6.7.3/6.7.4/6.7.5/6.7.6/6.7.9 | 60~63 | ◐ |
| | PR5 | 5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction | 6.7/6.7.4/6.7.5/6.7.6/6.7.8/6.7.9 | 60~63 | ◐ |
| Marketing Communications | PR6 ★ | Programs for adherence to laws, standards and voluntary codes related marketing communications, including advertising, promotion and sponsorship | 6.7/6.7.3/6.7.6/6.7.9 | - | |
| | PR7 | Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes | 6.7/6.7.3/6.7.6/6.7.9 | 60~63 | ◐ |
| Customer Privacy | PR8 | 8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data | 6.7/6.7.7 | - | |
| Legal Compliance | PR9 ★ | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services | 6.7/6.7.6 | - | |

Independent Assurance Statement

We were engaged by Hyundai Motor Company ('HMC') to provide independent assurance on the information presented in HMC's 2013 Sustainability Report ('the Report'). HMC is responsible for preparing the Report, including the identification of stakeholders and material issues. Our responsibility is to provide an opinion on the Report.

Context and scope

Our engagement was designed to provide limited assurance on whether:

1. HMC has applied the "AA1000 AccountAbility Principles Standard (2008)";
2. The information in the Report is fairly stated in all material respects, based on the reporting criteria set out in 'About This Report'.

The scope of our engagement conforms to the requirements of a Type 2 assurance engagement as set out in the AA1000AS (2008)¹ of AccountAbility, including the aspect of "reliability".

With regard to the financial data stated on page 20, our procedures were limited to verifying that they were correctly derived from HMC's audited financial statements. To obtain a thorough understanding of HMC's financial results and position, the audited financial statements of HMC for the fiscal year ended 7 March 2013 should be consulted.

Criteria

HMC applies the criteria of the AA1000APS (2008) for the three principles of inclusivity, materiality and responsiveness. In preparing the report, HMC applies the Sustainability Reporting Guidelines (G3.1) of the Global Reporting Initiative (GRI). (Assurance on the 2012 GHG emission data was performed separately)

Assurance standards

We conducted our engagement in accordance with the ISAE 3000² and AA1000AS.

Readers should note that limited assurance in ISAE 3000 is consistent with a moderate level of assurance as defined by AA1000AS (2008).

Among other things, these standards contain requirements regarding the independence and competency of the assurance team.

¹. AA1000 Assurance Standard(2008), issued by AccountAbility

². International Standard on Assurance Engagements 3000 : Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by International Auditing and Assurance Standards Board

Independence, impartiality and competence

We conducted our engagement in compliance with the requirements of the IFAC (International Federation of Accountants) Code of Ethics for Professional Accountants which requires, among others, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence, due care, confidentiality and professional behavior. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence.

We conducted our engagement with a multidisciplinary team including specialists in stakeholder engagement, auditing, environmental, social and financial aspects, and similar engagements in the related industries.

Work performed

Our work included the following procedures:

- An evaluation of the results of HMC's stakeholder engagement process
- An evaluation of HMC's process for determining material issues
- Conducted media analysis and internet search for references to HMC during the reporting period
- Interviews with selected managers and site visits to verify financial and nonfinancial data during the reporting period
- Review of internal documentation and intranet sources, including the aggregation of data into information as presented in the Report
- With regard to the financial data included in the key figures on page 20, verified that they were correctly derived from HMC's 2012 audited financial statements

During our engagement, we discussed the necessary changes to the Report with HMC and verified that these changes were adequately incorporated into the final version.

Conclusions

On the AA1000APS Principles of Inclusivity, Materiality and Responsiveness:

In relation to the principle of inclusivity:

- HMC operates communication channels with customers (clients), senior management, employees, shareholders, investors, creditors, suppliers, dealers, local community and others through the stakeholder participation process.
- We are not aware of any key stakeholder group which has been excluded from dialogue in the Report. We recommend stating a more detailed explanation of the stakeholder engagement process and material issues in future reports.

In relation to the principle of materiality:

- HMC operates a materiality test regularly to determine material issues.
- We are not aware of any material aspects concerning its sustainability performance which have been excluded from the Report. We recommend stating more specifically about the materiality test and material issues in future reports.

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Assurance Statement related to the GHG Emission data of GHG Target Management System for the calendar years 2012 for the Hyundai Motor Company, Korea

In relation to the principle of responsiveness:

- HMC has appropriately responded to the selection of key stakeholder groups involved in management.
- With the exception of the issues highlighted in the Report in relation to materiality, we are not aware of any additional issues of stakeholder interest that are not currently being managed by HMC. We suggest reporting in detail the stakeholder engagement process and performance results in future reports.

On the content of the Report:

Based on the above work, we conclude that the information in the Report does not appear to be unfairly stated.

Recommendations

Without prejudice to our conclusions presented above, we believe the following matters can be considered for improved sustainability reporting:

- HMC effectively provides meaningful information to stakeholders through its sustainability report. However, there is a need for developing a systematic data collection process and a performance reporting procedure for material issues to add value to both sustainability management and reporting.
- After years of sustainability reporting, data tends to be repeatedly reported. For a better focused report, there is a need to expand media communication channels for disclosing sustainability issues and performance.
- Company-wide assessment and management of sustainability performance is essential in sustainability management and stakeholder communication. To accomplish this, HMC should consider developing a self-assessment system and a monitoring process that reflects both HMC's characteristics and industry standards.
- There is a need to be clearer about the reporting period and the reported physical boundaries, and improved balance is needed when disclosing both positive and negative issues identified in the stakeholder engagement process.

We have discussed our observations regarding the reporting process and reported outside the scope of our assignment with HMC. They were receptive to our comments.

Seoul, June 2013

KPMG SAMJONG Accounting Corp.
CEO Kim, Kyo Tai




Terms of Engagement

This Assurance Statement has been prepared for Hyundai Motor Company, Korea. Lloyd's Register Quality Assurance Ltd. (LRQA) was commissioned by Hyundai Motor Company to assure its GHG Inventory Report for the calendar year 2012. The Hyundai Motor Company data as presented in the GHG Report have been prepared in accordance with GHG Target Management Scheme for quantification and reporting of greenhouse gas emissions in Korea. The Report relates to direct GHG emissions and energy indirect GHG emissions. The Hyundai Motor Company comprised of the Headquarters, Ulsan Plant, Asan Plant, Jeonju Plant, R&D Centre, A/S Centre and Sales Branch Offices.

Management Responsibility

The management of Hyundai Motor Company was responsible for preparing the Report and for maintaining effective internal controls over the data and information disclosed. LRQA's responsibility was to carry out an assurance engagement on the Report in accordance with our contract with Hyundai Motor Company. Ultimately, the Report has been approved by, and remains the responsibility of Hyundai Motor Company.

LRQA's Approach

Our verification has been conducted in accordance with GHG Target Management Scheme in Korea: Specification with guidance for verification of greenhouse gas assertions to provide reasonable assurance that the Hyundai Motor Company. In order to form our conclusions we have:

- Conducted site tours of the facilities and reviewed processes related to the management of GHG emissions data and records
- Interviewed relevant staff of the organization responsible for managing and maintaining raw and consolidated data, and
- Verified the historical data and information at an aggregated level for the calendar year 2012.

Level of Assurance & Materiality

The opinion expressed in this Assurance Statement has been formed on the basis of a reasonable level of assurance and at a 2.5% level of materiality.

LRQA's Opinion

Based on LRQA's approach we have found that the GHG data as presented in the Inventory Report of GHG emission and the amount energy used within the Report are materially correct, subject to the following qualifications:

- The emissions (purchased electricity) from the others' corporations located in the Hyundai Motor Company's premises have not been excluded within the data. The amount is not considered to be material.
- The emissions from the rented Sales Branch Offices have not been included within the data. The omission is not considered to be material.

Dated: 28 Mar 2013

On behalf of Lloyd's Register Quality Assurance Ltd.
17th Floor, Singsong Building, 25-4, Yeouido-dong,
Yeongdeungpo-gu, Seoul, 150-878, Republic of Korea
LRQA Reference: SEO6012382

SANG-KEUN YOO



This document is subject to the provision below:
This Assurance Statement is only valid when published with the Report to which it refers.

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The English version of this statement is the only valid version. The Lloyd's Register Group assumes no responsibility for versions translated into other languages.

Membership of Sustainability -related Organizations Sustainability report publication history

Memberships of Sustainability-related Organizations

- **UN Global Compact, UN Global Compact Korea**
In 2008, we joined the UN Global Compact, declared our commitment to abide by its ten principles and disclose our performance in our sustainability report.
- **Business Institute for Sustainable Development**
- **Boston College Center for Corporate Citizenship**
- **Carbon Disclosure Project**



Publication history

- **Sustainability Report**



2012 2011 2010 2009 2008



2007 2006 2005 2003/2004 2003

- **Social Contribution Activities Whitepaper**



2012 2011 2010 2009 2008 2007

Creating Shared Value

A renaissance of automotive culture unbound by time and space

THE FOLLOWING PAGES CONTAIN A BRAILLE VERSION OF THE SECTION 'CREATING A NEW AUTOMOBILE CULTURE' ON PAGE 26 AND 27 OF THIS REPORT. HYUNDAI MOTOR IS CREATING SHARED VALUE THROUGH THE DEVELOPMENT OF SMART CARS THAT GRANT VISUALLY IMPAIRED AND OTHER PHYSICALLY DISABLED PEOPLE EQUAL ACCESS TO MOBILITY.

Braille text representing the content of the 'Creating Shared Value' section, including the sub-section 'A renaissance of automotive culture unbound by time and space'.

EPILOGUE

This report marks our 11th sustainability report.

Ten years have passed since we published our first sustainability report in 2003. Since then interest in corporate social responsibility and the creation of non-financial values has steadily increased. Stakeholder's demand for increased management transparency and information disclosure has also continued to grow.

Recognizing these changing demands, we decided to update our approach to the publication of this report by making it more stakeholder-friendly. Rather than a report full of data and jargon, we have aimed to make it more like a good book, that's easy and interesting to read. In the preparation of this report staff established two principles:

First, we decided to introduce a new concept of 'Creating Shared Value (CSV)'. CSV is not a completely new concept but it is more business focused than corporate social responsibility which covers a much wider area with less focus on core business activities. Creating added value and strengthening business competitiveness are two of HMC's fundamental business objectives. Therefore, this year's report is created with a focus on HMC's achievements and activities which are significant both from an internal management perspective and a wider social one.

The second principle was to create a report which contains new management concepts of HMC. After reviewing the previous ten published reports, which were all almost identical in terms of how they were organized it was decided to group the management activities into five key concept areas.

As a result, this year's report has both CSV and CSR sections. New to this year's report, the CSV section contains information on HMC's activities and achievement in five key concept areas which are the creation of a new automotive culture, recycling cars, realization of energy justice, fostering a global workforce and Happy Together (Win-win partnership). The CSR section has two main subsections: 'environmental performance management and the development of environmentally friendly vehicles' and 'improving the quality of life for customers, employees, suppliers and local communities'. A new 'TOPICS' page was created for each subsection with highlights from HMC's global operation. Overall, the changes were made to make the report more friendly for our stakeholders.

We have also endeavored to make the report more visually pleasing. 'Star' was this year's main design theme and it was used on the cover and the pages between sections. The 'star' theme was inspired by HMC's 'Polaris' eco-friendly vehicle project. The 'Star' symbolizes HMC's future potential to be a world leader in automotive technology.

HMC feels inspired to become a 'star'. In ancient times, the ability to handle steel and create wheels was regarded as the epitome of technological prowess and a source of power. The image of 'making wheels using steel' represents Hyundai's vision of realizing resource recycling and energy justice, as well as HMC's dream of creating a better world through automotive technology.

Whilst preparing this year's report with the new CSV sections, we realized that some of our CSV activities are rather short-term in nature, making it hard to see any concrete business outcomes in the near future. We sincerely hope that this report will increase our stakeholders' interest in the automotive industry and all related issues, and in turn help us to continue making progress in creating shared value.

June 2013

Technical Management team, Hyundai Motor Company

Special thanks to

(in alphabetical order)

| | |
|-----------------|---------------|
| HYUNSIK BAIK | SUNMIN KIM |
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| JONGHYUK CHOI | YOUNGJIN KO |
| SEONGGIL CHOI | JOOHYUK KWAK |
| SUNGWON CHOI | CHANGJAE LEE |
| SUKHUN CHOI | GISEONG LEE |
| KYUHYUK CHUNG | HYUNAH LEE |
| TAE SEUNG HAN | JAEHYUNG LEE |
| DAEGUYN HAN | YONGJOO LEE |
| HYEONGMAN HAN | JUNGHWAN LEE |
| SANG WOOK HAN | SANGJUN LEE |
| SANGMI HAN | SEUNGHWAN LEE |
| RAEWOOK HONG | YONGHO LEE |
| WON JI HUR | HYEONDEOK LIM |
| DUHUN HWANG | HYUNWOO NAM |
| SUN OK HWANG | HYUNGSEUK OH |
| JONG WOOK HWANG | DONGHYUN PARK |
| MAN JOO HWANG | HAYJUNG PARK |
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