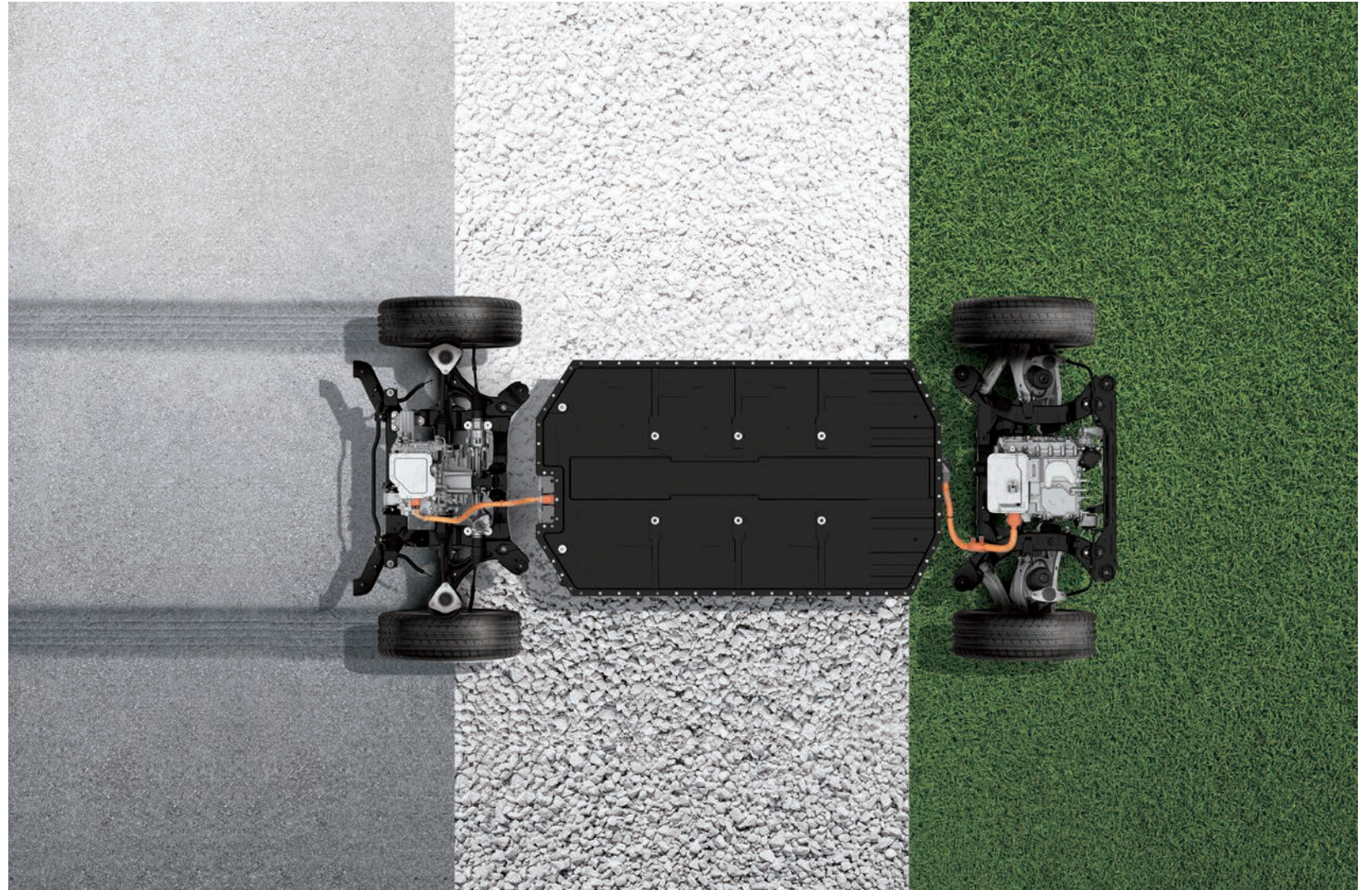


HYUNDAI MOBIS

Sustainability Report 2021



Innovation for Humanity, Mobility for Tomorrow

ABOUT THIS REPORT

Reporting Outline

Since 2010, Hyundai Mobis has published an annual sustainability report to inform stakeholders of the progress of our social responsibility activities in the economic, social, and environmental domains. The reporting topics and areas were selected in accordance with the materiality test to reflect stakeholder opinions, and this 12th Hyundai Mobis Sustainability Report faithfully presents our efforts and performances.

Reporting Period

This sustainability report covers our operations from January 1, 2020 to December 31, 2020. For quantitative reporting, it includes data from 2018 to 2020. For important areas of performance outside of the reporting period, issues up to the first half of 2021 were covered.

Reporting Scope

The report covers the sustainability practices of Hyundai Mobis, including its headquarters, domestic manufacturing sites, R&D centers, and business sites. For overseas business sites, we only include selective information such as GHG (greenhouse gas) emissions and energy consumption status*, manufacturing and after sales centers, data on local employees, and local sales. The scope of data of report is 100% for domestic business operations.

*Production and after sales companies

Reporting Guidelines

This report has been prepared according to the core guidelines of Global Reporting Initiative (GRI) Standards. We also referred to the principles of ISO 26000 and the UN Global Compact. Consolidated financial information is used in this report and reporting criteria and definitions are in accordance with K-IFRS. Both financial and non-financial information is presented based on our fiscal years in accordance with the internal disclosure system, and data on energy consumption and GHG emissions are reported based on the results of verification. Any major changes in information are noted separately.

Reporting Assurance

The objectivity and credibility of this report, in terms of its preparation process, disclosed data, and contents, have been verified through third-party assurance by Lloyd's Register, a specialist assurance agency. The detailed assurance statements are included in the Appendix of the report.

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CEO Message



Dear Stakeholders,

As COVID-19 continues to spread around the world, there is growing uncertainty in the global business environment. The global auto industry faces rapid changes on all fronts and turning into a more competitive environment in recent years as technological innovations such as electrification, self-driving car, and connectivity accelerate. Despite this challenging environment, Hyundai Mobis focused on improving its profitability and paving the way towards a sustainable future. As a result, we recorded consolidated sales of KRW 36.6265 trillion and an operating profit of KRW 1.8303 trillion.

We are facing critical times in which we must adapt to uncertain global market conditions and create momentum to drive sustainable growth in the post-pandemic era. In this “New Normal”, only companies with new standards and strategies for market leadership and strong ESG management systems for sustainable growth can survive. In response to this rapidly changing market environment, we are working on a “new transformation”. To create a better future and drive sustainable growth, we focus on the following areas:

First, we will drive technological innovation and develop new projects to create sustainable value.

While strengthening our R&D capabilities to gain competitive advantages in the electrification and self-driving car sectors, we will continue to promote open innovation through strategic investment and collaboration with promising technology companies. Based on cutting-edge technologies, we will diversify our product portfolio and create new opportunities in the mobility industry which is expected to be deployed in various forms, and pioneer new markets. By doing so, we will build our reputation as a global technology leader that improves the quality of life and leads the future mobility market.

Second, we will concentrate on “eco-friendly management” for our future generations and the earth.

At Hyundai Mobis, we are committed to our company-wide vision of “Green Acceleration”. While engaging in specific environmental projects and activities under our business strategies, we have

acquired ISO14001 for our domestic and overseas business sites. We have also joined CDP (Carbon Disclosure Project) and other eco-friendly energy management certifications. Furthermore, this year, we are developing the mid/long-term RE100 (100% renewable energy consumption) project to promote renewable energy at all business sites. With the goal of 65% by 2030 and 100% by 2040, we plan to increase the scope and use of renewable energy at our business sites.

Additionally, we will continue to create a positive impact of eco-friendly product development, such as carbon reduction by increasing the supply of electrification parts, environmental management with a focus on hazardous chemicals, and recycling throughout the process including manufacturing while minimizing the environmental impact during product development and production.

Third, we will drive sustainable growth with our stakeholders based on trust.

We recognize that creating values for our stakeholders is essential for sustainable growth. To this end, we are implementing various policies to enhance values for our employees, customers, suppliers, shareholders, investors, and local communities. In our sustainability reports, we cover material topics selected based on your feedback and surveys as well as materiality assessment. Despite the social distancing and restrictions imposed due to the pandemic last year, we organized online CEO seminars and concerts to communicate with our stakeholders and established a new organization dedicated to safety and the environment to make our workplace safer and healthier. When it comes to supply chain management, we check ESG risks on a regular basis through self-assessment and due diligence.

Going forward, we will continue to develop more efficient ways to communicate and build trust with our stakeholders. Based on your continued support, we look forward to driving our competitive advantage, growth, and sustainability.

President & CEO Hyundai Mobis
Sung Hwan Cho

About Hyundai Mobis

Corporate overview

Hyundai Mobis is an automotive parts company that produces and supplies automotive modules, core components, and aftermarket service parts. The automobile industry, which is currently undergoing rapid changes, is forcing individuals, countries, and businesses to face new challenges and innovate. Since our establishment in 1977, we have pioneered the automotive technology of the future through constant innovation and development. Now, to pave the way to a sustainable future for automobiles, we are working with groundbreaking technologies including autonomous driving, connectivity, and electrification.

Company Name	Hyundai Mobis Co., Ltd.
Headquarters	203 Teheran Road (Yeoksam-dong), Gangnam-gu, Seoul, Korea
President & CEO	Sung Hwan Cho
Date of Establishment	June 25th, 1977
Business Type	Core Parts and Module Parts Manufacturing, Aftermarket Service (AS) Parts



Major Financial Performance

Unit: KRW million

	2020	2019	2018
Total assets	48,497,676	46,606,064	43,071,132
Total liabilities	15,169,553	14,196,442	12,367,704
Equity	33,328,123	32,409,622	30,703,428
Sales	36,626,504	38,048,768	35,149,219
Gross profit	4,704,238	5,229,169	4,567,004
Operating profit	1,830,292	2,359,257	2,024,957
Profit before income taxes	2,117,980	3,214,294	2,474,883
Corporate tax	591,130	919,983	586,677
Net income	1,526,850	2,294,311	1,888,206

Total Assets Unit: KRW million



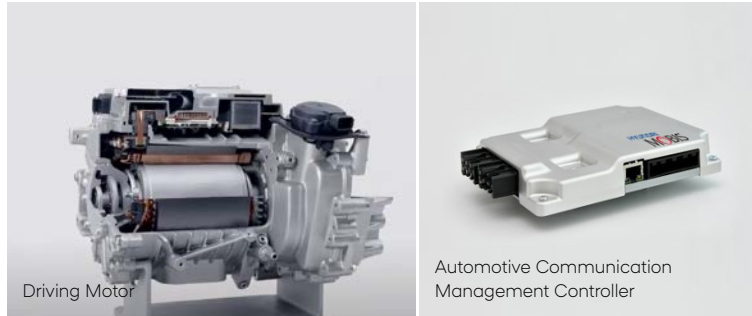
Sales Unit: KRW million



Operating Profit Unit: KRW million



Business Divisions



01

Core Parts Manufacturing

Based on our superior technology, we focus our resources on the development of sustainable core parts. We produce motors and battery systems, which are key parts of eco-friendly vehicles such as electric and hydrogen cars, and develop HDA (Highway Driving Assist) and RSPA (Remote Smart Parking Assist) to strengthen our competitiveness in the self-driving/parking sector. In addition, we are committed to providing automotive technology integrated solutions for the future, such as integrated communication management controller, for the first time in Korea.

02

Module Parts Manufacturing

Hyundai Mobis supplies three key modules: front-end, chassis, and cockpit modules. In collaboration with automakers, the advanced module parts produced at Hyundai Mobis are perfected from the very first stage of R&D and we secure competitive advantages based on the benefits of modularization such as a simplified production process and convenience in assembly through modernization and system integration. Currently, we have production bases in China, the United States, India, and Europe, which allow us to increase local production and strengthen competitiveness in markets around the world.

03

Supply of Aftermarket Service Parts

Aftermarket Service (A/S) Parts Hyundai Mobis is responsible for the supply of about 2.4 million A/S parts for more than 193 models worldwide. To optimize the rate of parts supply for more than 58.44 million vehicles of Hyundai Motors and Kia currently under operation, we have set up an optimal distribution network in the industry based on large-scale infrastructure such as distribution centers and a big data-based demand forecast system.

2020 Sales

KRW **11.5911** trillion

2020 Sales

KRW **17.9953** trillion

2020 Sales

KRW **7.0401** trillion

Global Network

Hyundai Mobis is strengthening its competitiveness by establishing a network around the world to solidify its position as a specialized automotive parts company. Beyond the largest automotive parts company in Korea, we are making a new leap forward every year to reach the ‘Top Global Tier’ level.

- HQ
- MANUFACTURING CENTERS
- AFTER SALES
- R&D CENTERS

Korea

Major Business Sites

Headquarters - Seoul
Technical Center (Mabuk),
Technical Center (Uiwang)
Seosan Proving Ground
Jincheon Plant, Changwon Plant

Manufacturing

Ulsan, Asan, Gwangju, Ewha,
Anyang, Seosan,
Gimcheon, Poseung, Cheonan IP,
Cheonan EBS, Chungju

Distribution

Ulsan Exports Logistics Center,
Asan Logistics Center
Gyeongju Logistics Center,
Naengcheon Logistics Center

After Sales

Northern District Parts Office,
Eastern District Parts Office
Gangneung Parts Office,
Gangwon Parts Office
Western District Parts Office,
Jeonnam Parts Office
Chungcheong Parts Office,
Southern District Parts Office
Gyeongbuk Parts Office,
Andong Parts Office
Mokpo Parts Office,
Gimcheon Parts Business Office
Incheon Parts Office, Seosan Parts Office
Pohang Parts Office, Suncheon Parts Office
Gyeongnam Parts Office, Jinju Parts Office
Chuncheon Parts Office, Busan Parts Office
Jeonbuk Parts Office, Jeju Parts Office

Overseas

R&D Center

MTCA - Michigan, USA
MTCI - Hyderabad, India
MTCE - Frankfurt, Germany
MTCC- Shanghai, Yantai, Shenzhen,
China

Quality Center

MQA - California, USA
MQI - Delhi, India
MQE - Frankfurt, Germany
MQME - Dubai, United Arab
Emirates
MQC - Shanghai, China

Open Innovation Center

Mobis Ventures Silicon Valley
- California, USA
Mobis Ventures China
- Shenzhen, China

Manufacturing

MBJ-Beijing, China
MJS-Jiangsu, China
JYB-Jiangsu, China
MSH-Shanghai, China
MWX-Wuxi, China
MTJ-Tianjin, China
MCJ-Changzhou, China

MCQ-Chongqing, China
MNA-MI-Michigan, USA
MAL-Alabama, USA
MAL-GA-Georgia, USA
MNA-OH-Ohio, USA
MMX-Monterrey, Mexico
MBR-Sao Paulo, Brazil
MRU-Saint Petersburg, Russia
MSK-Zilina, Slovakia
MCZ-Nosovice, Czech Republic
MTR-Izmit, Turkey
MIA-Indian Ananthapur
MIN-Chennai, India

After Sales

BMP-Beijing, China
MPJY-Jiangsu, China
MPSH-Shanghai, China
MPA-California, USA
MPMI-Florida, USA
MPCA-Canadian Markham
MPE-Frankfurt, Germany
MPRU-Moscow, Russia
MPME-Dubai, United Arab Emirates
MPAU-Sydney, Australia

Branch & Business Office

MPE-BE- Bellingen, Belgium
MPE-DE-Brehna, Germany
MPE-ES-Madrid, Spain
MPE-HU-Budapest, Hungary
MPE-IT-Milan, Italy
MPE-SE-Jenkoping, Sweden
MPE-UK-Tamworth, UK
MNA-PL-Michigan, USA
China Office-Beijing, China
MTKO-Tokyo, Japan
MHNO-Hanoi, Vietnam
Europe Office-Frankfurt, Germany
MPME-EG-Alexandria, Egypt
MKLO-Kuala Lumpur, Malaysia

Korea

Overseas



Manufacturing
Centers

13



R&D Centers

3



Distribution
Centers

4



After Sales
Centers

22

Manufacturing
Centers

20

China 8, America 5,
Europe 4, Pacific &
Others 3

R&D Centers

4

China 1, America 1,
Europe 1, Pacific &
Others 1

Quality
Centers

5

China 1, America 1,
Europe 1, Pacific &
Others 2

After Sales
Companies

10

China 3, America 3,
Europe 2, Pacific &
Others 2

Overseas Branch
Offices

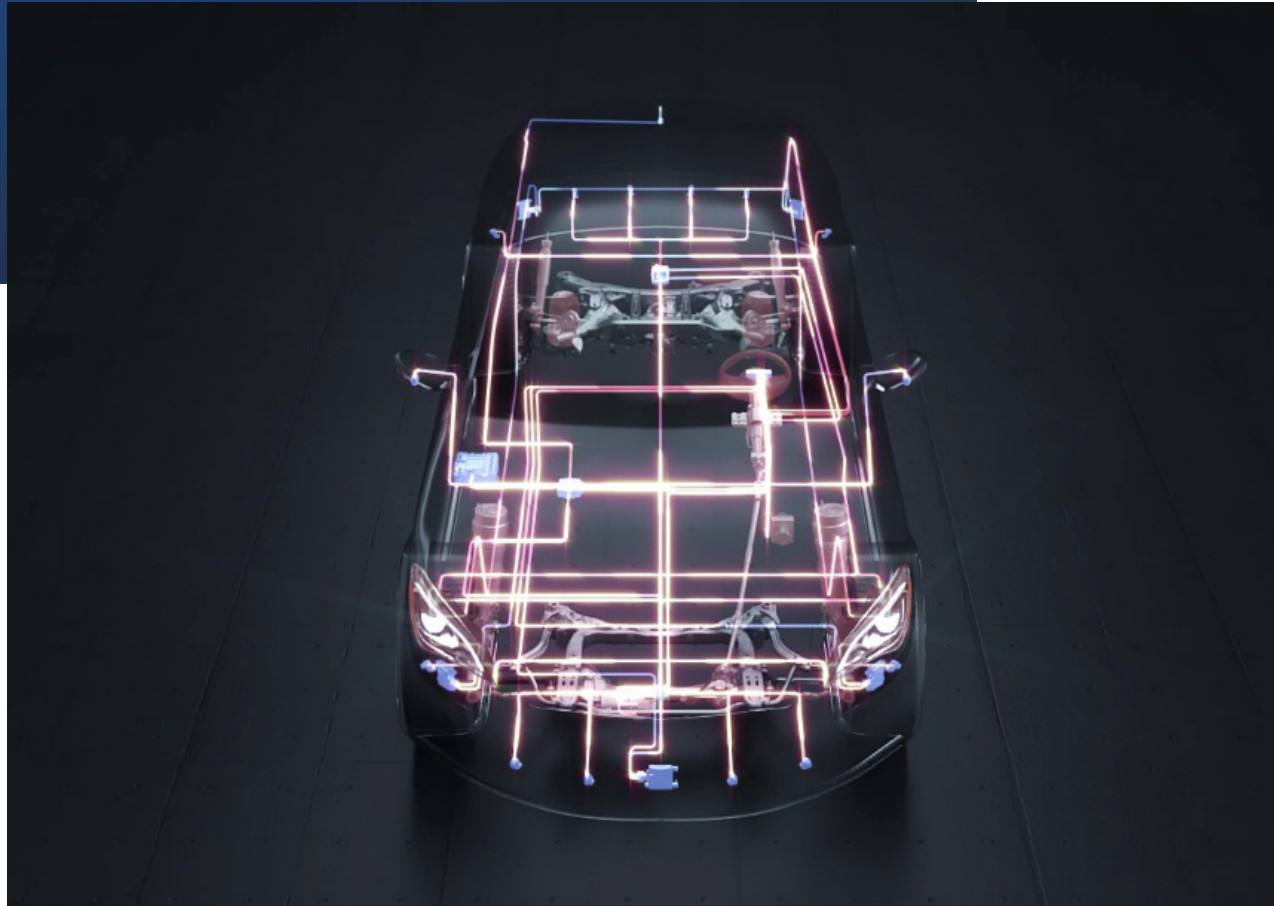
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China 1, America 1,
Europe 8, Pacific &
Others 4

HYUNDAI MOBIS

Business Brochure





Major Business Overview
Automotive System Solutions

Future Automotive Technology

Autonomous Driving

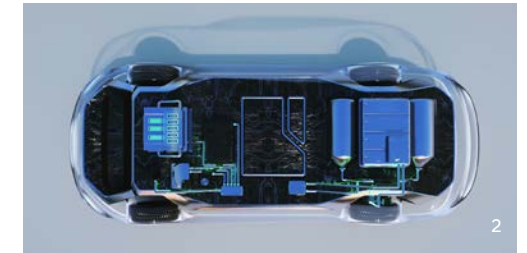
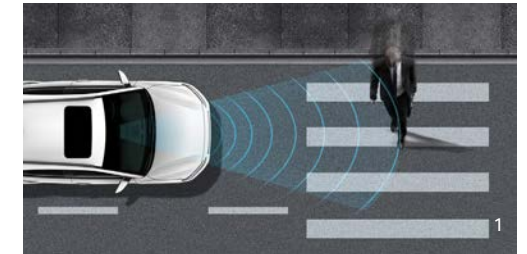
Hyundai Mobis has strengthened its competency in the convergence of automotive parts with electronic control technology. Based on this, we are leading the development of autonomous driving solutions for accident-free automobiles of the future. While supplying Active Driving Assistant System (ADAS) that provides a convenient and safe driving experience, we are also leading the development of a Fully Autonomous Driving System that recognizes, positions, makes decisions on, and controls the vehicle.

Electrification

In response to climate change, governments around the world are tightening regulations on automobile fuel efficiency and carbon dioxide emission limits. Accordingly, we are developing various E-powertrain parts technologies such as high-power driving systems and high-capacity battery systems required for hybrid and electric vehicles, chargers, and fuel cell systems for hydrogen fuel cell vehicles. We are committed to creating new environmental values by reducing carbon emissions and increasing energy efficiency through electrification.

IVI (In Vehicle Infotainment)

Hyundai Mobis IVI solutions focus on communication and interaction with humans. In this era of IoT/connectivity where everything is connected, the solutions collect such information as in and outside the car environment and driver's conditions as well as driver-customized and optimized information and services. From infotainment modules that are a key component to IVI solutions, we produce HUD, digital cluster and premium sound system.



- 1 Autonomous Driving
- 2 Electrification
- 3 IVI (In Vehicle Infotainment)

Major Business Overview

Automotive System Solutions

Chassis/Trim Products

Steering

Steering system enables drivers to control the direction of an automobile. We supply EPS that provides an optimal steering performance. The EPS provides high-precision controls that adjust to the condition of the vehicle, instead of using existing hydraulic systems. In addition, we are currently developing a next-generation steering system with improved driving performance and enhanced reactivity and safety.

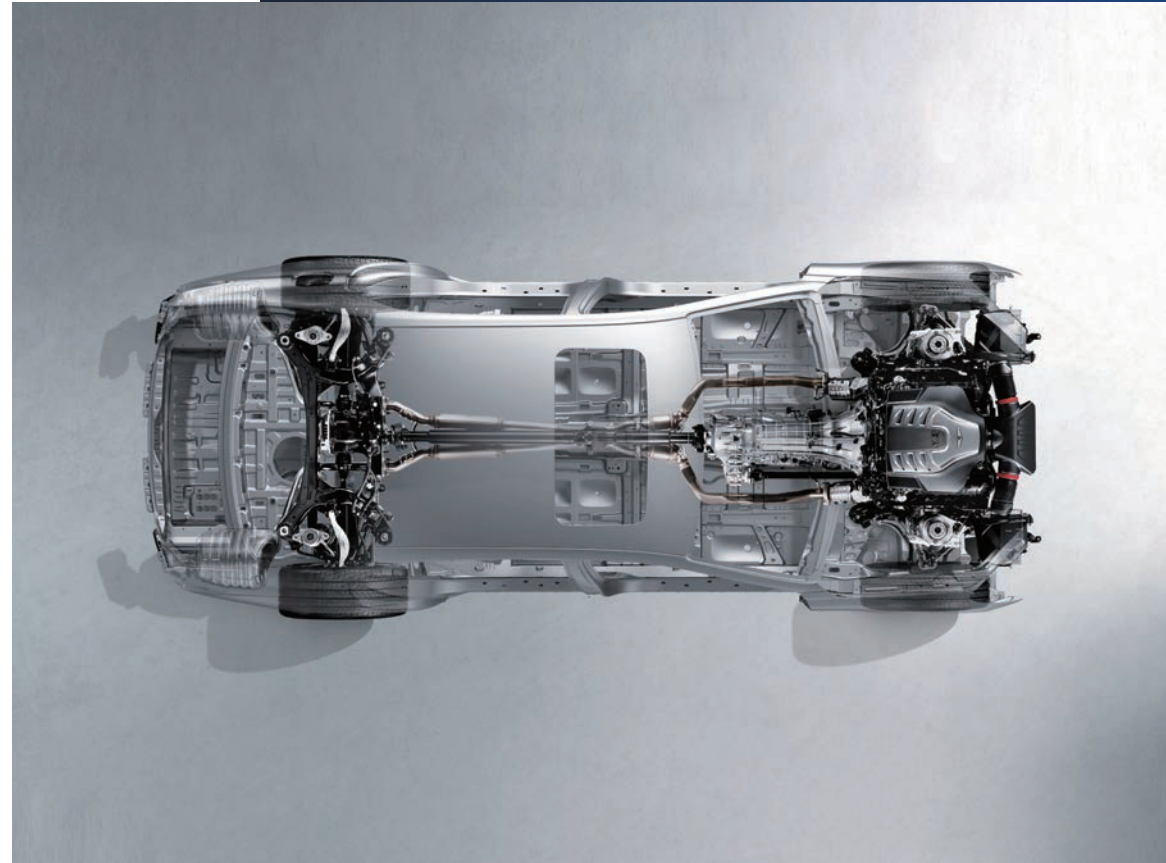
Suspension

The suspension system absorbs impact for the comfort and safety of the passengers in the vehicle. We provide an air suspension system that absorbs even minute vibrations using high-pressure air. In particular, our independently developed e-ARS which controls tilting in vehicles enables electrification of braking, steering, and suspension systems, which are all essential to autonomous driving solutions.

Lamp

The lamp system secures the driver's field of view while providing information to other drivers and pedestrians. Hyundai Mobis strives to develop lamps that meet safety, design, and performance criteria. In the age of autonomous driving technology, we are researching and developing Bi-Matrix ADB that reacts to the surrounding objects and environment, as well as a DMD lamp that enables communication with nearby drivers and pedestrians.

- 1 Steering
- 2 Suspension
- 3 Lamp
- 4 Safety
- 5 Brake

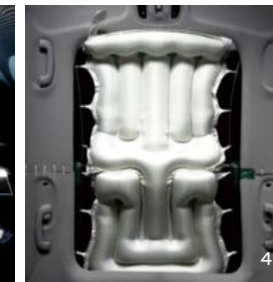


Safety

Hyundai Mobis continues to develop an airbag system that ensures the safety of the driver, passenger, and pedestrians. We produce frontal airbags (DAB/PAB/KAB), side airbags (CAB/SAB), center airbags (CSAB) modules, and electronic parts that control the optimal airbag spread with data collected from sensors.

Brake

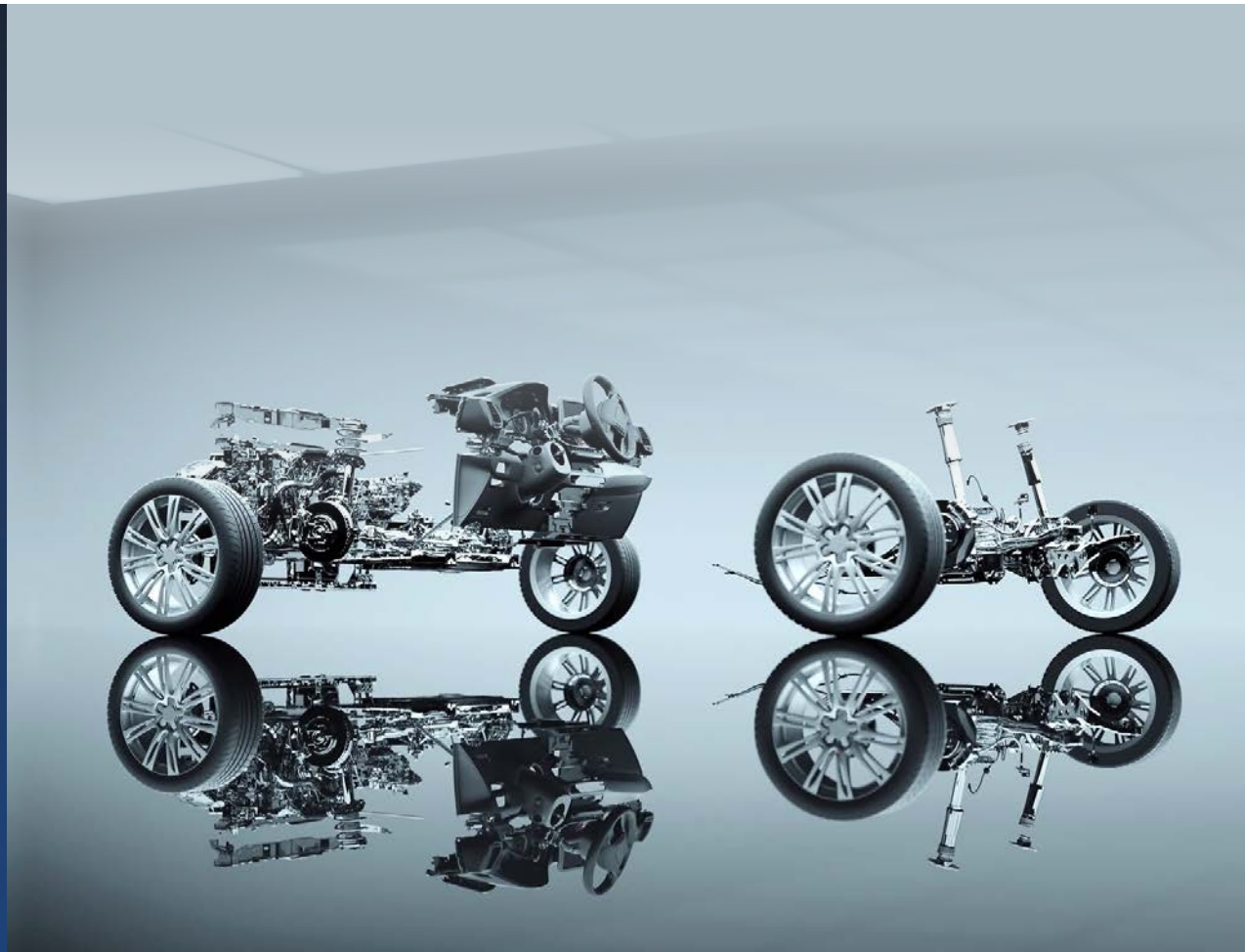
The brake system allows a car to decelerate, stop, and park according to the driver's intention. Hyundai Mobis conducts R&D into general CBS and ABS, as well as the brake system that suits autonomous driving and eco-friendly vehicles, including TCS, ESC, EMB, Brake by Wire, and regenerative braking.



Major Business Overview

Automotive Module Manufacturing

Module Manufacturing



Cockpit Module

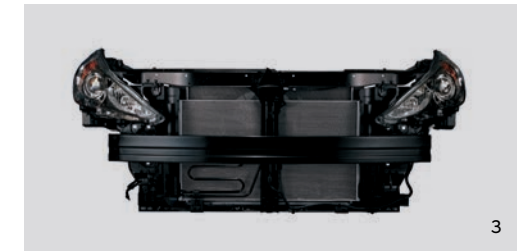
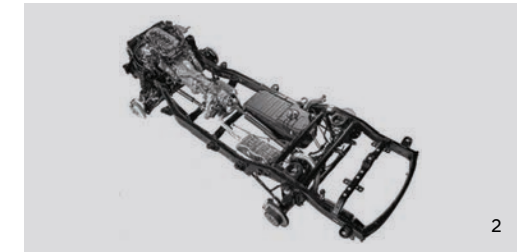
- Serves a direct role in providing convenient features and driving information display/control devices, as well as ensuring the safety of passengers
- Product units supplied to the automaker production line with integrated design/assembly of instrument panel, cowl crossbar, air conditioning system, and airbag by package and function
- Simultaneous design, development, and assembly of several parts
- Contribute to reduction (integration) of the number of parts, weight reduction, improved productivity, and enhanced quality

Chassis Module

- Product units supplied to automakers that integrate relevant parts forming the frame of the undercarriage
- Maximize productivity and quality enhancement
- Research core technology to develop optimal modules for the sharing of automakers' platforms and parts

Front End Module

- Product units supplied to automakers that integrate the frontal engine room parts e.g. radiator, headlamp, bumper beam, carrier, and AAF (Active Air Flap)
- Contributes to the integration of parts, improved productivity, and enhanced quality
- Research on improved pedestrian protection and low-speed collision safety, improved aerodynamics, integration of electronic components, weight improvement with application of new material



- 1 Cockpit Module
- 2 Chassis Module
- 3 Front End Module

Management Principles

Management Philosophy and Vision

The management philosophy of Hyundai Mobis, “Improving human existence and creating a new future through ingenious thinking and continuous innovation”, is our principle and the foundation of our challenge to become a top global company. Our vision is to translate mobility to moments full of joy and happiness and deliver a cleaner natural environment and safer transportation conditions to next generations. We promote five core values as the indicators to achieve our philosophy and vision and the decision-making criteria for our employees.

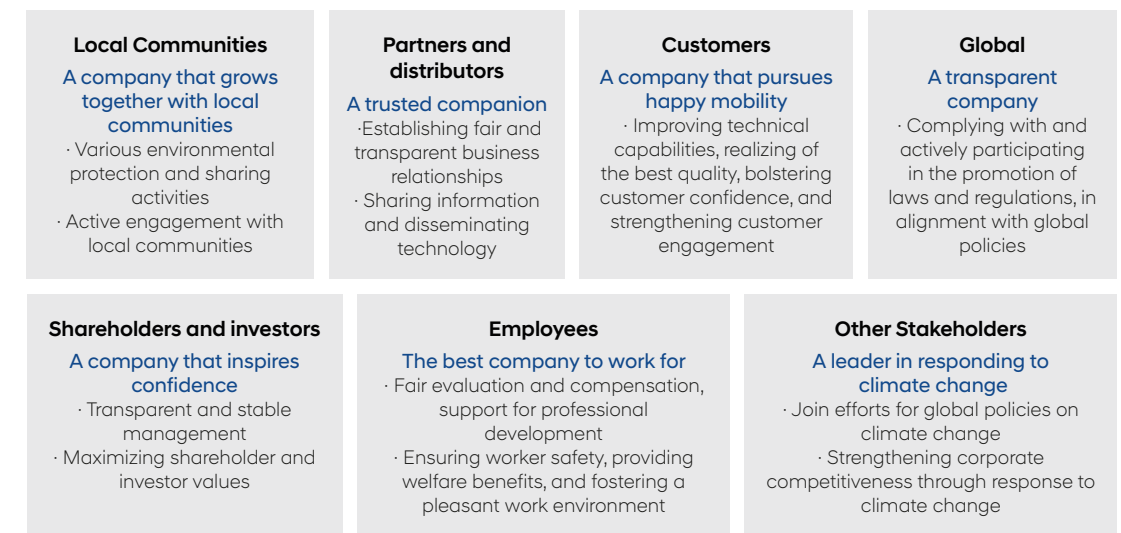


Sustainability Management Vision & Strategy

Hyundai Mobis has set “Innovation with Responsibility, Mobility for Clean Technology” as its mid/long-term vision for sustainability growth, and defined three pillars and directions to achieve the vision. We are committed to promoting mutual growth with our employees, contributing to the creation of values for local communities, and implementing responsible practice through supply chain sustainability management and transition to eco-friendly operation. The progress and strategies as well as our performance for sustainable management will be disclosed to stakeholders.



Sustainability Management Stakeholders



Sustainable Value Chain

Input Value

Financial Value	KRW million
Assets	48,497,676
Liabilities	15,169,553
Equity	33,328,123

Innovation Value	KRW million
R&D cost	1,012,183

Environmental Value	%
Percentage of electrification parts sales (against total sales)	11.5

Social Value	People, hours
Number of volunteers (annual accumulation)	1,720
Total volunteering hours	4,010

HR Value	Hours, KRW million
Training hours per person	45.2
Training cost	8,367



R&D

We are developing new market-leading products that offer social and environmental value and create genuine value for customers.



Purchasing

We purchase raw materials in consideration of the society and environment and share our growth with our suppliers.



Production

We are committed to minimizing environmental impact and making our workplace safer and more eco-friendly.



Logistics

We are dedicated to supplying products that our customers need in a timely fashion.



Use of Products

We incorporate quality assurance throughout the entire process to provide reliable products.

Values Created

Financial Value	KRW million
Corporate tax	591,130
Dividend	370,104
Employee wage*	871,722
Purchase from suppliers	315,832
Donation to local communities	24,089

* Based on domestic employees

Innovation Value	Patents
Number of domestic/international patents held (2020)	719
Number of domestic/international patents held (cumulative)	4,373

Environmental Value

CO₂ reduction through electrification parts (Compared to emissions per gasoline-based vehicle*)

- HEV (Hybrid Electric Vehicle)	42.4g/km
- PHEV (Plug-in Hybrid Electric Vehicle)	94.8g/km
- EV (Electric Vehicle) / FCEV (Fuel Cell Electric Vehicle)	132.4g/km

Waste recycling rate 59.4%

Reduction rate of in water pollutants 39%

*Based on emissions by eco-friendly vehicle type (HEV/PHEV/EV+FCEV)

Social Value

Number of student participants in the Junior Engineering Class	4,301 students
Number of children who benefited by the Mobility Assistance Programs for Disabled Children and rehabilitation support	135 students
Annual amount of carbon absorbed by the Meer Forest	31.1 ton





HR Value	People, years
Number of new employees hired	298
Years of continuous employment	13.8



01 SUSTAINABLE IMPACT

Performance Highlights

Operating with its mid- to long-term vision for sustainable management, Hyundai Mobis creates economic, social, and environmental value. By doing so, Hyundai Mobis promotes Sustainable Development Goals (SDGs) to fulfill our social responsibility as a responsible corporate citizen.

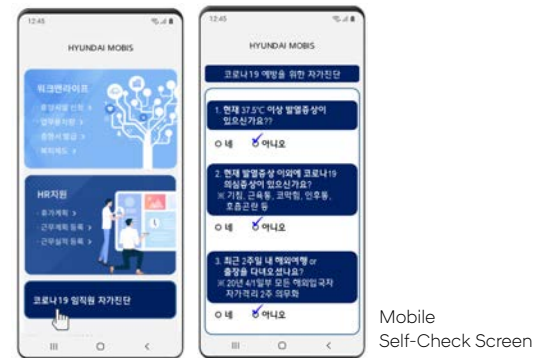
Areas of Focus	Key Issues	Goals	Performance in 2020	Plan for 2021	Plan for 2025
Environmental Management 	Response to climate change	Reduce energy consumption and GHG emissions	163,165 tCO ₂ eq (Domestic)	Reduce emissions by 6% against BAU in 2021	Reduce emissions by 10% against BAU in 2025 (BAU, Business As Usual: Estimated 2025 emission based on GHG emissions from 2014~2019)
	Creating an eco-friendly working environment	Reduce water and air pollutants Reduce waste production intensity	Reduced water pollutants intensity by 39% against previous year Reduced waste intensity by 8%	Reduce pollutants intensity up to 10% year-on-year	Reduce pollutants intensity up to 10% year-on-year
Win-Win Growth 	Expanding the management of ESG risks in the supply chain	Complete on-site evaluations of "risk company" in accordance with supplier self-analysis result in "sustainability management risk assessment".	100%	100%	100%
		Reception of corrective plans for areas of improvements issued at on-site evaluation	100%	80%	80%
		Complete sanction reviews of the suppliers exposed in the media due to non-compliance with the code of conduct	100% (Not occurred)	100%	100%
	Continuing win-win activities	Fair Trade Agreements Conclusion / Implementation	333 companies	333 companies	Total 1,665 companies (as of 2020)
		Financial Support for Suppliers	KRW 204.7 billion	KRW 204.7 billion	Total KRW 1 trillion (as of 2020)
Social Contribution 	Social contribution in line with business	Donate transparent umbrellas for the safety of children	- Donated 98,841 umbrellas - Strengthen local community support programs in Seosan, Taean, Gijang, and Gimpo	- 100,000 umbrellas handed out - Upgrade educational programs to prevent car accidents for children	- Donate 1.14 million umbrellas in total - Develop a new children's traffic safety program and run a comprehensive safety campaign
Employee Values 	Raising human rights awareness	Organize human rights compliance training	Completed 96.6% of employees and 100% of suppliers' employees	In-depth training content based on human rights issues	Establish and operate an integrated training system for domestic/overseas stakeholders
	Employee safety and health	Internalize safety culture	Establish 8 mandatory safety rules	Corporate-wide safety management analysis and evaluation - Evaluation items: system, safety culture - ISRS (International Safety Rating System)	Corporate-wide safety management analysis and evaluation - Achieve global level in the automobile sector (ISRS Lv.6)

Response to COVID-19

Case

1 COVID-19 Emergency Response System

With the beginning of the COVID-19 outbreak, Hyundai Mobis immediately organized a TFT for emergency responses while the management organized daily meetings to focus its resources on the response process. In addition, a systematic approach has been taken based on emergency response procedures and scenarios. Furthermore, as the chance of major disasters such as earthquakes, typhoons, and infectious diseases that threaten the safety of the workplace increases, Hyundai Mobis is taking the initiative in regard to disaster recovery systems and prevention measures to make our workplaces safe. In addition, we regularly conduct simulated drills in accordance with each response scenarios, situation, and level of emergency, thus bolstering our emergency response capacity.



Mobile Self-Check Screen

Key Activities



Key Policies

- Implementing emergency response TFT (Feb. 2020)
- Establishing emergency procedures (Feb. 2020)
- Establishing an employee code of conduct (Feb. 2020)
- Introducing telecommuting (Feb. 2020)



Information/Promotion

- Company-wide text messaging and in-house broadcasting
- Distribution of training booklets
- Distribution of healthcare kits e.g. mask



Quarantine Activities in Workplace

- Employee self-check app (Sep. 2020)
- Regular quarantine procedures
- Monitor temperature before entry
- Mandatory mask-wearing in all workplaces

Case

2 Contactless Social Contribution

In response to social changes caused by COVID-19, we are organizing non-face-to-face social contribution activities. The Junior Engineering Classroom, a program designed to offer science education for children, is now conducted in a non-face-to-face format using various online platforms instead of offline classes, and "GiveRun", a new concept of social contribution marathon initiative, was introduced to raise awareness and protect our environment in order to deal with depression caused by prolonged social distancing, help the disadvantaged groups at the end of the year.

Case

3 Introduction of Telecommuting System

In February 2020, telecommuting was introduced to prevent the spread of COVID-19. We implemented voluntary telecommuting with remote access to in-house PCs to prevent our employees from working in crowded office environments. In addition, we also minimized face-to-face meetings with the video conference system.

In November 2020, we formally systemized the telecommuting work system which was run temporarily as a part of the COVID-19 emergency response measures, thereby creating an autonomous and proactive organizational culture and laying the foundation for a smart work environment. In order to raise awareness and promote a culture of telecommuting, we distributed the guidebook "THE Telecommuting" with such keywords as communication and performance, hence creating a more robust telecommuting culture for the company.

We are committed to promoting creativity and diversity in our workplace to secure competitive advantages in the autonomous driving and infotainment sectors.

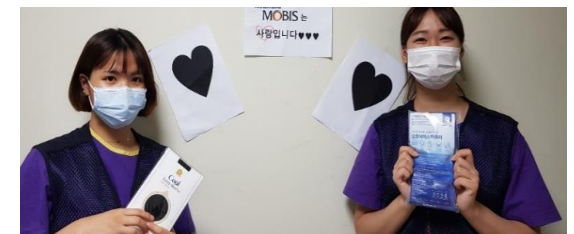


Employee Telecommuting System

Case

4 Employee Donation of Medical Supplies

On April 3, 2020, a campaign was proposed by Gonggam D-talks, an anonymous chat room at HQ to raise funds from our employees to overcome COVID-19. After that, many executives and employees responded, and Hyundai Mobis set to organize the COVID-19 fundraising. Happy Bean, one of the largest online fundraising platforms in Korea, offered online fundraising service free of charge. The event was conducted from March 26 to April 7, 2020 for domestic employees of Hyundai Mobis. As a result, a total of KRW 77.71 million was raised from 2,096 employees. The company matched the employee donation raising a total of KRW 155.43 million. Based on the employee survey, KRW 100 million was donated to Medipeace Co. Ltd., which provides protective clothing, masks, and convenience meals for medical staff at hospitals. From May 18 to July 3, 2020, we donated supplies to 1,100 medical staff at Daegu Dongsan Hospital, Gyeongbuk Pohang Medical Center, Seoul Medical Center, and Anseong Hospital in Gyeonggi-do. Furthermore, KRW 55.43 million was donated to the National Center for the Rights of the Child, under the Ministry of Health and Welfare, from May 18 to June 30, 2020. As of the end of April, 40 regional children's centers in Chungnam, Chungbuk, Daejeon, and Sejong were selected and supported while quarantine supplies and educational materials were donated to children from low-income families.



Employees' donation of daily necessities to Seoul Medical Center

Communication with Stakeholders

Stakeholder Engagement

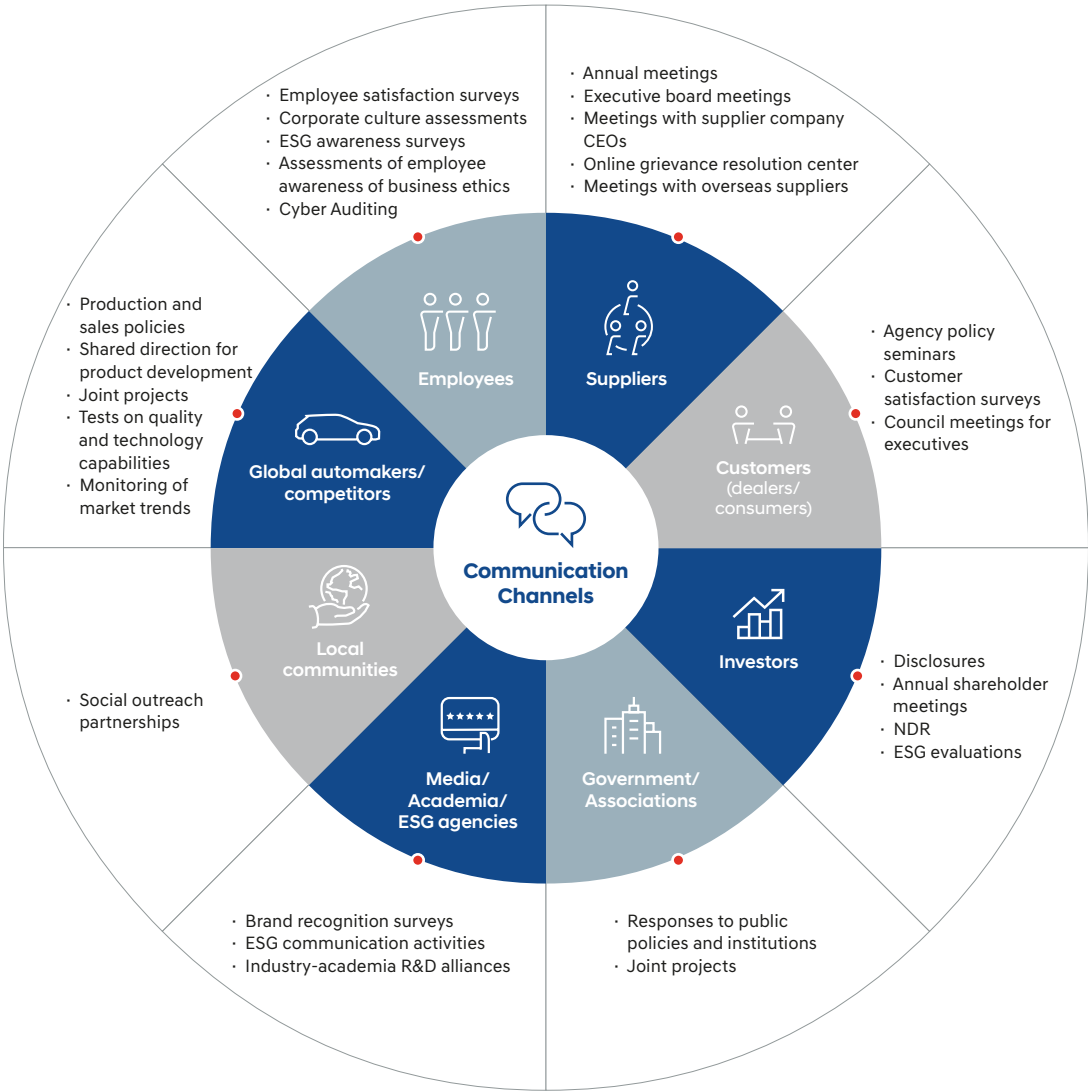
Hyundai Mobis defines any persons or entities that affect or are affected by its business operation as stakeholders. They include automakers, competitors, employees, suppliers, customers, investors, governments and associations, the media and academia, as well as local communities in Korea and overseas. We operate various communication channels to en-

sure smooth communication with diverse stakeholders and build a deep sense of trust. Furthermore, we strive to reflect the voices of our stakeholders in our business activities. In particular, we publish our business strategies, activities, and performance through the 2021 Sustainability Report, as well as via our website, newsletters, and various company channels as part of our efforts to promote ethical and reliable practices.

Stakeholder Status, Major Communication Channels, and Activities

Global automakers/competitors	Global automakers and automotive parts suppliers	Production and sales policies, shared direction for product development, joint projects, tests on quality and technology capabilities, and monitoring of market trends
Employees	Korea: 10,244 employees Overseas: 22,745 employees	Employee satisfaction surveys, company-wide corporate culture assessments, ESG awareness surveys, assessments of employee awareness of business ethics (held annually), Cyber Auditing (held on-going basis)
Suppliers	Korea: 1,405 companies Overseas: 584 companies	Regular meetings, executive-level conferences, seminars for supplier company CEOs and overseas suppliers (held annually), online grievance resolution center (held on-going basis)
Customers (dealers/consumers)	Korea: 1,892 dealerships Overseas: 472 agencies, 14,299 dealers garages, repair centers, end users	Agency policy seminars, council meetings for executives, customer satisfaction surveys (held annually)
Investors	Institutional investors, individual investors, domestic and international credit rating agencies, ESG rating agencies for investors	Non-deal roadshow (NDR), disclosures, annual shareholder meetings, ESG evaluations (held annually)
Government/Associations	Administrative organizations, constitutional institutions, local governments, and associations	Responses to public policies and institutions, joint projects
Media/Academia/ESG agencies	Korean and international media, ESG associations, ESG regulators, technology forums	Brand recognition surveys, ESG communication activities, industry-academia R&D alliances
Local communities	Local governments, social and environmental organizations, NGOs	Social outreach partnerships

Communication Channels

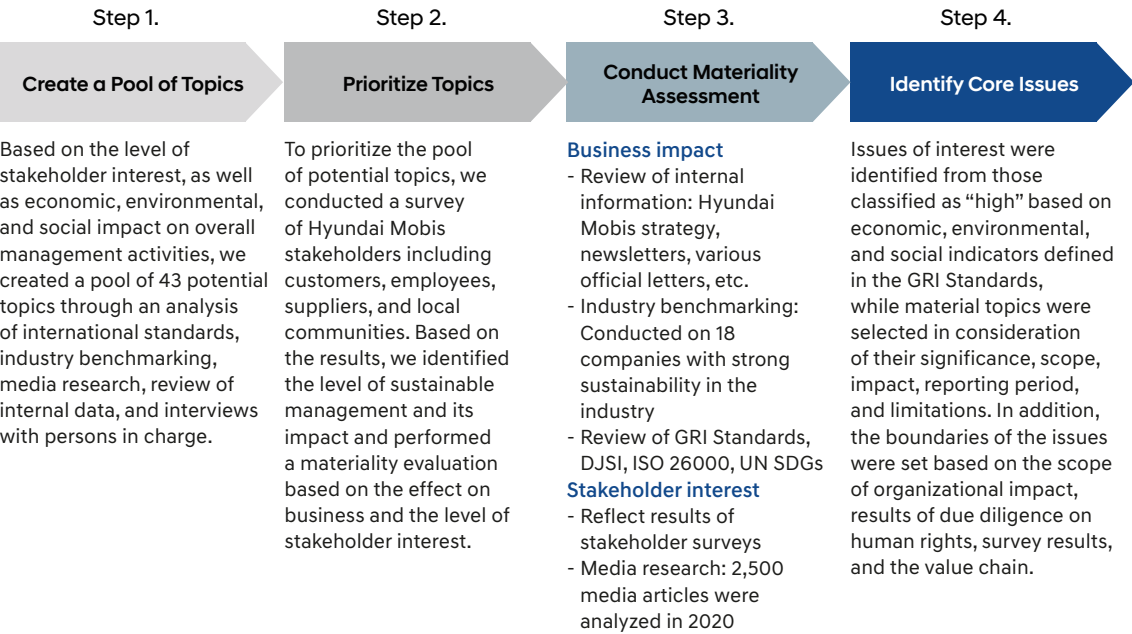


Materiality Assessment

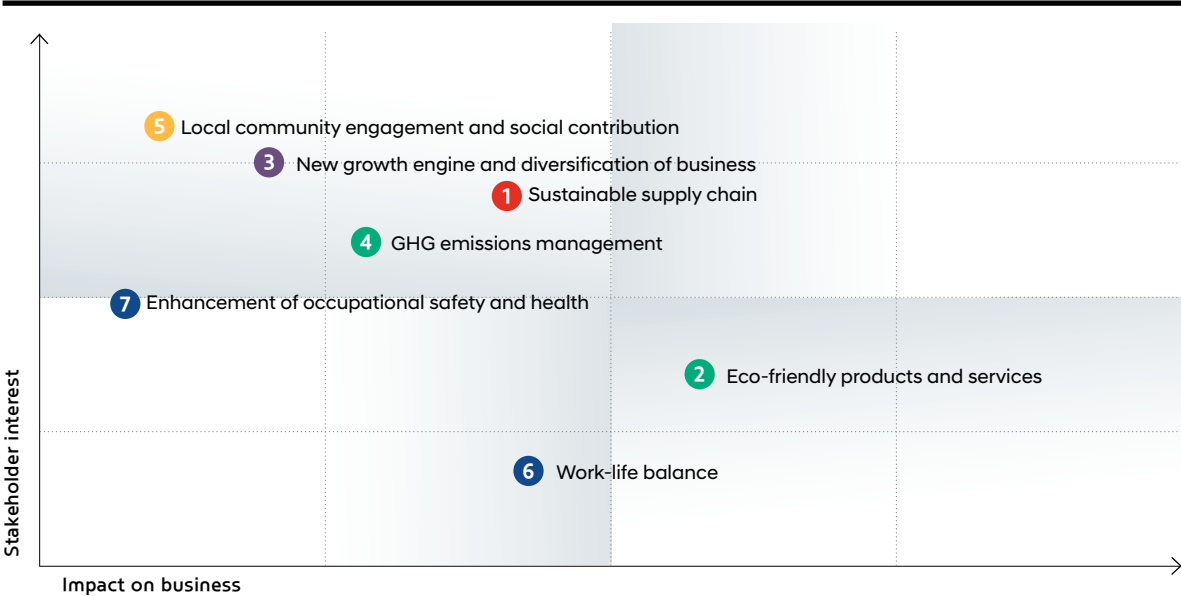
The materiality assessment was conducted on 43 issues of business relevance and stakeholder impact, taking into account the specificity of the auto parts industry and our current business situation. The reporting principles of the GRI (Global Reporting Initiative) Guidelines - Stakeholder Inclusivity, Sustainability Context, Materiality, and Completeness - were considered and EcoVadis Sustainability Indicators were reviewed to identify key trends within the industry. We also listened to and collected opinions from stakeholders and experts to identify the characteris-

tics of the impact of each issue on the business. As a result of the materiality assessment, the importance of eco-friendly management such as GHG emissions was recognized, and it was confirmed that interest in such issues as sustainable supply chain, work-life balance for employees, and occupational safety and health has increased. Accordingly, we selected the creation of future value along with eco-friendly management and increasing stakeholder value as Strategic Focus Areas of this year's report and included them in the list of our major activities.

Materiality Assessment Process



2021 Results of Materiality Assessment



No. 2021 Core Issues	Stakeholders						Impact of Issues			GRI Topic	Page
	Customers	Employees	Suppliers	Shareholders/ Investors	Local Community	Government	Finance ¹⁾	Operation ²⁾	Risk ³⁾		
1. Sustainable supply chain			●	●		●		●		414-1,2	32-33
2. Eco-friendly products and services	●			●	●		●	●		301-2,3	23, 27-28
3. New growth engine and diversification of business	●	●		●			●			201-1	19-24
4. GHG emissions management			●	●	●	●		●	●	305-1,2,3,4,5	54
5. Local community engagement and social contribution		●			●				●	203-1	15, 65-67
6. Work-life balance		●						●		401-3	30, 59-62, 64
7. Occupational safety and health		●	●	●		●		●	●	403-1,2	31, 57-78

1) Finance: short-term impact directly or indirectly related to financial gain or loss
2) Operation: impact on business operation, activities, and process
3) Risk: impact on trust and reputation of stakeholders e.g. customers, local community

A futuristic cityscape at dusk with a curved highway in the foreground and a car driving away.

02 STRATEGIC FOCUS AREAS

Focus Area 1.

Creating Sustainable Value



Management Approach

BACKGROUND



The automotive industry is facing a major paradigm shift as we enter the Fourth Industrial Revolution. A hyper-connected society is becoming a reality, and we are facing a trend of self-driving based on digital technology and electrification. It requires proactive response to changes and presents the direction of innovation in mobility. As a result, it demands businesses enhance both R&D and risk management capabilities to take proactive actions.

RISK & OPPORTUNITY

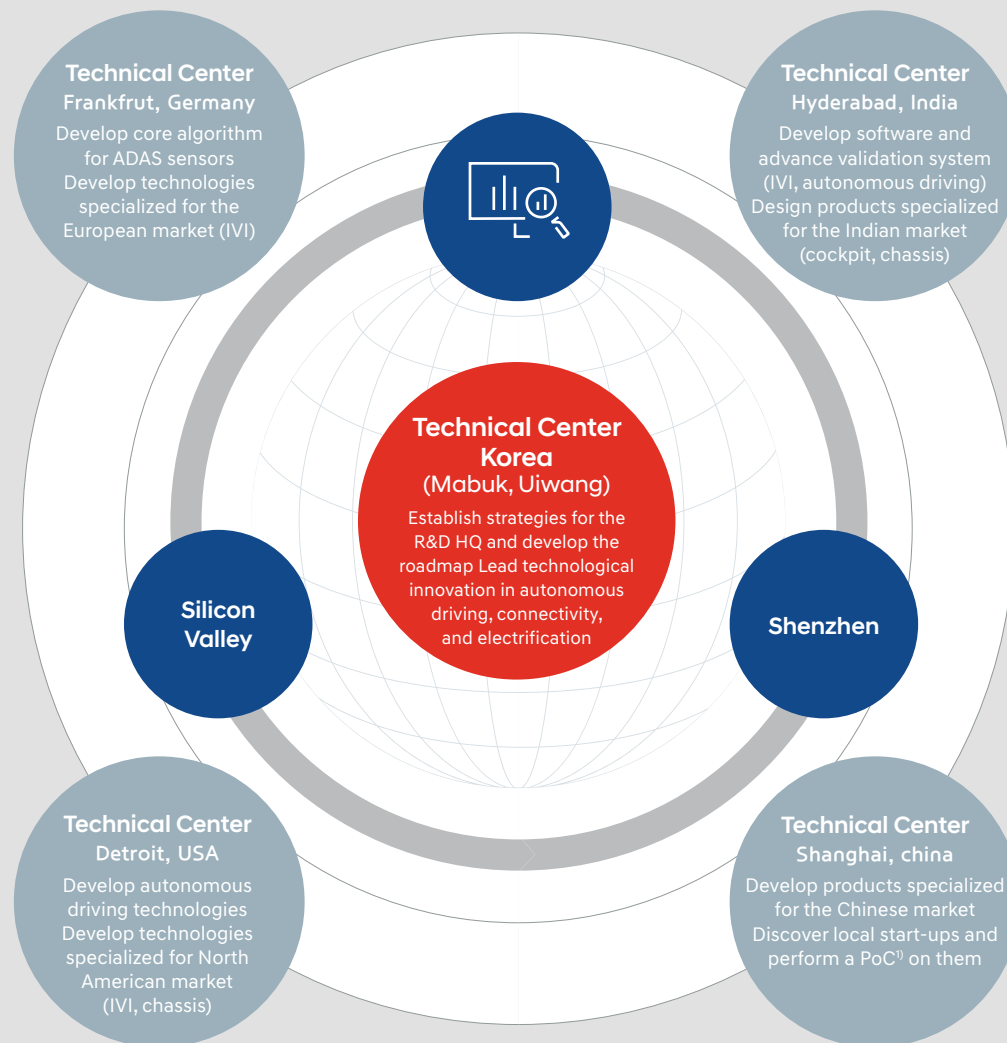
As the lines between industries blur and the paradigm shifts, it is called out to bring innovation throughout the product development process. With the emergence of new technologies, we face new regulatory requirements and risk factors. Recognizing these changes and potential risks and responding to them proactively will create new opportunities for us. We can create sustainable value by developing products and services that take into account the needs of stakeholders based on advanced technologies.

PRINCIPLE & STRATEGY

Hyundai Mobis is committed to leveraging its technological expertise and making its products sustainable in pursuit of the highest level of customer satisfaction. By implementing quality innovation across the entire process from R&D to sales, we commit ourselves to provide quality products that satisfy our customers. In addition, we strive to foster experts in the high-tech industry, based on our belief in the importance of specialist talents with professional capabilities.

	2020 Performance	2021 GOAL
 R&D Cost	KRW 1.0122 trillion	KRW 1.0655 trillion
 R&D Personnel	5,387 people	5,851 people

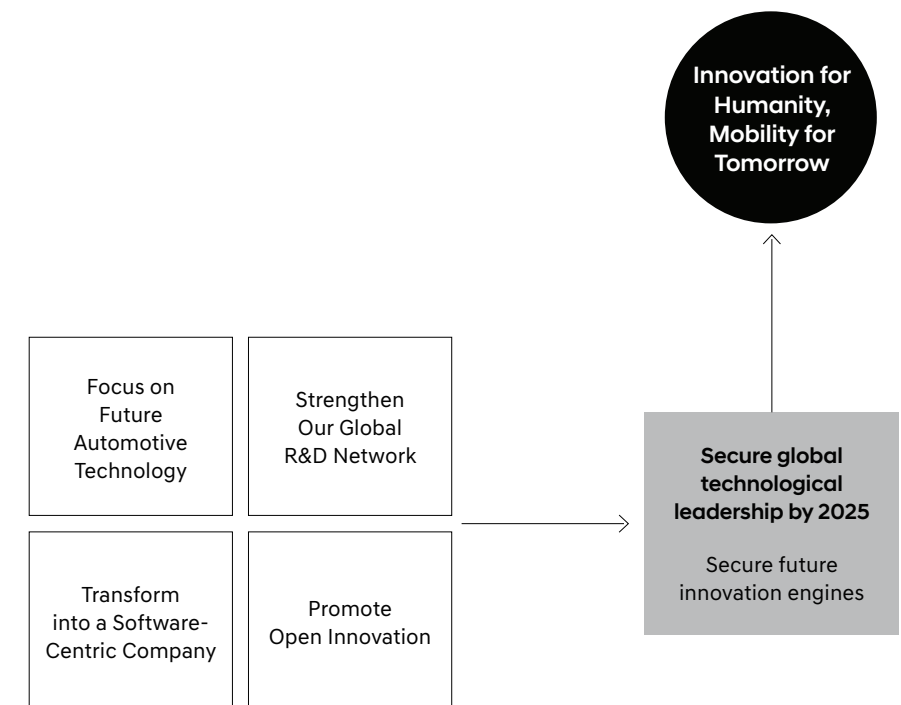
Global R&D Network



1) PoC (proof of concept): a test used prior to acquisition of a new technology, which consists of proving the validity of a specific method or idea by achieving it.

Product Innovation Strategy

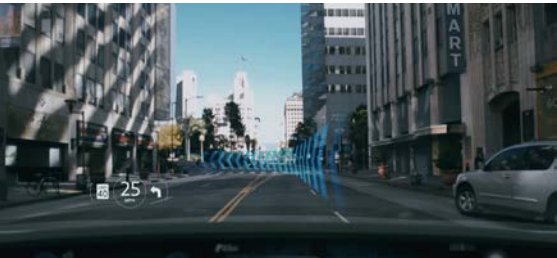
We are implementing detailed action plans under the vision of achieving the highest level of technological expertise and reaching a leadership position in future automotive technology by 2025. In order to focus on the development of future automotive technologies, we are transitioning into software-centric company while promoting open innovation and taking an active role in the global R&D network. Furthermore, by recruiting global talents, we are upgrading our R&D strategy and roadmap, as well as our overall system, with the aim of enhancing our R&D capabilities.



Development of Future Technology

Next-generation infotainment holographic AR-HUD technology

HUD is designed to help the driver to access road and driving information while focusing on the road ahead. Through equity investment and collaboration with Envisics, a leading holographic technology company, our automobiles will be able to provide optimized information for self-driving vehicles with wide screens, small package, and multiplane technology. We expect to see direct promotional effects thanks to a strong market position as it reduces the development cycle and the rights to work with companies that have a large customer base as a technology leader.



In-cabin passenger detection radar system

In the first quarter of 2020, Hyundai Mobis developed a radar-based rear passenger detection system. As there is a regulatory and market demand for passenger detection to prevent accidents involving children left in the rear seat, we plan to add such features as seat belt alert, passenger breathing, and heart rate monitoring to enhance safety and convenience.



Slim light source module (Anamorphic, MLA, MFL)

Hyundai Mobis is working on the research and development for slim light source modules to meet the demand for a compact headlamp system lineup. In addition to new module development, we are committed to maximizing customer satisfaction through R&D projects on existing modules that are already being mass-produced.

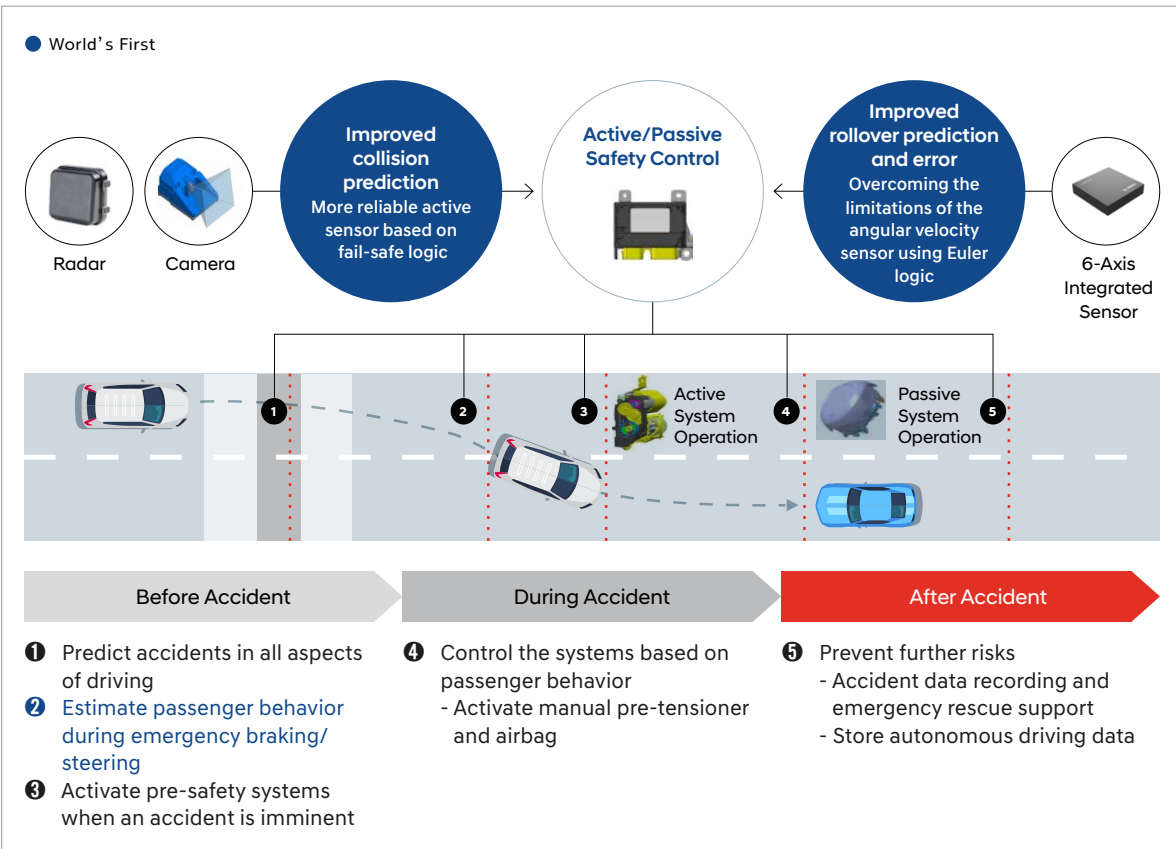


Class	Height	Features	Progress
G80	25mm	Aspheric lens	Mass-production
Vehicles to be developed after G80	Maximum 25mm	Anamorphic MFL, MLA and others	Proposed for R&D

* Anamorphic: atypical lens, MLA: Multi Lens Array, MFL: Multi Facet Lens

Safety Control Module (SCM)

Hyundai Mobis successfully developed the world's first integrated active/passive sensor and protective system controller. The SCM (Safety Control Module) ensures optimal passenger protection by detecting collisions before and after an accident and controlling the point of deploying safety systems. We have achieved active sensor utilization and passenger behavior prediction through new algorithms, and improved rollover detection and forward collision detection through enhanced sensor performance.



Open Innovation

First Mover Strategy for next-generation infotainment technology

Hyundai Mobis plans to form a partnership with Envisics, a global AR HUD¹⁾ technology leader, through equity investment, and jointly develop an AR HUD optimized for autonomous driving. This allows us to develop an AR HUD optimized for autonomous driving level 3 or higher using deep learning-based digital holographic technology and introduce next-generation AR HUD technology that improves safety and convenience without distracting the driver's attention. Based on this technology, we are targeting the global market. The development of AR HUD is currently in the early stage of market formation, but it is considered a blue ocean sector in the infotainment field that is expected to grow over the next 10 years. It is part of our First Mover strategy that will lead the next-generation infotainment market by combining autonomous driving and connectivity based on the competitiveness of our products.

1) AR HUD (Augmented Reality Head Up Display): Next-generation safety and convenience system that matches driving information with the road in real-time and displays it on the windshield

M.START China, a promising technology start-up program in China

For the development of startups with promising new technology and initial PoC²⁾, MVC³⁾ held an automotive open innovation event in order to launch the Chinese version of M.START, an open innovation program, M.START China in March 2021 with Hyundai CRADLE, Tencent, and Shanghai Jiangjiang Hi-Tech Park. MVC co-hosted this event to secure our market position in China and find local startups that want to sign a PoC partnership with the company and identify the latest automotive technology trends. More than 50 local startups in the fields of Connectivity & Smart Cabin, Digital Marketing, New Energy, and Automated Valet Parking participated in this event. MVC plans to conduct initial technology PoC by the final selection of start-ups in the technology field in line with headquarters' strategy.

2) PoC (Proof of Concept): used before the introduction of new technology to prove its validity through a specific way or idea

3) MVC (Mobis Ventures China): Open innovation base of Hyundai Mobis China in Shenzhen, China

VC funds in North America

In the first half of 2020, Hyundai Mobis invested a total of USD 20 million in two VC funds established by the Silicon Valley venture capital, ACVC Partners and Motus Ventures, as part of its strategy to secure future car technology. The fund is a startup investment fund specializing in the automotive field, and is expected to create opportunities for collaboration through network expansion in the North American startup ecosystem and discover promising technology startups through investment. Going forward, we will continue to gain competitive advantages by raising VC funds and investing directly in equity.

In-house startup development program, "Startup Challenge"

"Startup Challenge" is a program designed to promote project development and support start-ups, to inspire the entrepreneurial spirit of our employees. It is expected to promote a culture of creativity and challenge based on the experience our employees accumulate by leading project development and create synergy by supporting startups. For example, there is an "App-based non-face-to-face vehicle mobility and management mobility platform (Bring Team)" as an in-house start-up. It is a vehicle movement and management service that is provided to the owner or non-face-to-face through a hardware product that is digitized using an existing smart key. Even though the service has not been officially launched, it coordinates with various platform partners such as driver hiring service, car wash, and insurance. Hyundai Mobis carries out the selection process every year to discover promising in-house startups and provide continuous financial and office support so that they can grow into businesses.

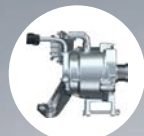
Eco-friendly Vehicle Electrification Parts Development

● Technology Internalization

1 Driving System



Driving Motor ●
Traction Motor
In mass production



HSG ●
Hybrid Start & Generator
In mass production



PCU ●
Power Control Unit
In mass production



Power Module ●
In mass production

Fuel Cell System



PFC ●
Powertrain
Fuel cell
Complete
In mass production

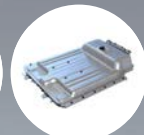


MEA ●
Membrane
Electrode
Assembly
In mass production

2 Battery System



(P)HEV



EV



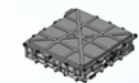
Integrated 48V LDC

Battery System ●
Battery System
Assembly
In mass production

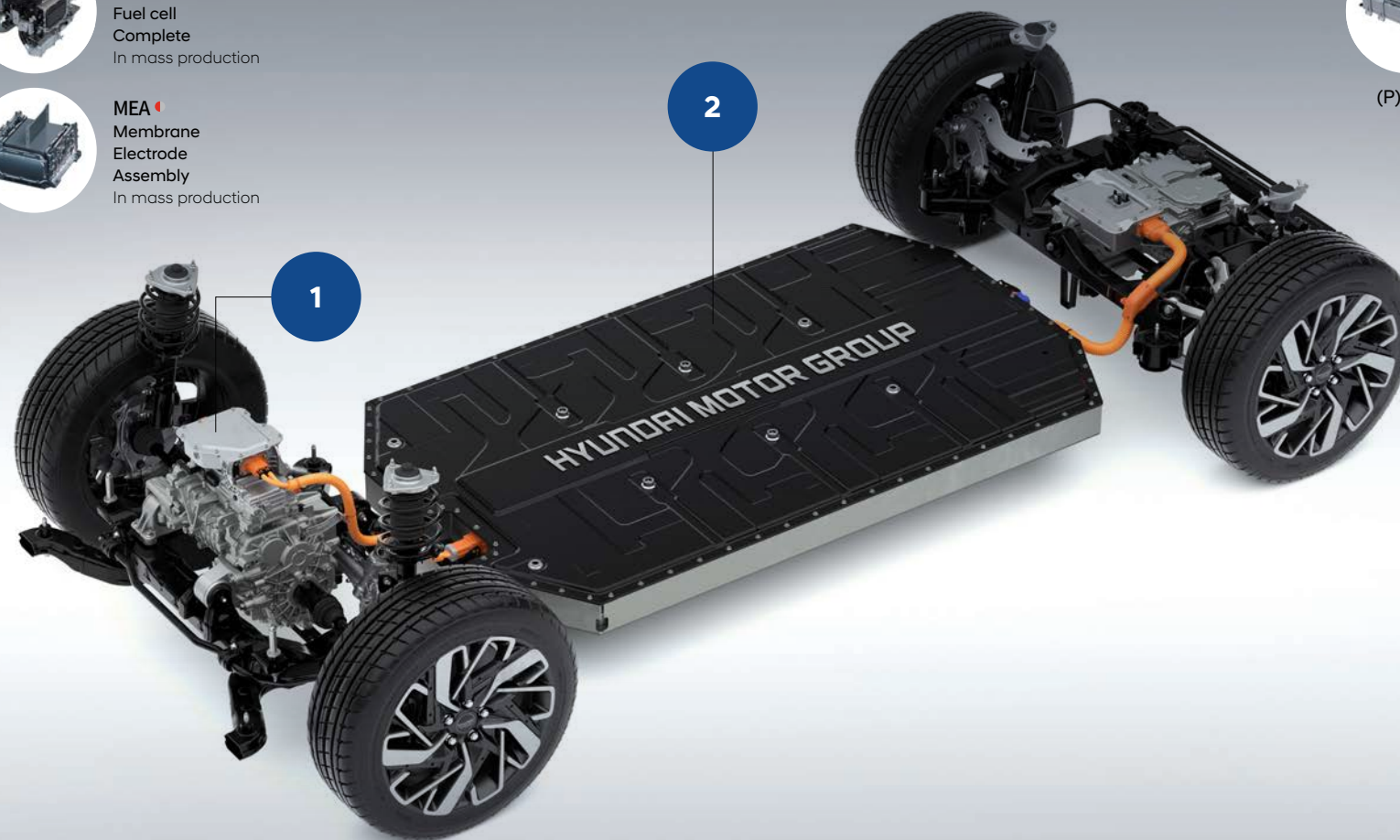


BMS ●
Battery
Management
System
In mass production

Electrification Electric Systems



OBC ●
On Board Charger
In mass production



Parts for Eco-friendly Vehicles



HEV
Drive System
Battery System

EV

Drive System
Battery System, Charger

FCEV

Drive System
Battery System, Fuel Cell System

Against 134.8g/km CO₂ emissions per gasoline-based vehicle*



95.6g/km
HEV CO₂ emissions

24.4g/km
PHEV CO₂ emissions

0g/km
EV / FCEV CO₂ emissions

* Based on the average emissions of all eco-friendly vehicles

Quality Management throughout Data Science

Strengthening Global Quality Management System

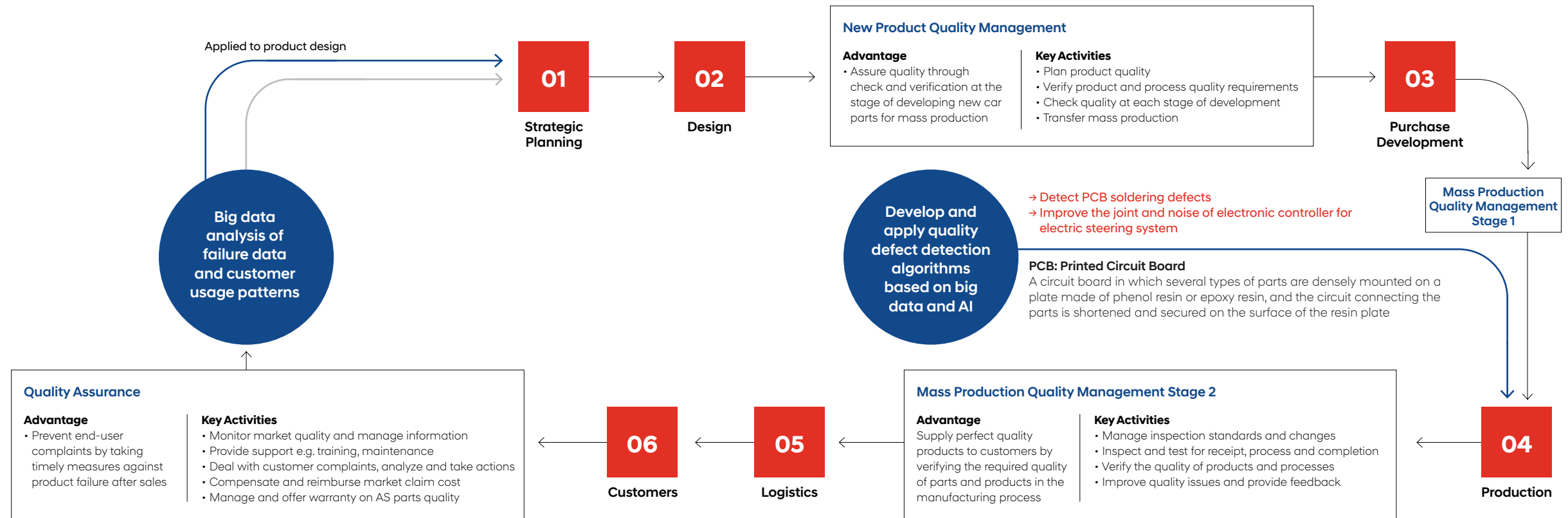
Aiming to achieve customer safety through innovative products and a stable production process, Hyundai Mobis applies stringent quality assurance standards throughout our value chain. In 2002, starting with the first ISO/TS16949 certification in Korea for excellence in our automobile quality, we laid a solid foundation for achieving zero-defect quality based on streamlined processes. As of 2020, we acquired and renewed certification for 15 domestic and 23 overseas sites in line with the transition to the new IATF16949¹⁾ quality management system in 2016. In addition, to achieve the quality requirements in Europe, we implemented a global quality system for manufacturing automobile parts based on VDA 6.3²⁾, and conduct quality data analysis and pre-quality prevention activities using various AI technologies to keep pace with the recent digital transformation.

Pre-Quality Inspection Process for Product Unit

In response to the growing demand for eco-friendliness and quality assurance of new technologies and products including autonomous driving and connectivity, we reposition our design and new vehicle/mass-production quality organization under divisions. In doing so, we were able to stabilize our quality management process at the customized development stage for each model while conducting quality assurance from the customers' perspective and validating mass productivity. Aiming to improve safety, we are building a simulation virtual test system based on this scenario.

Data-based Quality Management System using AI

We are working on the transition to a "data-based quality management system" through the convergence of data and AI technology. For optimized process management standards, MDPS³⁾ product process data analysis using machine learning techniques and key factors were developed and applied to the production line in 2020, and it will be applied to 9 products in 2021. Furthermore, the development of field claim data⁴⁾ classification and pre-detection algorithm and system construction are underway for the prediction and management of market quality problems. In the long term, we plan to build a foundation of the Smart Factory by establishing optimized models for design and development, mass production, the integrated connection of field quality data, and real-time process factor.



1) IATF16949 (International Automotive Task Force): a standard established in response to customer-specified requirements of the automotive industry based on ISO 9001 (Quality Management System)

2) VDA 6.3 (Verband der Automobilindustrie): a standard for the minimum requirements for process audits in the German automotive industry during the parts development and mass production to ensure the quality in product life span

3) MDPS (Motor Driven Power Steering): electric steering system / 4) Field Claim Data: data collected from field technicians or sales managers

Focus Area 2.

Eco-friendly Management



Management Approach

BACKGROUND



With the rising importance of practicing enhanced low-carbon energy management, the emergence of a new climate regime under the Paris Climate Agreement assigns companies new roles and responsibilities in creating global environmental values, beyond the environmental impact we leave as we carry out our value-creating corporate activities.

RISK & OPPORTUNITY

Environmental damage caused in the entire process of distribution, production, and consumption of raw materials for auto parts is gaining attention as businesses' environmental responsibility increases. In particular, carbon emissions and energy consumption impact not only production costs but also financial performance, as they are targeted by regulations. Addressing these issues with a proactive response system can become an opportunity to prevent management risks and enhance our reputation as an eco-friendly company.

PRINCIPLE & STRATEGY

Hyundai Mobis practices detailed environmental management activities outlined by our strategic management for environment and energy. Having received ISO14001, ISO50001 certification for our Environmental and Energy Management System, we also participate in eco-friendly energy management certification such as CDP (Carbon Disclosure Project) while reducing energy corporate-wide by establishing GMEMS (Global Mobis Energy Management System).

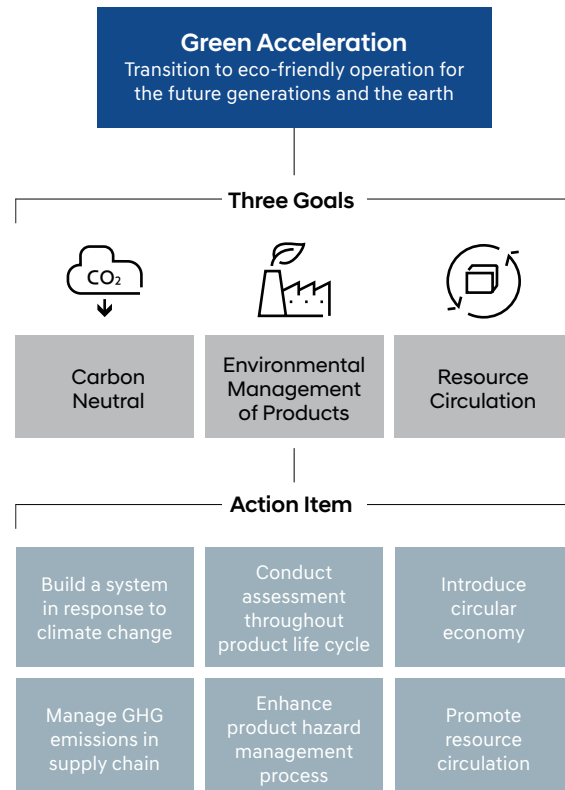
	2020 Performance	2021 GOAL
 Domestic GHG emissions (Unit: tCO ₂ eq)	163,165	168,211
 Waste intensity (Unit: ton/KRW 100 million)	0.06	0.056

Environmental Management System

Mid- to Long-term Environmental Management Strategy

Hyundai Mobis recognizes the importance of reducing environmental impact and supports “Green Acceleration” to protect the earth and future generations by promoting eco-friendly practices throughout the value chain. We set three goals for the transition to eco-friendly practice - carbon neutral, environmental management of products, and resource circulation - and expanded our existing roadmap.

Environmental Management Direction



Response to Risk of Climate Change

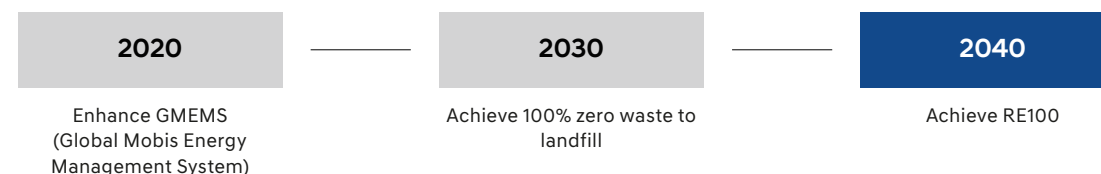
Response to Risk of Natural Disasters

With the increased risk of natural disasters such as typhoons, floods, heavy snow, and droughts caused by global warming, the risks of industrial accidents such as destruction of production facilities, fires, and explosions are also on the rise. These accidents may cause delayed or disruption of logistics which in turn can lead to decreased productivity and sales. To this end, we are taking a proactive approach by setting the key areas of risk management and adopting preventive measures to minimize impact and damage. In addition, we maintain close coordination between teams so we can mobilize company-wide resources to resolve emergencies that require collective cooperation to overcome.

Response to Regulations on GHG Emissions

In South Korea, businesses with average GHG emissions of 50,000 tons for 3 years consecutively are subject to regulations on vehicle fuel efficiency and GHG and energy target management systems, while those emitting 125,000 tons are subject to the GHG emissions trading scheme starting from 2015. Hyundai Mobis was designated as a target management company in July 2014 and has implemented reductions to meet the government's emission target quota since January 2016. As a major exporter of automotive parts, there is a risk from importing countries' strengthening regulatory requirements. This translates into higher costs for Hyundai Mobis. Under these circumstances, we take a proactive approach in responding to environmental regulations by introducing various technologies for reduction.

Mid- to Long-term Roadmap



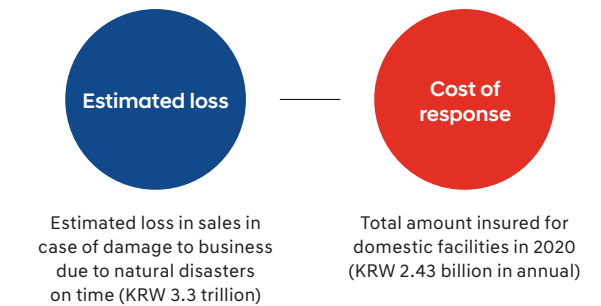
RE100 (Renewable Energy 100%)

As one of the ways to achieve carbon neutrality, we are committed to 100% renewable energy at our business sites. We analyzed the energy usage of individual business sites, including domestic and overseas production facilities, R&D labs, quality centers, and subsidiaries, and established a roadmap for the implementation of RE100 by reviewing regulatory requirements and social and environmental data. We set mid/long-term targets to achieve 65% by 2030 and 100% by 2040. To this end, we are working closely with related sectors. To further improve renewable energy efficiency, we are seeking ways to implement various programs in line with social and environmental conditions including self-solar power generation and use of green rates by country.

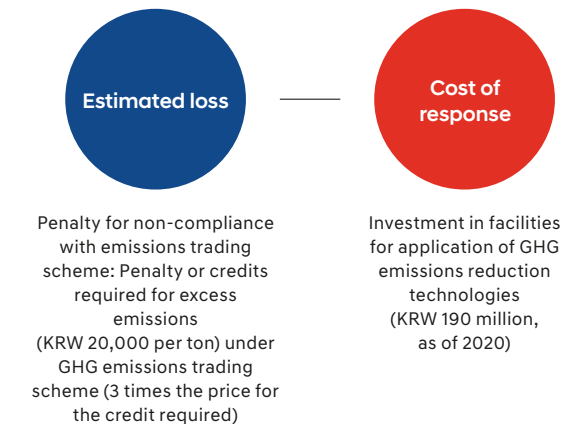
Joined K-EV100

Hyundai Mobis joined K-EV100, the Korean electric vehicle transition campaign where corporate-owned and leased vehicles are switched to EV or FCEV. Starting with the purchase of four additional pollution-free vehicles in 2021, we set 30% in 2025, 70% in 2028, and 100% in 2030 as the 3-stage mid/long-term targets. In order to promote the use of pollution-free vehicles, we plan to build charging stations in business sites. Three charging stations are scheduled to be built in 2021, and a roadmap has been established to install an infrastructure with 200 pollution-free chargers, including 12 fast chargers in the business sites by 2030. By joining the K-EV100 and implementing the roadmap, we will reduce the amount of carbon generated in our business sites and enhance our response to climate change and other environmental issues.

Response to Risk of Natural Disasters



Response to GHG Emission Regulations



Eco-friendly Products

Development of Medium/Large-sized Hydrogen-powered Forklift

In 2020, Hyundai Mobis developed a hydrogen-powered forklift jointly with Hyundai Motor Company and Hyundai Construction Equipment. This hydrogen forklift is equipped with the “hydrogen fuel cell power pack” developed by Hyundai Mobis and boasts excellent performance with its short charging time and high continuous output compared to electric forklifts of the same class. Targeting commercialization by 2025, we schedule to start the first demonstration at the Hydrogen Free Regulatory Zone in 2021 and plan to expand it to the construction and industrial machinery sectors.



Eco-friendly Hydrogen-powered Forklift



In-Wheel Motor System



Development of Virtual Engine Sound System

Highlight.

More Than 1,000 Eco-friendly Patents and International Certifications

As of 2020, Hyundai Mobis acquired more than 2,100 intellectual property rights, of which there are about 1,000 patents and international certifications for eco-friendly management. We have also obtained a total of 150 international certifications, including ISO14001 (Environmental Management System), ISO45001 (Occupational Safety and Health), and IATF16949 (Automotive Quality Management Systems), and 778 designs, utility models, and patents related to eco-friendly mobility. In particular, we are committed to building an environmentally-friendly ecosystem by sharing our patents with our suppliers. Along with the establishment of the “Hazardous Chemicals Quality Analysis Office”, an integrated management system has been implemented to conduct inspections throughout the entire process of product development and final production. Moving forward, we will continue to develop our expertise in eco-friendly products and technologies to acquire related patents and international certifications and to secure global competitiveness as a leading eco-friendly manufacturer.

Development of In-Wheel Motor System to Lead Mobility Innovation

The future of mobility requires technologies to maximize indoor space and share vehicle body platforms to provide a variety of customized mobility (PBV: Purpose-Built Vehicle) solutions based on self-driving EV technology. After launching the preliminary development of the in-wheel motor system*, we produced prototype samples in 2020. Going forward, we will focus on the durability and control of the system to ensure its safety.

* In-wheel motor system: a next-generation electric vehicle drive system that integrates the drive motor inside the wheel

Development of Eco-friendly Virtual Engine Sound

Based on our expertise in eco-friendly auto parts, we have developed the world's first virtual engine sound system using the electric vehicle grill cover. The AVAS (Acoustic Vehicle Alert Sound) is a speaker system that makes a sound outside the vehicle so that pedestrians can recognize when eco-friendly vehicles approach without making noise for safety. It also includes the turn signal and charging notification sounds and the efficiency and performance of the system have been greatly improved from the previous model. Going forward, we will develop engine sounds that have emotional appeal to consumers through collaboration with artists and strengthen our position in the market.

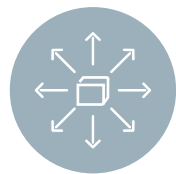
Eco-friendly Product Development Target

Hyundai Mobis has set the development of eco-friendly products as a key strategy for promoting eco-friendly operation and focuses our resources on technical innovation and mass production capabilities. We will continue to increase our R&D investments in the eco-friendly sectors such as electrification parts and develop products with global competitiveness to build mid- to long-term growth engines. Furthermore, we plan to maximize the positive impact of eco-friendly products, such as reducing carbon emissions through the supply of motorized parts, environmental practice based on strict control of hazardous substances, and recycling of resources throughout the value chain including manufacturing. In addition, we aim to achieve our three environmental management goals by minimizing the environmental impact of our products.

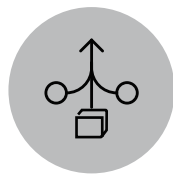
Eco-friendly Technology Development Strategies and Goals



Increasing R&D Investment



Diversifying Eco-friendly Product Portfolio



Promoting Supply of Eco-friendly Parts in Global Market

Building Electrification Product Portfolio

As a result of focusing our resources on the development of electrification parts in response to the global trends, we have built a portfolio of core electrification parts such as drive systems, controllers, battery systems, and fuel cells. The fuel cells in particular are a key component of hydrogen-powered vehicles and currently under mass production based on advanced technology. Furthermore, we are in the process of developing core technologies such as in-wheel motors, drive modules, and fuel cells while enhancing our competitiveness in the eco-friendly sectors by diversifying our portfolio.

Drive System



Battery System



Controller



Fuel Cell



Promoting Eco-friendly Market Development

Hyundai Mobis is diversifying the source of revenue in the global market by supplying electrification parts. In South Korea, we have established a large mass production system, supplied parts for hybrid, battery, and hydrogen-powered vehicles, and plan to reduce costs using a dedicated platform. To global OEs in Europe and the Americas, we will expand the supply of our standard electric motorized parts to gain competitive edges in the global market.

Development of Core Technologies

In-wheel motor (direct drive)

- Develop premium in-wheel systems
- Develop direct drive in-wheel systems



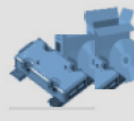
Drive module (integrated)

- Test integrated reducer and motor
- Test durability



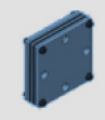
SW (battery system SW)

- Develop the internalization of battery state estimation logic



MEA¹⁾

- Developing highly active and durable fuel cells
- Developing low-cost structure design technology



1) MEA: Membrane Electrode Assembly

Focus Area 3.

Increasing Stakeholder Value



Management Approach

BACKGROUND


Companies are facing more and more stakeholders, so it is essential to maintain active communication with various groups of stakeholders such as employees, customers, suppliers, shareholders, investors, and local communities for sustainable growth and competitiveness. With growing demand and expectation from stakeholders, companies' commitment to meet these is an important indicator for determining their sustainability.

RISK & OPPORTUNITY

Stakeholders make decisions based on the information provided by the company. Companies cannot earn trust from their stakeholders if they fail to disclose transparent and reliable information. On the other hand, if a company actively engages in stakeholder communication based on clear and reliable information and commits to enhance stakeholder values, the company and its stakeholders may achieve mutual and sustainable growth.

PRINCIPLE & STRATEGY

Hyundai Mobis recognizes the importance of creating values for its stakeholders in order to promote sustainable growth and is implementing policies to enhance the value of each stakeholder group including employees, customers, partners, shareholders, investors, and local communities. The Focus Areas are defined based on the major issues selected through annual surveys and materiality assessment to collect stakeholders' inputs and introduces activities to enhance value throughout the report, including the Factbook.

	2020 Performance	2021 GOAL
 Completion rate of on-site assessment as a result of self-assessment of suppliers <sustainability management risk assessment>	100%	100%

Creating a Healthy Corporate Culture

Innovating Corporate Culture

With “Challenge and Collaboration” as our corporate culture identity, we set a mid- to long-term strategy to promote mutual respect and creativity and create a corporate culture that drives sustainable growth and innovation.

Creating an Environment for Corporate Culture Innovation

To create a corporate culture that takes into account changes in industry and business strategy, the composition of employees within the company, as well as the changes in perception, we are carrying out various initiatives and establishing core tasks based upon ‘Work’, ‘People’, and ‘Company’. In 2019, we defined “Challenge and Cooperation” as our corporate culture identity through employee surveys and interviews, and implemented change management to internalize this new identity. Despite the restriction of face-to-face activities due to COVID-19 in 2020, online meetings with the CEO, active communication, and non-face-to-face online concerts were held as part of the employee awareness program while creating and sharing excellent leadership videos.

Improve Corporate Culture by Organizational Culture Assessment

We conduct an annual ‘Organizational Culture Assessment’ which targets aspects of corporate culture which can be improved upon from the perspective of employees. This Assessment is largely composed of four areas, namely ‘culture’, ‘leadership’, ‘effectiveness’, and ‘creative innovation’. Through this initiative, Hyundai Mobis can assess the organizational culture effectively and subsequently build and put into practice improvement measures. Culture Agents (CA) collect opinions by division which are then used to conduct customized improvement activities. In 2021, we are set to strengthen our management capability based on CA-centered corporate culture changes.

Improving Working Environment

Work-Life Balance

As part of our efforts to maintain a healthy work-life balance, we have reduced the working hours and introduced 2 weeks of “refresh” leaves at the workplace to improve productivity and provide our employees with opportunities to gain non-work-related experience.

Unit: %	2018	2019	2020
Positive Response in Employee Satisfaction Survey	61	63	72

Parental and maternity leave Status		Unit	2018	2019	2020
Parental and maternity leave Status ¹⁾	Female	Person	43	125	80
	Male	Person	21	39	42
Percentage of employees returning to work after parental/ maternity leave		%	92	96	99
Percentage of employees working at least 12 months after returning to work ²⁾		%	92	96	99

1) As of December 2020, the number of female and male employees subject to parental leave at domestic workplaces was 290 and 2,740, respectively.

2) Number of employees working at least 12 months after returning to work as of December 2020: 80 (female), 41 (male) (1 resigned)

By introducing the PC-Off program and flexible work schedule management, we have been able to maximize productivity and enable employees to benefit from reduced work hours, while simultaneously building a foundation for responsible job performance.

Family-friendly program

We are implementing a family-friendly program for all employees. In addition to education, we are preventing the departure of outstanding human resources and improving work satisfaction and work efficiency through childcare centers, parking support for the pregnant, and encouraging childcare and maternity leave.

Employee Communications

Flat Communication

In order to integrate various inputs provided by our employees into our management practices, we regularly designate Culture Agents (CA) and organize Corporate Culture Committees. Through meetings with the CEO and CAs, as well as via interactions among divisions, positions, and generations, we pursue our commitment to promote flat communications. We have established D’talks anonymous bulletins to communicate with their colleagues. We also organize various seminars to encourage communication and cooperation between teams.

Employee Development and Motivation

Hyundai Mobis aims to achieve the highest level of performance through employee development and motivation which is built upon coaching and the feedback provided. To this end, we operate year-round performance management processes to encourage employee communication, and based on this, perform fair and reasonable performance evaluations.

Communication Channels for Labor Affairs

We comply with local labor relations laws in all countries where we do business and carry out our operations in conformance with laws related to the freedom of association and rights to form labor unions and collective bargaining agreements. Presently, our company has three labor unions which operate based on local conditions, the workplace environment, and the characteristics of work. In addition to negotiating with unions, we organize labor-management council meetings on a quarterly basis and conduct collective bargaining and joint labor-management seminars every year in order to strengthen communications between labor and management.

Unit: %	2018	2019	2020
Percentage of Labor Union Membership	51.1	52.5	54.7

* 100% of employees are subject to the agreement entered into with the Labor Union.

Performance Evaluations	2020		
	Reference (person)	Target (person)	Percentage (%)
KPI-based evaluation ¹⁾	10,244	10,244	100
Multi-faceted evaluation ²⁾	10,244	10,244	100
Compensation based on relative evaluation ³⁾	10,244	4,631	45.2

1) No directly linked compensation, although evaluations are linked to KPIs / 2) Multi-faceted evaluation expanded for all employees from 2019

3) All employees are subject to relative evaluation, but a system of compensation linked to the evaluation results is followed for managers and upper-level officers (43%)

Employee Compensation	Unit	Average basic salary for female employees	Average basic salary for male employees	Ratio of basic salary and compensation of men to women
Executive officers (basic salary)	KRW	-	293,226,667	-
Managers (basic salary)	KRW	57,946,215	72,605,458	79.8%
Executive officers (basic salary + cash incentives including bonus)	KRW	-	357,179,253	-
Managers (basic salary + cash incentives including bonus)	KRW	68,533,810	87,847,584	78.0%
Non-managers	KRW	66,126,859	93,912,397	70.4%

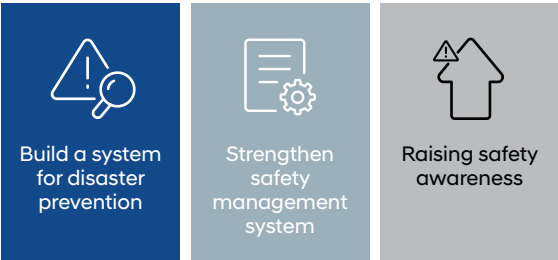
	Unit	2020
Total CEO Compensation (including retirement income)	KRW	1,440,563,794
Median annual compensation of all employees, excluding the CEO	KRW	89,393,066
Ratio of total annual CEO compensation compared to median employee compensation	Times	16.11
Mean annual compensation of all employees, excluding the CEO	KRW	86,463,466
Ratio of total annual CEO compensation compared to mean employee compensation	Times	16.66

Safety and Health Management System

Safety and Health Strategy

In order to create a “safe and healthy” working environment, Hyundai Mobis established “safety first management policies” that places safety as the top priority in business management. With an aim to create safe workplaces and increase employee satisfaction, we have established plans to reduce serious natural and industrial disasters through the promotion of various policies.

2021 Areas of Focus



Improving Company-wide Safety Practice

We ensured organic and efficient safety work processes by reorganizing the Safety and Environment Team into the Safety and Environment Office and positioning Safety Support Team, Environmental Management Team, and Safety Diagnosis Team under the office. The Safety Support Team is responsible for establishing company-wide safety policies and managing indicators, operating safety training cultural programs and emergency response systems, and operating health management systems. The Safety Diagnosis Team prepares safety standards for enterprise facilities and equipment and conducts safety inspection of business establishments. The Environmental Management Team establishes company-wide environmental policies, manages

environmental facilities, and manages overall environmental practices such as air/water quality, waste, and soil to support company-wide safety practices.

Occupational Safety and Health Committee

The “Occupational Safety and Health Committee” was organized to review and make decisions on occupational safety and health policies and thereby create a safer and healthier work environment. Held on a regular basis, the committee meetings comprise an equal number of representatives from labor and management respectively, who discuss major safety and health items such as prevention of industrial accidents, measuring work environment, and distribution of protective gears. The committee also carries out joint inspections of on-site risk factors and subsequently make improvements.

Safety and Environment Management System Certification

To raise the level of safety and environmental management, we have acquired ISO45001* certification to enhance the reliability of our safety and health management system.

* ISO45001: International Organization for Standardization 45001

Supply Chain Management Strategy

Hyundai Mobis helps our suppliers gain a competitive advantage and manages risks via our supply chain management policies. Through evaluations conducted on a regular basis, we select our suppliers in a fair and transparent manner and customize the management process to enhance their overall competitiveness. In addition, when signing contracts with suppliers, we make sure that they minimize environmental pollution, use of hazardous substances, comply with environmental laws, and establish an eco-friendly management system in the entire process of design, production, packaging, and transportation. For supplied products, we check whether the requirements of hazardous substances such as heavy metals have been complied with.

Safety and Health Management in the Supply Chain

Establish and Operate Mutually Beneficial Cooperation System for Internal Suppliers

Hyundai Mobis plans and executes safety and health plans with its suppliers in order to strengthen the health and safety standards of suppliers and achieve win-win growth in regard to health and safety. We also conduct

monthly workplace council meetings with suppliers to share related information and case studies, as well as to reflect their input in our practice. We provide support for enhancing our suppliers' self-capacity in managing safety and health in the workplace and attained ISO 45001 certification, in addition to operating the Safety Call Center which provides our suppliers with easy access to health and safety information and Q&A.

Safety Support for External Suppliers

Hyundai Mobis is committed to exerting continuous efforts to ensuring the safety of our suppliers' workplaces. We initiated this mutually beneficial activity based on the firm belief that the efficiency of production and supply is maximized when workplace safety is ensured for our suppliers and their employees. In 2020, we offered safety technical support to our 68 key suppliers and shared the results of this support, and provided safety guidelines to promote sustainable win-win co-operation programs.

Purchase from Supply Chain*		2020	Remarks
Domestic	Total no. of suppliers	1,405 companies	1st-tier parts suppliers directly working with headquarters (mass production, aftermarket service, goods, and packaging)
	Total purchase amount	KRW 18.2033 trillion	1st-tier parts suppliers directly working with headquarters (mass production, aftermarket service, goods, and packaging)
	Other purchases	KRW 482.7 billion	Headquarters general, facilities, raw and subsidiary materials
Overseas	Local suppliers	584 companies	Suppliers working with overseas subsidiaries
	Local purchase amount	KRW 12.8972 trillion	Purchase amount of overseas subsidiaries

*Domestic purchase: 59.2%, overseas local purchase: 40.8%

Selection and Evaluation of Suppliers

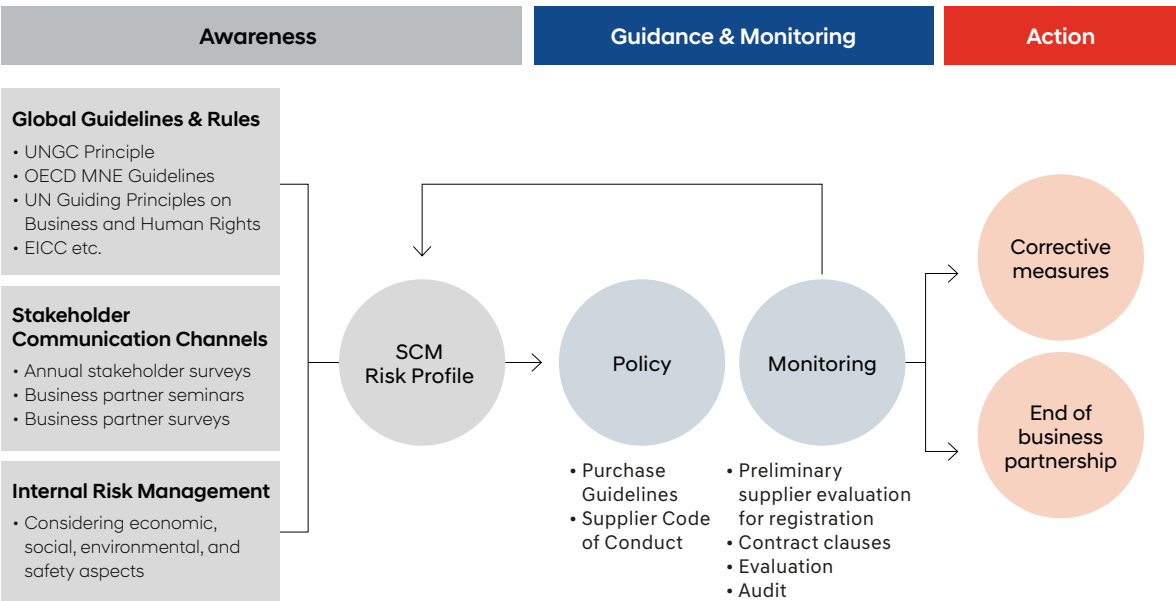
Evaluation Target

Hyundai Mobis is presently engaged in series production contracts with 593 first-tier suppliers out of a total of 1,405 suppliers. Of these, we have identified 59 companies as “Core First-Tier Suppliers” based on the supply of major parts, business relation, and purchase volume¹⁾. We also categorize 58 companies as “Core Second- and Third-tier Suppliers” in recognition of their core technologies. When it comes to second and lower-tier suppliers, we deal with those that have the quality management system in place as required through MSQ (Mobis Supplier Quality) and SQ (Supplier Quality) certification systems. In addition, we use the supplier information management system to manage ISO certification information in terms of quality, safety, and environment.

1) Number of partners as of early 2021

2020 Top Purchases	2020 Amount of Purchase
1. Mass production	KRW 15.6754 trillion
2. Aftermarket services	KRW 2.2725 trillion
3. Goods/Packaging	KRW 255.4 billion
4. Overseas subsidiaries	KRW 12.8972 trillion
5. Miscellaneous	KRW 482.7 billion

Supply Chain Management Process



Supplier Selection Procedures and Areas of Evaluation

Hyundai Mobis selects suppliers with sustainable operations through a review meeting held every month or when there is a specific agenda. The review committee members consist of the head of the relevant department or those in higher ranks. All suppliers are informed of the Code of Conduct and are reviewed for compliance with ethics, environment, labor, human rights, safety, and health. New suppliers are screened using GCMS, and at this time, they are required to sign the ESG compliance pledge and Code of Conduct compliance pledge.

When it comes to signing contracts and business operations with 2nd and 3rd-tier suppliers, 1st-tier suppliers are required to analyze their compliance with the Code of Conduct and take necessary actions against any violations or risks. For new suppliers, prior to system registration, we conduct quality management system evaluation (including safety management) and check for any financial risks. In order for newly registered suppliers to receive orders, they need to meet our standards during the annual “supply chain ESG sustainability risk” pre-screening process, and the number of supply chain ESG analyses is steadily increasing. The existing suppliers are rated based on a comprehensive evaluation of quality, delivery, and technology. If there are any risks identified through self-analysis and on-site analysis of the “supply chain ESG sustainability risk”, the suppliers are restricted from transactions. The overall evaluation score is reflected in the selection process, and incentives or penalties are given depending on the rating. Suppliers that are rated highly receive rewards while those with low ratings may be excluded from selection for new projects. Thanks to continuous quality improvement and efforts to develop new technologies and processes, the overall evaluation score is improving every year.

Supply Chain ESG Risk Check¹⁾

Sustainability Risk Monitoring	1st-tier Suppliers		2nd or low-tier Suppliers			High Risk ²⁾		Low Risk	
Self-Analysis (no. of suppliers)	310/353	88%	97/100	97%	Result of Analysis (no. of suppliers)	6	1.5%	401	98.5%


Sustainability Risk Monitoring	1st-tier Suppliers	2nd or low-tier Suppliers	Total		Corrections	Recommendations	Total
On-site Analysis (no. of suppliers)	3	3	6	On-site Analysis (no. of suppliers)	2	4	6

1) This is the result in 2020, and risk checks are conducted for all the 1st-tier suppliers that maintain a business relationship with us.
2) Number of high-risk suppliers and reasons for classification as high-risk suppliers
- As a result of monitoring the sustainability risk of suppliers, 6 of them have been classified as high-risk suppliers and subject to on-site analysis.
- If the suppliers fail to meet our requirement for the score of [Sustainability Risk Self-Analysis Sheet], they are classified as high-risk suppliers.

Supply Chain Sustainability Assessment Areas

Classification	Remarks	Delivery	Technology	Win-Win
KPIs	Quality Management System	Shortage	Basic/Future Competency	Payment Terms
	Defect Rate	Policy Compliance	Performance	
ESG Perspective	Safety/Environment		Ethics	
	Risk Management		Hazardous Substances Prohibition	Mutually Beneficial Cooperation
	Field Safety Management		Environmental Management	Transparent Management Support

Corrective Measures Against Sustainability Risks



Case Study

No channels for reporting violations
Establishment and operation of an in-house anonymous reporting channel (no identification or disadvantages to the reporter)

Poor dissemination of the supplier code of conduct
In-house dissemination training, management's commitment to compliance, self-monitoring for compliance

Unclear technical data management standards and regulations
Management standards and regulations for each type

of technical data e.g. customer development data Improve (storage location, security plan, access rights, etc.)

No reflection of anti-discrimination rules in employment/personnel regulations
Prohibition of discrimination based on religion, country of origin, marital status, and political opinion when hiring

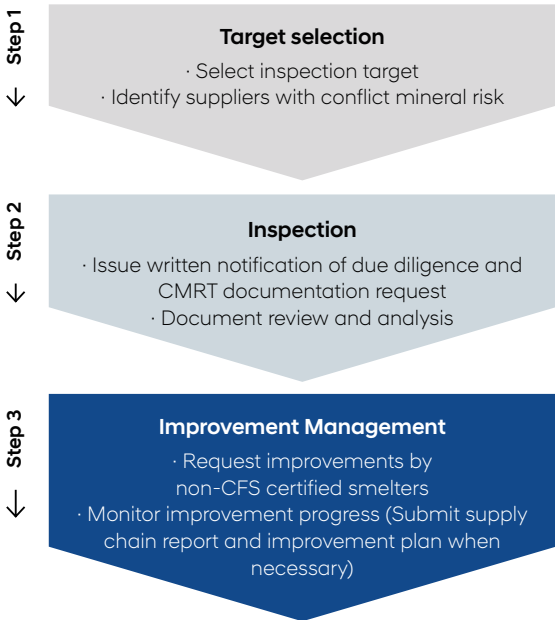
Regular inspections are in progress, but certain improvement measures are missing
Risk factors found as a result of the inspection, separate records are kept and checked whether improvement measures are done

Conflict Minerals

Response to Conflict Minerals

In order to comply with the U.S. Dodd-Frank Action Section 1502 Regulation on conflict minerals, we demand that relevant suppliers establish a control system that meets OECD management standards and refrain from using minerals from conflict zones. To ensure this, the Hyundai Mobis Automotive Parts Sales Team and Purchasing Division conduct annual inspections on the status of global OE sales part and conflict minerals and classify the country of origin considering transaction status with certified smelters. When we find suppliers in the target supply network that receive raw or subsidiary materials from smelters that are not certified as conflict-mineral restricting companies, we promote and encourage certification to avoid the use of conflict minerals. We will maintain a conflict mineral response system that continues to promote and encourage certification of smelters along with the relevant supply network.

Conflict Minerals Due Diligence Process





03

SUSTAINABLE MECHANISMS

1

Corporate Governance

Board of Directors

Composition & Independence of the BOD

The Board of Directors, a standing decision making body at the top of the management, represents a variety of stakeholders including shareholders, and takes the role of supervising and making decisions on important matters related to the long-term growth of the company. There are nine members in the BOD, of which five (55.6%) are independent directors. For the sake of responsibility and efficiency, the BOD is chaired by Sung Hwan CHO, CEO & President. There are four committees within the BOD. To secure the independence of the board, (1) the Audit Committee supervising the overall operation of the company consists solely of independent directors; (2) more than half of the members of the Corporate Sustainability Management Committee, Independent Director Candidate Recommendation Committee and Compensation Committee are independent; and (3) all the committees are chaired by independent directors. Each of the agendas is discussed and reviewed carefully at each committee before set on the table of the BOD and made a final decision on, which is to boost transparency and independence.

Expertise & Diversity of the BOD

The Articles of Incorporation and the Corporate Governance Charter – established in December 2019 – both stipulate independent directors should be professional in the fields of business administration, economy, law, or automobile technology. The goal of the policy that the independent directors have a wide range of professional backgrounds is to promote the soundness and stability of corporate governance. Hyundai Mobis actively considers diversity factors including gender, race or ethnicity, nationality, or origin to prevent any favoritism towards specific backgrounds and occupations. Dae Soo KIM (professor of Korea University Business School) is an expert in production logistics, who headed the Korean Production & Operation Management Society and Korea Association of Pro-

Composition of the BOD

Classification	Name	Term	Date of Appointment	Roles within the BOD	Expected Roles	Career Highlights
Executive Directors	Euisun Chung (male)	3 years	Mar. 2002	Member of the Independent Director Candidate Recommendation Committee	Appointed for his expertise in the implementation of responsible management of Hyundai Mobis and Hyundai Motor Group, and presenting a vision for autonomous driving, electrification, and leading the future mobility market.	Current) Chairman of Hyundai Motor Group Current) CEO of Hyundai Motor Company, Hyundai Mobis
	Sung Hwan Cho (male)	1 year	Mar. 2021	Member of Corporate Sustainability Management Committee and Independent Director Candidate Recommendation Committee	Appointed as a CEO based on experience and expertise in R&D and electrics fields with the capabilities to drive technical innovation and competitiveness in new project development	Current) CEO/President of Hyundai Mobis Current) Vice President of the Korean Society of Automotive Engineers
	Hyungkeun Bae (male)	3 years	Mar. 2019	Member of Independent Director Candidate Recommendation Committee and Compensation Committee	Expected to contribute to the vision of Hyundai Mobis based on extensive experiences and expertise in planning and finance	Current) Head of Finance Division (Vice President) of Hyundai Mobis Former) Head of Corporate Strategy Department
	Youngsuk Ko (male)	1 year	Mar. 2021	-	Appointed for his expertise in planning strategy for inorganic growth of Hyundai Mobis	Current) Head of R&D Planning Department, Hyundai Mobis (Managing Director) Current) FMT Manager, Hyundai Mobis Former) IR Executive, Hyundai Mobis
Independent Directors	Young Chang (male)	3 years	Mar. 2020	Chairperson of Audit Committee Member of Corporate Sustainability Management Committee	An expert with extensive experience and insight in the automotive industry and finance, who is expected to serve as a bridge between shareholders and the company.	Current) Young & Co CIO / CEO Former) Branch Manager and Research Head of UBS Securities Seoul Office
	Dae Soo Kim (male)	3 years	Mar. 2018	Member of Audit Committee and Independent Director Candidate Recommendation Committee Chairperson of Corporate Sustainability Management Committee and Compensation Committee	An expert who can present the company's strategic direction based on extensive knowledge of production management and supply chain	Current) Professor of Business Administration, Korea University Former) Chairman of Korean Production & Operation Management Society Former) Chairman of Korea Association of Procurement and Supply Management
	Jina Kang (female)	3 years	Mar. 2021	Member of Audit Committee, Corporate Sustainability Management Committee, and Compensation Committee, Chairperson of Independent Director Candidate Recommendation Committee	An expert in technology management and management innovation strategy who can contribute to the company's new R&D and innovation strategy	Current) Professor of College of Engineering, Seoul National University Current) Founding Director, Academic Society of Korea Mobility Former) Vice President, Korean Society of Strategic Management
	Brian D. Jones (male)	3 years	Mar. 2019	Member of Audit Committee, Corporate Sustainability Management Committee, and Independent Director Candidate Recommendation Committee	An expert with profound experience and keen insight in corporate finance and investment, who advises sustainable growth strategies to the company.	Current) Partner and CEO of Bankcap Partners Former) Bear Sterns Senior Managing Director
	Karl-Thomas Neumann (male)	3 years	Mar. 2019	Member of Audit Committee, Corporate Sustainability Management Committee, and Compensation Committee	An expert in future automotive management and technology, who advises technological innovation of automotive parts to the company.	Current) Founder & CEO of KTN GmbH Former) OPEL, Continental, VW China CEO

curement and Supply Management. Young CHANG is an expert in accounting and finance who was the branch and research head of UBS Seoul, and Jina Kang (professor of Seoul National University College of Engineering) is an expert in technology management/management innovation strategy who is founding director of Korea Mobility Society and vice president of the Korean Society of Strategic Management. Brian D. JONES is a partner of Bankcap Partners, a US-based investment company and also an expert in finance, accounting, and investment. Karl-Thomas NEUMANN was CEO of OPEL, Continental, and VW China, and is an expert in future automobile management and technology.

To support diversity not only in profession, knowledge, and experience but also in nationality within the board, two directors have American nationality (Dae Soo KIM and Brian D. JONES) and one has German nationality (Karl-Thomas NEUMANN), and Article 29 of the Articles of Incorporation was amended in March 2021 so that the board of directors does not solely consist of a specific gender.

Restrictions on the Appointment of Independent Directors

Hyundai Mobis places and complies with restrictions when appointing independent directors that are more stringent than the Commercial Act. This is to enhance the check on the BOD through independent directors with verified independence in decision making processes and form a healthy governance structure.

<Restrictions on the Appointment of Independent Directors>

1. Current executive directors, executive officers, or employees of the company, or persons who served as executive directors, auditors, executive officers, or employees within the past 2 years
2. Major shareholders, their spouses, children, or parents
3. If the major shareholder is a company, that company's directors, auditors, executive officers, or employees
4. Spouses, children or parents of directors, auditors, and executive officers
5. Directors, auditors, executive directors, or employees of the parent companies or subsidiaries
6. Directors, auditors, executive directors, or employees of companies that have considerable interests in Hyundai Mobis
7. Directors, auditors, executive directors, or employees of companies where directors, auditors, executive directors, or employees of Hyundai Mobis serve as directors or executive directors
8. Company's advisors or consultants, senior management's advisors, and those who have affiliation with the company
9. Those who engage in personal business or have signed a service contract with the company or the company's senior management

1 — Corporate Governance

Committees within the BOD

Corporate Sustainability Management Committee

On March 17, 2017, the Ethics Committee was expanded in terms of its roles and responsiveness into the Corporate Governance & Communication Committee, which was to maximize shareholders' value and protect their rights. The purpose of the expansion was to further incorporate the protection of the shareholders' rights as well as transparency in internal transactions and ethical management.

On February 18, 2021, the Corporate Sustainability Management Committee was expanded and reorganized into the Corporate Governance & Communication Committee to support the comprehensive management and improvement of ESG (Environmental, Social, Governance) and bolster the risk management systems related to occupational safety and health as well as serious disasters. We are also strengthening the transparency of the board of directors and promote communication with stakeholders while seeking various policies and activities for the protection of shareholders' rights, ESG management, and safety and health environment in order to communicate our growth strategy with shareholders and pave the way to a sustainable future.

Major management decisions are reviewed and the appointment and activities of members in charge of protecting shareholders' rights and interests are reported. ESG activities and strategies are discussed by the committee and approved by the board. Additionally, the committee oversees the implementation of the voluntary fair trade compliance program, transactions between related parties, major policies related to ethical management and CSR, and the establishment/ amendment and implementation of the code of ethics. The committee consists of five independent directors

and one executive director to ensure its independence. The Corporate Sustainability Management Committee included 1 internal director (CEO) as a member in addition to the existing 5 independent directors. This is to stress the importance of new areas of ESG and to secure more efficient support. In 2020, the committee meeting was held 10 times.

Independent Director Candidate Recommendation Committee

The Independent Director Candidate Recommendation Committee appoints independent director candidates, conduct fair and independent qualifications and background checks of each candidate based on related laws and bylaws, and make final recommendations to the BOD.

One of the five independent directors' seats is set aside for the one who is recommended by shareholders irrespective of their share ownership. In March 2020, a new independent director was appointed for the first time through the recommendation process. The approval process started with candidate recommendations by shareholders and the long list of candidates was then passed to a 3-member independent outside advisory panel – whose members do not have any special interest relations with the company – who checked the qualifications and backgrounds of each candidate to make a shortlist. The first shareholder-recommended independent director, Young Chang, was approved at the annual general meeting.

As of March 2021, there are 4 independent directors, including foreigners, and 3 executive directors. The majority of the committee consists of independent directors. We maintain the independence of the committee and ensure diversity in director candidates. In

March 2021, a female independent director candidate was recommended, and after approval of the board of directors and resolution at the annual general meeting, Jina Kang was appointed.

For the third-party assurance, an Independent Director Qualifications Form that shows the candidates' independence and legal qualifications was submitted to the Korea Exchange for independent verification. In 2020, there were three committee meetings.

Compensation Committee

The Compensation Committee is to set a proper compensation scheme to help the management including the BOD deliver better performance and thereby help the company grow further. To this end, the committee reviews agenda ranging from setting BOD members' compensation limits to be approved at the annual general meeting of shareholders, establishing and revising compensation schemes.

Two of the three committee members are independent. The reason there is one internal director within the committee is to set a proper compensation scheme for those responsible for the massive investments in the future technologies in the auto industry, which is well represented by MECA that stands for Mobility, Electrification, Connectivity, and Autonomous, despite the low profitability in a short term.

In the second half of 2020, the roles and responsibilities of the committee were clarified, and for more effective operation, we conducted benchmarking/ model consulting from outside firms and reported to the committee. In March 2021, one independent director was added to the committee to further promote its independence. Compensation Committee had three meetings in 2020.

Audit Committee

The Audit Committee is to promote independence by checking and supervising the fairness and transparency in accounting as well as the overall operation of the company. The committee is empowered to inspect the assets and operations of the company and is also entitled to make an official request to the BOD to make any business-related report to the committee. To secure the independence of the Audit Committee, all of the requirements related to the composition of the committee, prior professional backgrounds of committee members, etc. should be met. In particular, all of the committee members are independent directors including two experts in finance and accounting – Young Chang and Brian D. Jones. Seven committee meetings were held in 2020 to review and evaluate quarterly earnings, major plans, internal control, etc.



1 — Corporate Governance

Evaluation and Compensation of the BOD

Performance Evaluation and Compensation

Hyundai Mobis plans to conduct regular evaluations on the board of directors from 2021. On the other hand, the compensation for registered directors (including independent directors) is determined at the general meeting of shareholders in accordance with Article 388 of the Commercial Act and the Articles of Incorporation, and is paid within the limit approved by the general meeting according to the rules established by the Compensation Committee as follows:

Stock Ownership of the Management

Hyundai Mobis issued common and preferred shares, each common share has one equal voting right.

<Summary of Regulations on Payment of Compensations for Registered Directors>

- The compensation for an internal director shall consist of annual salary, incentive based on business performance and severance pay.
- The service allowances of an independent director shall be all the compensation allocated to the independent director.
- The annual salary for an internal director shall consist of base pay and role pay, and shall be determined in overall consideration of the director's position, title, expertise, duties performed, and contributions to the Company.
- The annual salary for an internal director shall consist of base pay and role pay, and shall be determined in overall consideration of the director's position, title, expertise, duties performed, and contributions to the Company.
- The Company shall pay 100% of the relevant fixed amounts to the independent directors without any separate incentives linked to business performance.

Requirements of the Audit Committee Members

The committee members are recommended and approved based on Articles 415 and 542 of the Commercial Act to ensure fair trade.

As of March 2021

Appointment Criteria	Conformity
Composition of three directors or more	5 directors
Two-thirds of the members must be independent directors	All independent directors
One of the members must be an accounting or financial expert	Brian D. Jones, Young Chang
Committee chair must be an independent director	Young Chang
Other disqualification requirements such as related parties of the largest shareholder	Not applicable

Risk Training for Independent Directors

Hyundai Mobis establishes an annual plan to develop the expertise and knowledge of risks, and conduct training for independent directors at least once a year.

Training Organization	Subject
JP Morgan	Global and domestic economic forecast and key risks (market, policy, etc.)
Audit Committee Forum	Audit Committee regulations and guidelines and key risks (government policies, management, lack of supervision, etc.)
JP Morgan	2021 economic and foreign exchange forecast and key risks (market, policy, etc.)

As of March 2021

Name	Job Title	No. of Shares (Common Stock)	Percentage (%)	Base Pay Multiplier
Euisun Chung	CEO	303,759	0.32	65.95
Sung Hwan Cho	CEO	300	0.00	0.26
Hyungkeun Bae	Executive Director	460	0.00	0.26
Youngsuk Ko	Executive Director	1,000	0.00	0.87

* The base pay of CEO Sung Hwan Cho (unregistered executive in 2020) and Executive Director Youngsuk Ko is calculated based on the average pay of unregistered executives in the business report.

* The base pay is calculated based on the amount paid in 2020

As of December 31, 2020 / Unit: KRW million

BOD Compensation	No. of Directors	Total Amount	Average per Person
Executive Director	4	5,765	1,441
Independent Director	5	546	109

2 — Compliance Risk Management

Compliance Management System

Recognizing compliance management as an integral part of sustainable growth, we have established a system to promote compliance and ethical management in our relationships with all our stakeholders including employees, customers, and suppliers.

Compliance Management Regulation System

We established a compliance management system with the focus on “Hyundai Mobis Code of Conduct”, which promotes corporate ethics and compliance, and “Compliance Business Regulations”, which are the top-level business rules for operating a compliance management system, and “Compliance Control Standards”, the highest ground of our compliance management system. As a result, we have a compliance regulation system that includes policies-regulations-guidelines for each area of compliance. In 2020, global standards for external compliance and ESG were reflected with the revision of the supply chain policy, the “Code of Conduct for Hyundai Mobis Suppliers” and the establishment of “Hyundai Mobis Human Rights Policy”.

Compliance Management Operation System

In order to support the “Tone at the Top” principles and promote awareness of compliance, we established the “Compliance Committee”, the top decision-making body composed of management, to share the status of risk management and progress, review the results of compliance checks and improvement agendas. Furthermore, we appointed a compliance support manager and a dedicated organization in charge of compliance activities, implemented a risk management system to ensure efficiency and ethical management, standardized contract and internal control procedures, and prevented illegal and unethical issues. Additionally, major compliance activities, including ethics and compliance support programs, are reported to the board of directors and disclosed to the public through business reports.

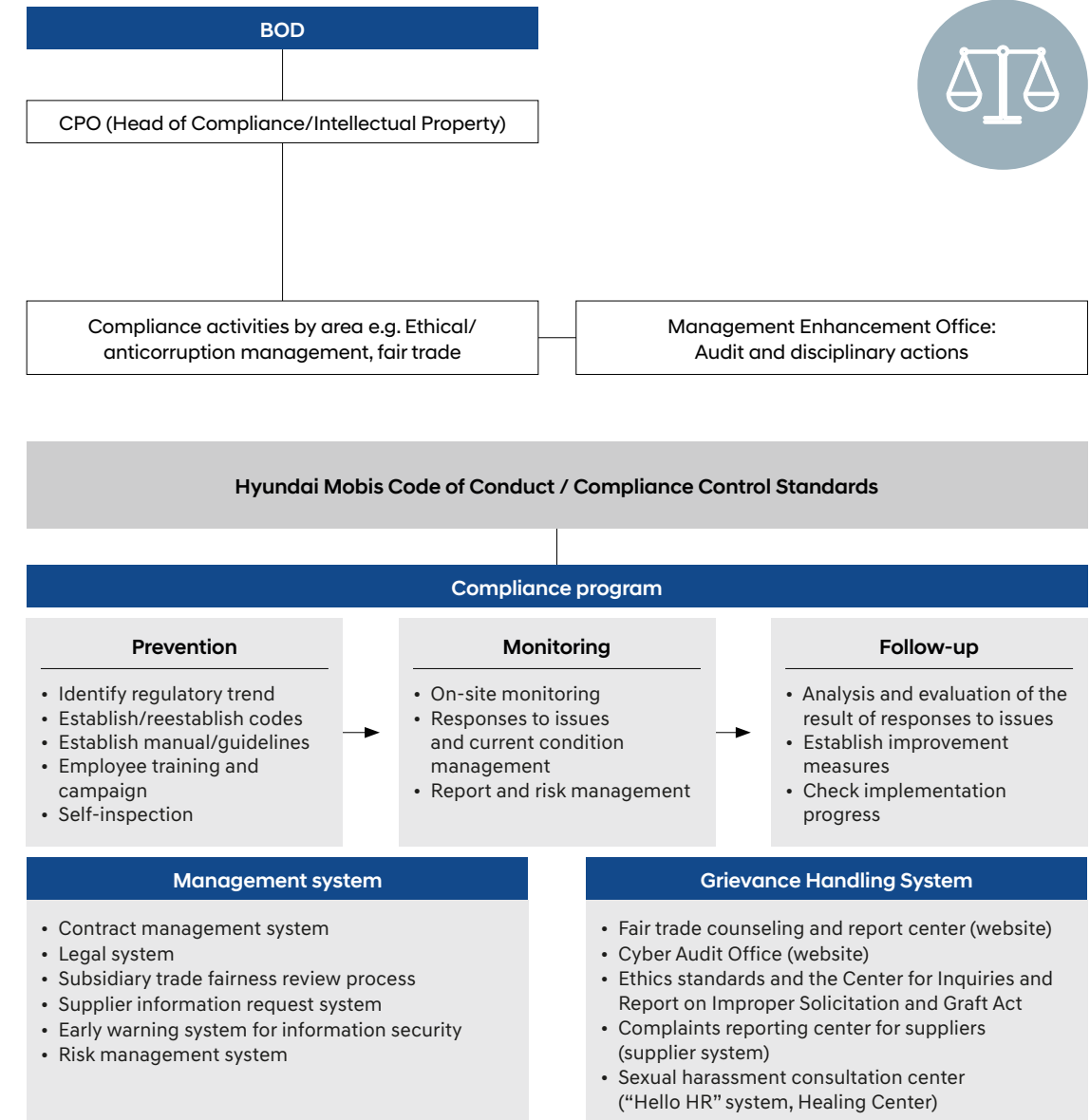
Moreover, we have introduced the “Compliance Partner” program to ensure that compliance activities for each key area of practice are carried out smoothly. A “CPO (Compliance Officer)” is also appointed at each overseas subsidiary so that they can support compliance activities in communication with the compliance organization at headquarters.

Improving Response to Laws and Regulations

To ensure strict compliance with local laws and regulations, we are strengthening our relevant response systems. We keep track of any regulatory changes and certifications and incorporate them into the policies governing Hyundai Mobis and its products. We have also established detailed strategies to reflect them into business processes and products while sharing any changes with relevant departments and incorporating them rapidly into our practice.

Compliance Risk Management

Based on the compliance management system, Hyundai Mobis implements a risk management system that involves the company as well as key stakeholders. Our approach to risk management encompasses all major areas of compliance. We operate the system to prevent risks in terms of corruption, safety, protection of personal information, and fair trade. In addition to the management areas that have been considered important in the past, we have introduced areas such as preventing abuse of authority, corporate brand management, and human rights that are growing in importance. To enhance the effectiveness of risk management, we will continuously strengthen our compliance activities including regular inspection, distribution of compliance guidelines and checklists, and operation of the management committee and councils in key areas.



2 Compliance Risk Management

Spreading the Culture of Compliance

Compliance Commitment Pledge

Hyundai Mobis shares with all employees its commitment toward ensuring compliance and ethical practice and creating a fair and transparent corporate culture. As part of these efforts, we encourage our employees to sign a Pledge of Compliance for fair trade. The pledge encompasses the area of fair trade, corruption-free conduct, information security, prohibition of conflict of interest, and privacy protection.

Compliance Letters

Hyundai Mobis issues “Compliance Letters” on a regular basis to raise awareness of compliance among employees and business partners and to practice compliance management. We are promoting compliance and preventing risks by sharing major domestic and international trends in laws and policies, and compliance issues through major platforms and e-mails.

Compliance Campaign Programs

Hyundai Mobis runs compliance campaigns for employees and stakeholders to promote a compliance management culture and raise awareness. Every year during major holidays, a campaign is organized, distributing compliance guides to employees and operating a gratification report center, and the company’s compliance policy by sending a guide letter to stakeholders including suppliers and distributors for cooperation. In 2020, we implemented the “Code of Conduct Error Finding Campaign” to effectively convey the main content of the “Hyundai Mobis Code of Conduct” which is the highest level of code of conduct. We are also planning and running various campaigns to promote our compliance culture.

Compliance Training Programs

We conduct on/offline training sessions for employees, both new (when first joined) and current (once a year, including contract workers and dispatched workers), to

promote employee awareness of compliance management and reduce risks in advance. The training covers areas such as ethical practice, corruption-free conduct, information security, prevention of sexual harassment, safety, enhanced awareness of legal risks, and more positive awareness of disabled persons inside the company. We adhere to compliance and ethical management in all our work processes by sharing detailed regulations, guidelines, and specialized training based on case studies. We also provide compliance training for overseas subsidiaries, suppliers, and agencies several times per year to affirm our commitment to compli-

2020 Compliance Training Performance

		Classification (2020)	No. of Employees
Employees	Basic	Compliance awareness and competency training in key areas (compliance management system (Code of Conduct), ethics, anti-corruption, human rights, information security, safety & environment, raising awareness of contract risk, sexual harassment in the workplace, awareness of the disabled in the company-7 modules)	7,996
	Advanced	Ethics/anti-corruption compliance training - office/team-based in a single area (training)	445
		Fair trade and subcontract compliance training	1,148
		Information security compliance training	669
		Tax and accounting compliance training	5,108
Suppliers		No. of Companies	
Compliance awareness and competency training in key areas			548
Environmental regulatory compliance training			340
Tariff regulatory compliance training			10

ance and ethical management, and to prevent corrupt practices throughout the value chain. Going forward, we plan to implement continuous enhancements in the training programs to internalize the awareness of compliance and the practice of ethical management.

Compliance Report and Counseling Channel

We have a counseling center for resolving ethical issues along with on/ offline grievance handling systems to which violations can be reported. Employees can report any issues regarding corruption and bribery to the Ethics and Anticorruption Report Counseling Center within the Employee Groupware for resolution. In order to handle matters related to fair trade, we operate the “Fair Trade Counseling/Report Center” on our

website. For issues related to harassment including sexual harassment, through the “Hello HR” system, we conduct investigations and handle the process, including measures to protect victims, while improving the organizational culture and training programs to prevent sexual harassment. We are also committed to preventing sexual harassment and creating a healthy corporate culture through the “Sexual Harassment Prevention Guidelines.” We receive online reports on violations from external stakeholders, as well as employees, through the Cyber Audit Office, and take a proactive approach in our response. To operate the reporting and counseling channel, protect informants, and handle violations, Hyundai Mobis includes in “Hyundai Mobis Compliance Regulations” the following provisions.

Article 13 (Operation of Internal Reporting Channel and Protection of Informants)

1. The CEO may establish an internal reporting system that encourages direct reporting to the compliance officer, etc. regarding illegal or unfair business conducts of employees.
2. The compliance officers may request the relevant departments to take necessary measures for the operation of various internal reporting/reporting channels related to compliance so that related channels can operate efficiently. When any new compliance risks arise, they can ask the company to install a new reporting channel in response.
3. The person who receives or handles the reports from whistleblowers must keep the personal information of the whistleblower and the details of the report confidential.
4. If it is necessary for compliance risk management, each compliance reporting/reporting channel operation department may share related matters with or request cooperation from a compliance officer as long as Paragraph 3 is not violated. The compliance support organization may request follow-up measures to prevent the repetition of compliance risks in response to reported cases.
5. The company is obliged to protect the whistleblower who has discovered and reported a violation of the internal compliance standards through confidentiality, job security, and reduction or exemption of liability. If the whistleblower reports any violations or irregularities involving the whistleblower, it may be taken as a mitigating factor, and whistleblowers shall not be subjected to any disadvantages in career advancement due to whistleblowing. However, the company shall take appropriate measures when the whistleblower or reporter requests personnel measures such as a transfer at work according to the wishes of the person concerned for fear of being disadvantaged in personnel affairs.

Article 14 (Handling Violations)

1. When violations of the compliance control standards and this regulation are found, the compliance officer may notify the person in charge of the relevant department or report them to the CEO and request appropriate measures such as suspension, improvement, correction, and sanctions. If necessary, a comprehensive response plan can be prepared in consultation with relevant departments, etc., and this can be suggested to the CEO, etc. However, in case of an emergency, the compliance officer may, at his/her own discretion, take necessary measures, such as requesting the relevant employees to stop, improve, or correct the related acts before he or she proceeds with the above report or suggestion.
2. The company shall take appropriate disciplinary measures commensurate with the importance of any violations of the Compliance Control Standards and the current Regulations.
3. The compliance officer may request the HR Department and the Disciplinary Committee to take disciplinary actions corresponding to the degree of violations for the violators of the compliance-related norms discovered through compliance control activities, etc. Relevant detailed procedures, etc. shall be in accordance with the Personnel Regulations and the Employment Rules.
4. The compliance officer may come up with a plan to prevent the repetition of the same or similar violations and suggest it to the Board of Directors, the CEO, or the Compliance Committee. When a plan to prevent repetition is finalized, the compliance officer shall notify the relevant departments and related departments and reflect it when improving related programs and policies.

2 Compliance Risk Management

Response to Ethical Violations

At Hyundai Mobis, any acts of demanding or receiving monetary value from stakeholders are strictly prohibited. Stakeholders are all those who have a business interest in Hyundai Mobis, including employees, suppliers, and government agencies. Monetary value includes money, valuables, congratulatory and/or condolence money, entertainment, and the provision of convenience. Bribery is subject to severe disciplinary action, with no leniency permitted in this matter. Cases of violations of the Code of Ethics that are discovered through reporting and annual internal inspection are subject to disciplinary actions according to the HR Management Regulations, and disciplinary actions will be taken according to the procedures described in the Disciplinary Committee Regulations. Out of 43 reports,

2020 Ethical Management Counseling

Classification	No. of Cases
Customer complaints on supply of parts	22
Employees	8
Suppliers	6
CS response	7
Total	43

Actions	No. of Cases	Violations of the Code of Ethics and the Code of Conduct	Measures Taken
HR measures	6	4 cases in conflict of interest 2 cases of failure to comply with the Business Regulations 0 cases of corruption 0 cases of discrimination and harassment	4 dismissals (for conflict of interest) 1 severe penalty 1 minor penalty (for failure to comply with the Business Regulations)
Internal training, etc.	33	-	-
Others	4	-	-
Total	43	-	-

* There have been no actions or lawsuits related to corruption in 2020

6 cases of violation including conflict of interest and failure to comply with the Business Regulations were discovered and measures were taken in 2021.

Fair Trade Compliance

Fair Trade Compliance System

Recognizing fair trade and competition as integral parts of sustainable growth, Hyundai Mobis is committed to creating an environment that promotes fair trade. To this end, we introduced the CP (Compliance Program), our in-house compliance system, in December 2002. The Compliance Manager who oversees the CP operations of Hyundai Mobis manages corporate-wide compliance with the Fair Trade Act and prevention of its violation with the authority and responsibility directly given by the CEO. To support their roles, Hyundai Mobis has set up a "Compliance Bureau" through which CP operations are managed; further, the expertise for CP activities is secured through the Legal Team. Additionally, we have established detailed action principles in the "Employee Code of Conduct" and "CP Operation Rules" to ensure full compliance by stakeholders with respect to fair trade.

Fair Trade Compliance Review

Hyundai Mobis carries out corporate-wide compliance review activities to prevent violations of fair trade laws and regulations in our daily trade. If there is a risk of violation or if a law or regulation is unclear, it is mandatory to conduct a preliminary review of the matter through the Legal Support System as part of our prevention measures. To make it easier for our employees to access information about fair trade, we operate counseling and report channels to which our employees can submit questions about fair trade. There are checklists distributed and publicly posted that can help employees monitor their own risk of violations. The Compliance Bureau conducts improvement activities in business processes in compliance with laws and regulations related to government policies. In particular, it

engages in corporate-wide preventive activities as well as regular reviews and improvements of work processes. In response to changes in government policies and laws/regulations, the bureau also carries out risk analyses based on the Fair Trade Act and Subcontracting Act.

Fair Trade Compliance Training

Hyundai Mobis conducts employee training to raise awareness of the fair trade and reports the results to the BOD semiannually. In particular, we organize annual compliance training for employees working in areas related to the Fair Trade Act, and fair trade managers participate in external training programs to improve their expertise and keep track of relevant policies and laws. To raise overall awareness, the entry-level training program for fair trade is included in our training for new employees. In 2020, a total of 1,148 employees completed compliance training.

Fair Trade for Dealing with Suppliers

Every year, we sign a fair trade agreement with our suppliers to promote fair business transactions and support win-win growth. Specifically, internal regulations were established to ensure compliance with the Subcontracting Act (Four Actions for Subcontracting: Good Contract Management Regulations; Regulations for Supplier Registration and Operation Management; Establishment of Internal Review Committee & Operation Management Regulations; Regulations for Good Document Issuance and Retention Management). In 2020, we signed our 12th Fair Trade Agreement with 333 suppliers for transactions worth KRW 4.39 trillion. We also

encouraged our 1st and 2nd-tier suppliers to sign fair trade agreements, and as a result, agreements were formed between 173 1st-tier and 268 2nd-tier suppliers.

Unfair Trade Report Channel

With a trading system to manage areas such as contract bidding, we prevent unfair trade in advance. Further, we operate an anonymous reporting channel, and investigate unfair trade and make necessary improvements in a timely manner. We also prevent the recurrence of violations through continuous training in relevant areas.

2020 Fair Trade Compliance Training

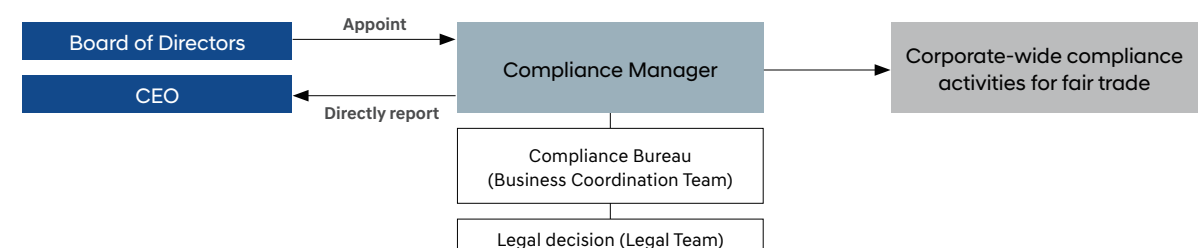
Measures Taken	No. of Participants
Departments related to Fair Trade	977 people
New employees	171 people
Suppliers	548 companies

Fair Trade with Suppliers

Classification	10th	11th	12th
Period	Jan. 1 - Dec. 31, 2018	Jan. 1 - Dec. 31, 2019	Jan. 1 - Dec. 31, 2020
Participants (no. of companies)	339	343	333
Purchase amount (KRW 100 million)	51,072	50,586	43,902

* Refers to the total purchase from suppliers subject to the agreement in the relevant year

Fair Trade Compliance System



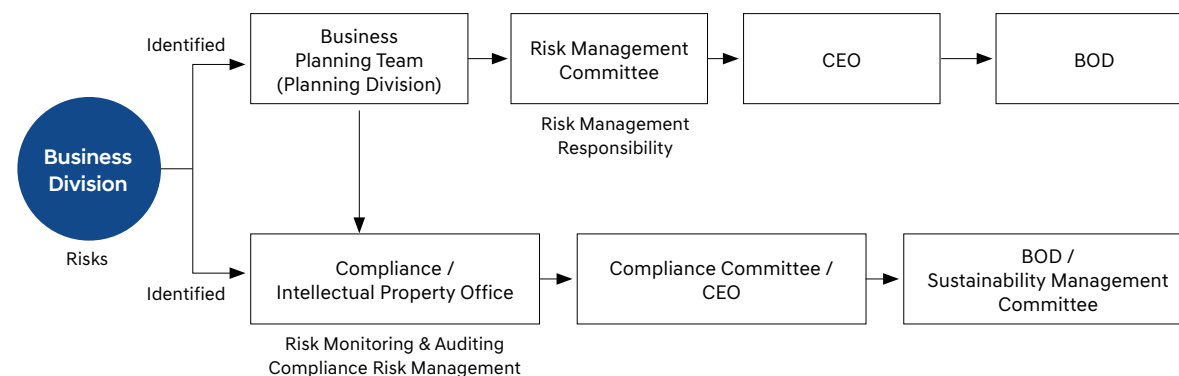
3 — Risk Management

Risk Management System

Hyundai Mobis operates a Corporate Risk Management Committee led by the Business Planning Team. The head of the Business Administration Support Division serves as the CRO (Chief Risk Officer). The committee is divided into 17 departments to develop expertise and ensure prompt responses. The head of each department is responsible for managing the risk of each division, while the CRO takes care of company-wide risk management. Business divisions and the Business Management Team immediately report identified risks to management through the Risk Management Committee. Additionally, through the compliance risk management process, they also monitor risk management activities and the appropriateness of the Risk Management Committee's responses, thereby overseeing the effectiveness of the overall risk management system.

Risk Management Council Operation

We hold monthly Risk Management Council meetings to identify risk factors and implement response strategies and action plans. The Management Strategy Meeting is organized by the CEO to share the results of the risk assessment of the internal and external business environment.



In addition, council meetings are held by the head of the Business Administration Support Division together with the heads of the Planning/Management Departments. These meetings aim to share insights into potential risks and engender collaboration with relevant divisions when handling risks that cannot be resolved by one department alone. Meanwhile, the Risk Management Council consists of risk managers in each department to review the outcome of risk monitoring.

Managing Risk by Category

Economic and industrial environmental risks, such as changes in the market environment and geopolitical factors, are reported to management on a regular basis as they can affect overall business operations. Financial risk is classified into foreign exchange loss from foreign currency bond and debt, net cash flow, and debt ratio analysis for management. Social, environmental, and regulatory risks are also subject to strict management.

In this regard, we implement a variety of measures, such as improving compliance in fair trade and building a system to respond to global environmental regulations and climate change. We conduct preventive management for unpredictable risks, such as industrial and natural disasters, by designing scenarios for each case. This allows us to reduce their impact while maintaining close cooperation, so corporate-wide efforts can be made for recovery in an emergency situation.

Core Risk Management

Hyundai Mobis reviews the severity, probability of occurrence, and impact of individual risk factors through the Risk Management Council, and defines risks with a high level of importance as core risks identifying the key factors that must be managed and focused on. Core Risk factors are updated and revised annually to establish a prompt response system to changes in the global business environment and global environmental regulations. This enables us to strengthen our monitoring system for potential risks that may affect our business performance.

Core Risks

Type	Areas of Focus	Action Plans
Pandemic Risks	Global COVID-19 outbreak	Monitor trends and prevent COVID-19 through emergency response TFT
Deterioration of Business Environment	Impact from customs duties imposed by the US on all import automobiles Impact from additional tariffs on Chinese imports to the USA Regulatory impact from implementation of USMCA in the USA	Company-wide response planning on business impact (in case risk escalates) - Build comprehensive contingency plan including operating manufacturing bases, strategy to expand localization, plan to recover losses
Political, Economic	Exchange rate trends (revenue, cost, and benefit, FX loss, etc.)	Enhance monitoring of operations in high-risk countries
Instability in Developing Countries	Sales trends and government policy for completed automobiles (automobile industry, labor, etc.)	
Fluctuations in Financial Markets	Foreign exchange and interest rate risks	Monitor financial market and company's liquidity situation
Increase in Raw Material Prices	Increase in production costs (material costs, transportation costs, manufacturing expenses) Price fluctuation of raw materials such as the international oil price	Review manufacturing cost trends and plan to improve profit
Regulations on Safety and Environment	Regulatory trends in safety and health by country (EU Reach ¹⁾ , NCAP Assessment ²⁾ , etc.) Ministry of Environment (Korea), regulation on harmful substances in products (Act on the Registration, Evaluation, etc., of Chemicals) Occurrence of mass recalls, diminishing quality ratings Increase in financial and environmental management risk per the strengthened domestic and international climate change and green regulations.	Enhance material data management system in response to regulatory demands Enhance monitoring of quality defect and its trends by external organizations Analyze the cause of problems and establish measures to prevent recurrences Establish eco-friendly policies and prevent risks through ESG declaration (e.g. RE100)
Compliance Risk	Compliance with relevant laws and regulations	Enhance monitoring, inspection, improvement, training, and campaign

1) REACH: Registration, Evaluation, Authorization, and Restriction of Chemicals / 2) NCAP: New Car Assessment Program

3 — Risk Management

Potential Risk Management

Classification	Definition/Description of Risk	Potential Impact on Business	Response
Climate Change	Climate change caused by continuous rise in global average temperatures widely influences the lives of all humankind, including the auto parts industry. Physical risks including flooding, hurricanes, sea-level rise, heatwaves, and the transition risk to a low-carbon economy associated with the regulation, market, and awareness changes may occur as well.	<ul style="list-style-type: none"> - Technological gaps with companies that are driving innovation due to climate change can lead to weakening business competitiveness and compromising corporate brand image - Physical risks such as logistics disruption, raw material supply and quality degradation caused by intensified environmental instability due to extreme weather events may occur 	<ul style="list-style-type: none"> - Built an eco-friendly line such as a driving system, battery system etc. around Chungju's eco-friendly parts plants - Secure original technologies and expand production bases for new eco-friendly parts in response to a growing demand for eco-friendly cars - Increase the use of renewable energy in workplace to achieve RE100 and carbon neutrality
Transition of Industry Structure	The paradigm shift in the automotive industry is expected to change the end user's demand for mobility and the way they use it. We expect to see a transition from where users simply purchase and use cars produced as a means of transportation, to the mobility-based trend that provides customized services to the intended use and purpose of the end-user. Failure to respond to the transition process may expose us to its risks.	<ul style="list-style-type: none"> - Purpose-based mobility (PBV) is expected to account for 25% of global automotive market demand by 2030. - Need to secure R&D resources in response to changing mobility demands - Develop expertise in manufacturing parts for future mobility platforms 	<ul style="list-style-type: none"> - Secure future mobility technology and increase investment e.g. developing in-wheel motor system prototypes - Develop purpose-based mobility based on autonomous driving e.g. M. Vision S, M. Vision X S, and M. Vision POP - Respond to the transition of industry structure by securing mid/long-term growth engines e.g. purpose-based mobility (PBV), urban aviation mobility (UAM), robotics, etc.
ICT / Network Infrastructure	As the importance of ICT (Information and Communication Technology) increases, it is becoming more important to manage risks related to system breakdown and security vulnerabilities in information asset management systems. If technological progress, such as data management solutions and security systems against unauthorized access, is not continuously made, the possibility of malfunctions and accidents related to information security may increase due to aging technology limitations. It may also cause negative effects on company-wide activities.	<ul style="list-style-type: none"> - Increase in the importance of securing core technologies in the ICT sector to gain competitive edges in terms of software - Negative impact on credibility and reputation if failed to secure stable software performance and customer information security e.g. hacking, unpredictable temperature/humidity 	<ul style="list-style-type: none"> - Organize software training in preparation for the future e.g. autonomous driving and connectivity (for research personnel at Yongin R&D Center) - Develop research capabilities in global bases e.g. Vietnam, and secure more than 4,000 staff in software R&D by 2025

Case.

Risk Identification and Management Process - COVID-19



1. Initial response and crisis management

- Contingency planning based on scenarios
- Establishing employee protection policies
- Short-term cash management
- Short-term supply chain management
- Shut-down management



2. Stabilizing business operation

- Stabilizing core projects
- Reviewing/stabilizing suppliers/partners
- Supply chain/inventory management
- Sales protection and customer management
- IT system expansion



3. Preparation for recovery and post-pandemic strategy

- IT system upgrade
- Ramp Up planning based on scenarios
- Internalizing lesson learned from crisis
- Improving resilience
- Responding to new business environments

Tax Risk Management

Tax Policy

Compliance with tax laws and the fulfillment of tax obligations are part of our corporate responsibility towards customers and the national economy. Based on our profound understanding of domestic and overseas tax laws and regulations, Hyundai Mobis practices full compliance with local tax laws and regulations in all our business transactions. Furthermore, we promote fairness in taxation by submitting required information and meeting the requirements set by the tax authority of each country. In addition, we clearly define the roles and responsibilities of each manager in terms of tax reporting and payments. If clarification regarding tax laws is required, we consult external experts such as accounting firms etc. to come up with optimal solutions.

Fulfilling Overseas Tax Obligations

For international transactions with overseas subsidiaries, the company has established and implements a transfer pricing policy based on the arm's length principle, which complies with the South Korean tax laws and transfer pricing guidelines. Accordingly, the company prohibits the transfer of value created in low tax jurisdictions and the use of tax structures that do not have a business entity. In principle, offshore tax evasion using tax havens and tax evasion using international transactions are prohibited. We fulfill all our obligations for corporate tax and submissions of information required by local tax authorities with support from headquarters and follow the tax laws of the country in which we operate our business.

We identify risk factors related to our overall business operations through the analysis of changing social trends, as well as changes in the internal and external environment. We then implement a strategic response to turn potential risks into opportunities.

3 — Risk Management

Human Rights Risk Management

Human Rights Policies

Hyundai Mobis declared human rights policies to actively implement human rights management and prevent violations while reducing risks. In addition, we comply with international human rights and labor standards and guidelines including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the International Labor Organization Constitution, and the OECD Due Diligence Guidance for Responsible Business Conduct.

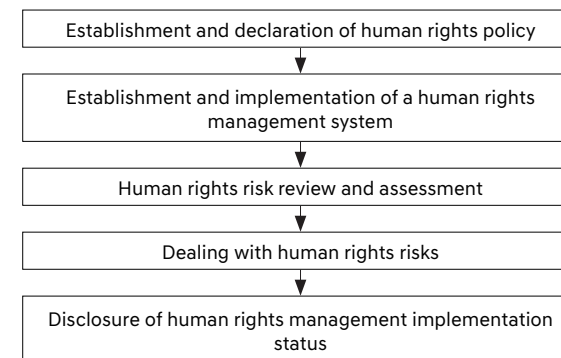
Scope of Application

All employees (executives, employees, and non-regular workers) of domestic and overseas production and sales companies, subsidiaries, and joint ventures are subject to our human rights policy. In addition, employees of Hyundai Mobis follow the human rights policy when dealing with suppliers and sales/service organizations, and further encourage all stakeholders in business relationships to respect this policy. If they conflict with local laws, the latter should be observed first, and our human rights policy can be revised to reflect the local laws and industry or establish other detailed policies. Unless there are special provisions such as the laws of the country or articles of incorporation, all employees of Hyundai Mobis should perform their duties in accordance with this human rights policy.

Human Rights Risk Management System

To protect the human rights of all employees and prevent associated risks, Hyundai Mobis established an internal system for the implementation of human rights management in accordance with the human rights policy while evaluating and dealing with the risks, and sharing the results with stakeholders regularly. The human rights management organization of Hyundai Mobis implements the human rights risk management

system based on the principle of good faith, periodically reviews management procedures, and updates the management system by actively reflecting social changes.



Results of 2020 Human Rights Due Diligence

In 2020, Hyundai Mobis conducted due diligence on human rights and completed corrective measures for the findings. (Period: Jan. 1 - Dec. 31, 2020, Scope: Hyundai Mobis, subsidiaries subject to consolidation, and supply chain)

Classification	Employees			Safety, Health and Environment ³⁾
	Labor ¹⁾	Ethics ²⁾		
Total no. of cases	10,244	60		24,102
No. of abnormal cases	0	1		97
No. of corrected cases	0	1		97

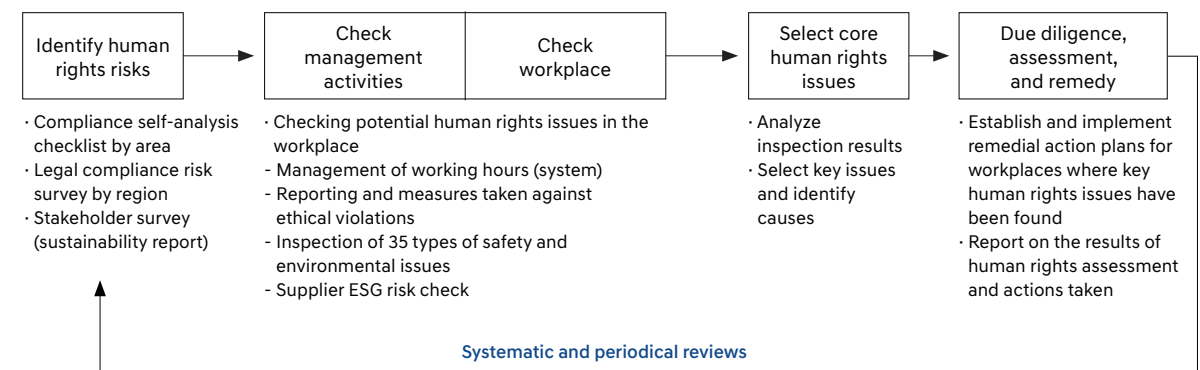
1) Working hours management (system), all domestic employees

2) "Hello HR" (employee grievance reporting system) reports and actions (Jan. - Dec. 2020), no reported discrimination cases

3) 29 special and regular inspection of safety and environmental standard system (Jan. - Dec. 2020)

Human Rights Due Diligence Process

Based on the Universal Declaration of Human Rights, the UN Guiding Principle on Business and Human Rights, and the OECD Due Diligence Guidance, Hyundai Mobis assesses potential human rights impacts in the entire business process. We consider forced labor, child labor, working hours, discrimination and harassment, freedom of association, safety and health, environment, etc. which are human rights issues that can affect stakeholders including Hyundai Mobis employees (including foreign workers), employees of consolidated subsidiaries and suppliers, and local communities.



Basic Principles of Human Rights Management

Anti-discrimination

No employees are discriminated against in terms of recruitment, employment, promotion, education, pay, and benefits based on their gender, race, ethnicity, nationality, religion, disability, age, family status, social status, and political opinion without justifiable reasons. We are committed to promoting diversity in our workplace. In addition, all forms of harassment and sexual misconduct are prohibited, and employees can report them using the grievance handling system ("Hello HR" system, Healing Center and Cyber Audit Office). Education is integrated into regular compliance training.

Compliance with working conditions

We comply with the regulatory requirements on working hours of each country in which we operate our business, and pay all employees a reasonable compensation for their work along with their pay stubs. In addition, to develop the competency of all employees and improve the quality of life, we provide sufficient educational opportunities and a healthy work environment for job performance.

Humane Treatment

We respect the privacy of all our employees and their personal information and do not engage in mental or physical coercion, abuse, or unreasonable treatment

Freedom of Association and Collective Bargaining

We respect local labor laws subject to our human rights policy and provide sufficient opportunities for communication.

Prohibition of Forced Labor and Child Labor

We do not force any employees to work against their will through assault, intimidation, or imprisonment, or by requiring identification cards or visas. Child labor is prohibited in principle, and their educational opportunities should not be limited by work.

Occupational Safety

We regularly inspect facilities, equipment, and tools at our workplace so that all employees can work in a safe working environment, and take necessary measures and follow-up to prevent physical and mental risks.

Human Rights of Local Community

All employees are required to take special care not to infringe on the human rights of local residents when performing work, and protect their right to health and safety and freedom of residence.

Human Rights of Customers

When offering products or services, our employees are required to place the life, health, and property of customers first, and do their best to protect their personal information collected through business operations.

4 Information Protection

Protect National Core Technology

Hyundai Mobis possesses national core technologies for the future automotive industry. When the security of critical technology is breached or used improperly, it may gravely damage the company's competitiveness, as well as that of the country. To prevent this risk, Hyundai Mobis established a security management system in consideration of each component including core technology, assets, and human resources. We also comply with the Act on Prevention of Divulgence and Protection of Industrial Technology, which oversees the protection and management of national core technologies. In addition, we provide year-round training specialized in the protection of core technology for employees who deal with them. Furthermore, we undergo annual reviews from relevant regulatory authorities on the adequacy of the protection systems for these core technologies. In addition, we strive to safeguard national core technology by running close cooperative councils with relevant authorities and securing expertise. To establish the best security management system, we engage in various security initiatives including the introduction of the latest ICT, company-wide training, and sharing information with team security personnel.

Information Security Management System

Hyundai Mobis operates a security management system in accordance with relevant laws and regulations concerning information security (Act on Prevention of Divulgence and Protection of Industrial Technology, Unfair Competition Prevention and Trade Secret Protection Act, and Personal Information Protection Act). In particular, we apply a security system tailored to the needs of each workplace both domestically and abroad, based on which we carry out inspection, improvement, and progress management in the administrative, physical, and technical areas in our major domestic and overseas business sites. We also provide

important security information, technology, on-site instructions and guidance to raise their security awareness and strengthen information security throughout the entire value chain.

Raising Security Awareness

At Hyundai Mobis, we engage in the following activities to raise the security awareness of our employees:

- The information protection day is held every month to check the physical work environment and security measures including "Clean Desk". We also distribute security training materials, including internal security regulations and daily practice rules, to ensure compliance with the security rules of each department.
- Strengthen security measures to prevent and deal with ransomware, leakage of critical information, and payment fraud using malicious codes by conducting simulated training for domestic and overseas employees.
- Encourage employees' engagement and raise security awareness by rewarding excellent security practices and organizing company-wide security campaigns.

Smart Security Environment

Hyundai Mobis established a next-generation security architecture with a focus on coordination and sharing and supports efficient business performance by applying security policies and improving the environment accordingly. Our next-generation security architecture is designed to ensure flexible responses to changes in external environments such as non-face-to-face work processes due to COVID-19.

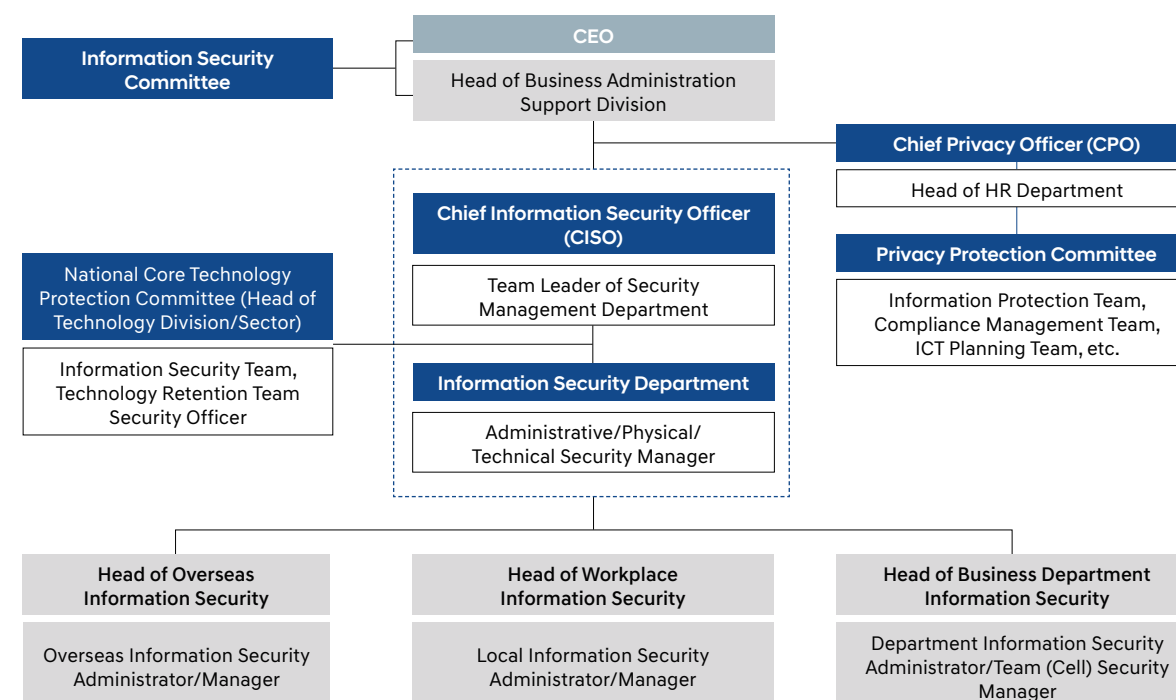
Personal Information Protection

Hyundai Mobis ensures strict protection of the personal information of its customers and employees which we consider the most important part of the operation. To protect personal information, we have established the following management system:

Our employees comply with the principles of handling personal information to prevent security breaches and violation of privacy.

- Designate a Chief Personal Information Protection Officer
- Establish a manual for internal personal information management
- Year-round training and information protection pledge for major personal information handlers
- Inspect and improve measures for securing the safety of the personal information processing systems
- Comply with domestic and overseas personal information regulations (Personal Information Protection Act, Act on Promotion of Information and Communications Network Utilization and Information Protection, EU GDPR, Cyber security Law of the People's Republic of China, etc.)

Organizational Structure for the Management of Information Security





04 FACTBOOK

1 — Economic & Business Performance

Economic Performance

Distribution of Economic Performance

The ultimate goal of Hyundai Mobis is not only to create sustainable revenue but also to share and promote values in coordination with all its stakeholders. To this end, we are committed to the fair distribution of the results of our economic performance to our various stakeholders including shareholders, customers, employees, and suppliers in the forms of shareholder dividends, social contribution, and payment of tax. In 2020, Hyundai Mobis created an economic value of KRW 36.6265 trillion, which the company shared with every stakeholder.

Classification		Unit	2018	2019	2020
Suppliers	Purchase from suppliers	KRW 100 million	311,425	333,020	315,832
Employees	Wages	KRW million	792,864	887,360	871,722
	Retirement benefits	KRW million	61,761	76,116	83,379
	Employee benefits	KRW million	161,558	168,413	182,322
Government	Taxes and dues	KRW million	586,677	919,983	591,130
Local community	Expenses for social contributions	KRW million	27,942	21,071	24,089
Creditors	Expensing of interest expenses	KRW million	63,662	75,005	54,543

Major Financial Performance

Classification	Unit	2018	2019	2020
Total assets	KRW million	43,071,132	46,606,064	48,497,676
Total liabilities	KRW million	12,367,704	14,196,442	15,169,553
Capital stock	KRW million	30703,428	32,409,622	33,328,123
Sales ¹⁾	KRW million	35,149,219	38,048,768	36,626,504
Gross profit	KRW million	4,567,004	5,229,169	4,704,238
Operating profit	KRW million	2,024,957	2,359,257	1,830,292
Operating expense ²⁾	KRW million	33,124,262	35,689,511	34,796,212
Profit before income taxes	KRW million	2,474,883	3,214,294	2,117,980
Corporate tax	KRW million	586,677	919,983	591,130
Net income	KRW million	1,888,206	2,294,311	1,526,850

1) 2020 domestic sales KRW 18.092244 trillion and overseas sales KRW 18.53426 trillion

2) Cost of goods sold + general & administrative expenses

Shareholding Structure

As of December 31, 2020

Classification	No. of shares (common stock)	Percentage (%)
Largest shareholders and person with special interest	29,672,024	31.22
National Pension Service	11,201,108	11.78
Treasury stocks	2,532,600	2.66
Other shareholders	51,648,962	54.34
Total	95,054,694	100

Korea Corporate Governance Service (KCGS) ESG Evaluation

Classification	2018	2019	2020
ESG Class	B+	A	A
Environmental responsibility	A	A	B+
Social responsibility	A	A+	A+
Governance	B	B+	A

R&D Investment

Classification	Unit	2018	2019	2020
Total R&D expenses	KRW million	835,006	965,360	1,012,183
R&D personnel	persons	4,126	4,987	5,387
% of R&D personnel among all employees*	%	12.8	15.6	15.4
% of R&D expenses in regard to total sales	%	2.4	2.5	3.0

* All employees in domestic/overseas business sites

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Economic & Business Performance

Special Page | Shareholder Value Maximization Strategy

Shareholder Value Maximization Strategy

Hyundai Mobis established a consistent and predictable policy to share its business outcome through active and organic communication with shareholders and investors. To this end, we changed dividends payout from an annual to quarterly basis in 2019 (not implemented in 2020 due to COVID-19), and are also implementing purchase and retirement of treasury stock as part of our mid/long-term shareholder return policy. In addition, we are implementing strategies to increase shareholder value, such as investment for the future technology to enhance corporate value and engage in activities to improve corporate governance. The current status and results of these activities are disclosed to all shareholders and other stakeholders.

Shareholder Return Policy

Hyundai Mobis is committed to maximizing shareholder value based on the mid/long-term shareholder return policy announced in 2019. We are implementing a consistent policy of distributing 20% to 40% of the free cash flow every year for a total shareholder return of KRW 2.6 trillion¹⁾ for three years, including the retirement of treasury stocks that have been implemented since 2019.

1) KRW 1.1 trillion of dividend, KRW 1 trillion of treasury stock purchase, and KRW 460 billion of retired treasury stock in total

Shareholder Return

Classification	2018	2019	2020
Dividend policy	20% - 40% of FCF ¹⁾	20% - 40% of FCF	20% - 40% of FCF
Amount of dividend	KRW 378.8 billion (KRW 4,000 per share)	KRW 375 billion (KRW 4,000 per share)	KRW 370.1 billion (KRW 4,000 per share)
Treasury Stocks	-	Purchased: KRW 322.5 billion / Retired: KRW 473.6 billion	Purchased: KRW 234.8 billion / Retired: KRW 62.5 billion
Amount of return ²⁾	KRW 378.8 billion	KRW 697.5 billion	KRW 604.9 billion
Percentage of return ³⁾	21.1%	30.4%	39.6%

1) Free Cash Flow
2) Sum of dividend and purchased treasury stock
3) Sum of dividend and purchased treasury stock is divided by net income

Increasing Future Corporate Value

Hyundai Mobis discloses its cash flow plans and maximizes shareholder value through the proactive and successful execution of plans. In particular, we invest in parts for electrification in line with the trend of the automobile industry and expand domestic and overseas electrification bases, including Ulsan and Daegu. Furthermore, we will continue to invest in promising industries and technologies to secure competitiveness. In 2020, to gain competitive advantages in the mobility sectors, we invested in Boston Dynamics, a robot developer, and acquired shares of the semiconductor division of Hyundai Autron to enhance business capabilities. Going forward, we will continue to invest in our competitiveness to improve corporate value and share performance with our shareholders and investors.

Strengthening Corporate Governance

Hyundai Mobis has engaged in various activities to strengthen its corporate governance by appointing foreign directors, organizing the Compensation Committee, and establishing the Corporate Governance Charter, etc. In 2020, we introduced the electronic voting system, appointed independent directors recommended by shareholders, and published a corporate governance report in English to promote communication not only for domestic shareholders and investors but also overseas as well. In addition, our progress was recognized as we were rated A as a result of the governance sector evaluation by the Korea Corporate Governance Service. In 2021, we will further improve our governance structure by reorganizing the Corporate Sustainability Management Committee (formerly Corporate Governance & Communication Committee) under the BOD to expand its roles, appointing female independent directors, and broadcasting the general meeting of shareholders to allow shareholders to participate online.

Corporate Governance Improvement Milestones

Classification	Highlights
Feb. 2019	Announced the shareholder value maximization strategy - announcement of dividend policy, interim dividend implementation, treasury stock purchase and retirement
Mar. 2019	Appointed a foreign independent director
Dec. 2019	Organized Compensation Committee
Dec. 2019	Established Corporate Governance Charter
Feb. 2020	Introduced electronic voting system
Mar. 2020	Appointed independent director recommended by shareholders
Jun. 2020	Published corporate governance report in English
Feb. 2021	Reorganizing Corporate Sustainability Management Committee (formerly Corporate Governance & Communication Committee) - strengthen ESG and occupation safety and health
Mar. 2021	Appointed a female independent director
Mar. 2021	Broadcast the general meeting of shareholders

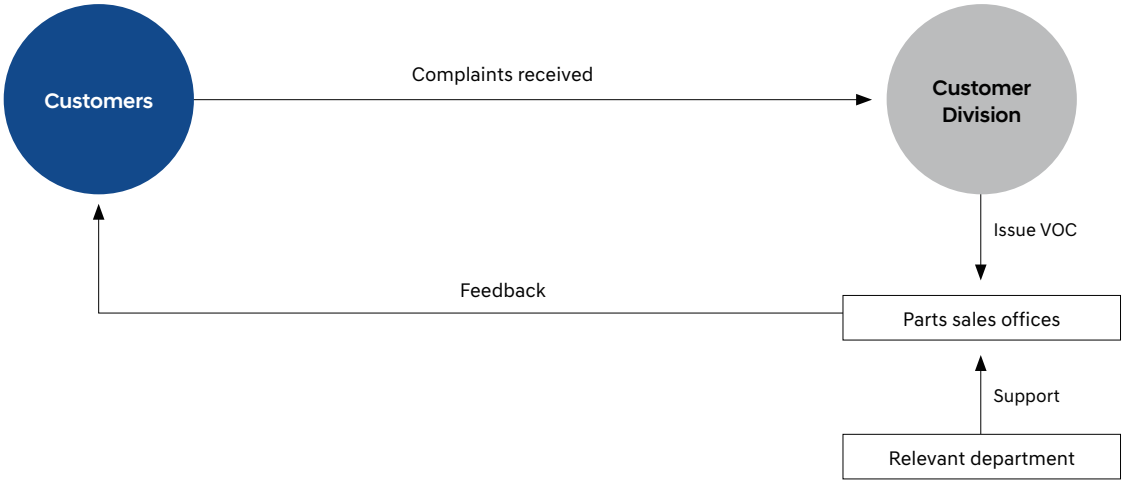
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Economic & Business Performance

Customers

Stable Supply of Aftermarket Service Parts (Aftermarket Service Parts Supply System)

As a supplier of aftermarket service parts for finished vehicles, Hyundai Mobis is committed to delivering parts in a faster and more accurate way. As of the end of 2020, there were more than 58.44 million vehicles produced by Hyundai Motors and Kia around the world. We supply more than 2.4 million parts for 193 models including those no longer produced. Under Korea’s Framework Act on Consumers and Motor Vehicle Management Act, parts must be available for up to 8 years after the discontinuation of the model. Therefore, to ensure the timely and reliable supply of aftermarket service parts, we are enhancing the accuracy of demand prediction and improving the efficiency of our logistics systems using an AI-based, next-generation demand forecast and logistics standard system. In particular, we manage the warehouses and shipments of all items in real-time through our intelligent warehouse system using barcodes. We are also responsible for supplying aftermarket service parts for Hyundai Motors and Kia all over the world using a global parts supply network. Through rigorous testing and stringent quality control, we ensure that vehicles maintain the highest level of performance throughout their lifecycle. When problems are identified through self-inspection or customer reporting, we ensure customer safety as a top priority through immediate recalls. If the parts needed by a customer are not available at the location, we source parts from the nearest location via coordination between the customer service system (MINDS) and the parts operation system (SMART). Going forward, we will further advance our demand forecast system by taking advantage of actual demand and big data and provide the best possible service to our customers.



Domestic/Overseas Parts Sales Network

Classification		2018	2019	2020
Domestic	Parts sales offices	22	22	22
	Logistics centers	4	4	4
	Service parts sales teams	41	41	41
	Agencies	1,917	1,910	1,892
Overseas	After sales parts subsidiaries and divisions	15	15	15
	PDC	57	57	57
	RDC	2	2	2
	Branches and offices	2	2	2
	Agencies	472	494	470
	Dealer (person)	14,299	13,288	12,962
Recall	Number of vehicles recalled in Korea and overseas	1,609,723	547,024	1,549,892

PDC: Parts Distribution Center
RDC: Redistribution Center

1 — Economic & Business Performance

Service Management for Customer Satisfaction

Support for Enhancement of Agency Competency

Hyundai Mobis recognizes our agencies and dealers as essential customers that purchase after-sales service parts and also as core partners in enhancing our customer service quality. Therefore, we provide various support and training programs to help them improve their operating environment and develop their management skills. Through competency enhancement support for agencies and dealers, we have built a virtuous cycle that creates greater value for our customers.

Agency Training Programs

		Unit: person		
Classification	Program Description	2018	2019	2020
Business academy for agency CEOs	Agency CEOs leadership training to improve management skills (Staff coaching skills, Change management skills, etc.)	281	269	-
Fostering next-generation leaders	Leadership and job competency training to support for management succession	91	78	-
Online job training	Agency Staff Online training (changed in 2018) to enhance basic job capability of agencies	1,319	1,136	647

※ The agency group training was suspended in 2020 due to COVID-19 (Preparing to expand online training)

Agency Business Support Program

Classification	Program Description	2020
Win-win Fund support	Created the Win-Win Fund (KRW 20 billion) to provide low-interest loans for agencies planning to make large investments in environmental protection using borrowings from the financial sector	KRW 160 million
Management consultations for agencies	Dispatch Hyundai Mobis employees with management consultation qualifications to each agency for four weeks, and analyze the overall management problems of the agency, including organizational management, sales, marketing, inventory, and logistics, to implement improvements	27 agencies
Support for environmental improvements	Provide part discounts in accordance with agency investment costs to improve the warehousing environment, targeting agencies with poor environments of storage (Implemented as of July 2019)	19 agencies
Enhancing agency inventory	Support inventory cost-saving measures and distribution control enhancement programs for agencies by sharing the burden of the misuse of components that occurs during the process of storage and distribution	KRW 4.6 billion
Support agency operation system fee	Provide support for expenses incurred by the integrated agency operation system for efficient IT operation	KRW 970 million
Provide supplies to agencies	To supply quality customer service through a standardized shop environment, we provide items needed in operations including uniforms, signboards, wall images, and car stickers, among others.	KRW 190 million

Strengthening CS Competency

With customer satisfaction as a top priority, we are engaging in various CS competency enhancement programs. We organized training programs to improve the CS mindset of employees at wholesale/retail contact points and created VOC webtoons on the topics of good practice and complaints from customers to raise awareness. Every year, we conduct a customer satisfaction survey and assess service manual compliance to make necessary improvements. Going forward, we plan to create a customer-centered and customer-oriented corporate culture through various CS engagement programs based on the concept of awareness training and campaigns to improve the way service personnel speak.

2020 CS Training Performance



Classification	Training Details	No. of Trainees	Number of Training Sessions	Training Hours
VOC response improvement training	Training in improving capacity to cope with out of stock and VOC for staff at touch points in wholesale	100	4	5
Leadership training	Leadership training in customer management for team leaders at touch points in retail	41	3	3
Training to strengthen work competency	Training in sharing VOC cases and improving the mindset of customer service for new employees to help them adjust to their jobs early	20	1	3
Customer service training for accounts receivable/clerk staff	Training to be familiar with Standardized customer response procedures and improve the attitude of serving customers	75	3	8
Customer service training for new employees at contact points in retail	Service manual and basic response training for new employees at customer contact points through regular training	33	6	6
Customer service response coaching clinic	Customized coaching based on the results of visiting customer contacts and checking staff's attitude in customer service	51	7	37
Training in customer service campaign implementation	Monthly customer service campaign to improve customer-oriented mindset at contact points in retail	160	24	12
Hyundai Mobis Parts Mall app usage training	Training on user manuals and agency response guides to improve the understanding of app usage by wholesale business employees	160	4	4
Training in how to use Parts Mall app and non-face-to-face payment system	Training on how to use the app for dealerships, payment systems, and general customer response manual	340	4	4

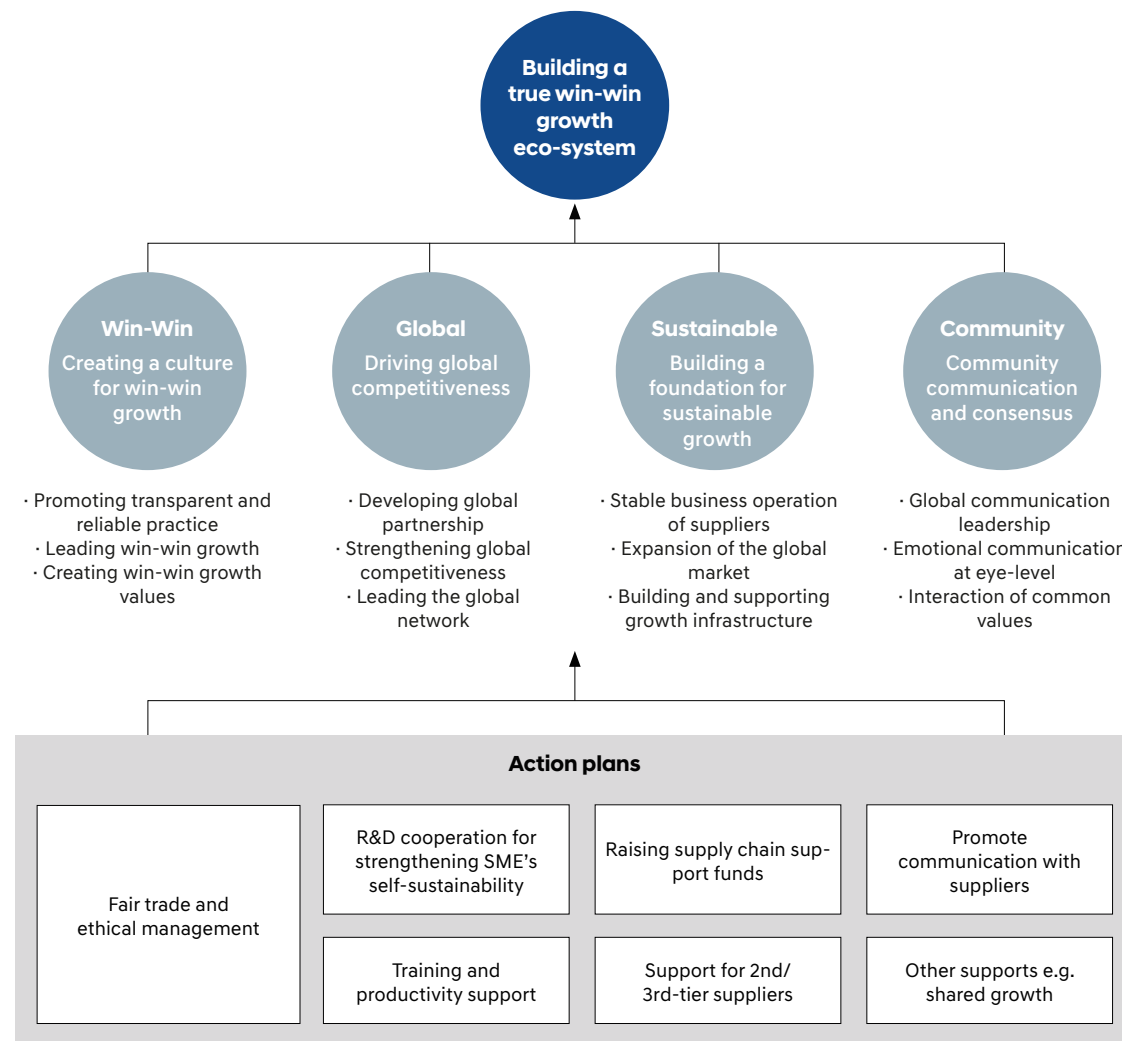
※ Hyundai Mobis Parts Mall APP: An application that supports the search for distribution networks where parts can be purchased by vehicle number and Vin number in order to improve the convenience of parts search for consumers and the convenience through sharing of missing product information.

1 — Economic & Business Performance

Win-Win Management

Win-Win Growth System

Hyundai Mobis has established a win-win growth system to support its supply chain based on win-win development. Through the support systems for win-win growth with the focus on financial support, cash payment, R&D partnership, and training support, we are implementing win-win growth programs with suppliers.



Win-Win Growth Strategy

Based on mutually beneficial cooperation, we set our strategy with a focus on creating such a culture by strengthening global competitiveness, building a foundation for sustainable growth, communication, and consensus. To this end, we have implemented a system to support our suppliers with financing assistance, competency development, and increased communication. In addition, we assist our suppliers to pursue sustainable management through detailed action plans called the “Seven Beautiful Promises”.

R&D Cooperation for Strengthening Sustainability of SMEs

Securing a technological edge is essential to achieving corporate growth. To strengthen the R&D competencies of our suppliers, we share our patented technologies with suppliers and facilitate their technological development. Furthermore, we also provide our suppliers with access to the authorized test facilities to help them save test expenses and offer financial support for test equipment, calibration and certification costs in order to promote the development of parts and components. With the guest engineering system, we provide research spaces and facilities for free and contribute to the improvement of technical expertise through joint technology development and patent applications.

Program	Description	Performance in 2020
Freely share and transfer intellectual property rights	<ul style="list-style-type: none"> · Provide access to our latest patented technologies · Transfer patents to suppliers free of charge 	Shared pool of patents: 294 patents Patent transfer: 3
Provide support for the development of new product/technology	<ul style="list-style-type: none"> · Provide financial support for R&D projects to enable independent development · Support localization for lower reliance on imported parts and improved technological competency 	Support for new product/technology development Amount: KRW 39.07 billion / No. of cases: 197
Provide support for testing equipment	Provide access to the Shanghai Test Center in China and to the electromagnetic darkroom at the Center	Financial support for testing at the Shanghai Test Center Amount: KRW 243 million / No. of cases: 1,992
	Support for supplier's testing equipment calibration, purchase, test, and certification	Test analysis support: KRW 60.92 million / 117 cases
Guest Engineering	Provide space and facilities for free for joint part design and R&D with business partners.	Free space and facility rental: KRW 143 million / 239 cases
Facilitate joint patent application	<ul style="list-style-type: none"> · Apply for patent registration through joint technology development 	No. of joint patent applications: 93 patents
Provide financial support for patent applications	<ul style="list-style-type: none"> · Provide financial support for joint patent applications · Provide financial support for joint patent application/registration of technology developed by suppliers 	Support provided: KRW 14 million/ No. of cases: 28

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Economic & Business Performance

Support for Improving Training Performance and Productivity

We share the latest technological information, quality improvement plans, and legal and regulatory trends with our suppliers and provide training for suppliers' employees. Furthermore, we provide training required for positions in practice, quality, and technology to help our suppliers improve their quality with their enhanced competency.

Program	Description	Performance in 2020
Technical training with on-site quality volunteer groups	Provide consultation on quality improvement at the supplier's site	Instructors: 46 companies
Management consultation for supplier support groups	Provide consultations on improving overall management competency in areas such as strategy, finance, marketing, and organization	Instructors: 93 companies
Technology and Quality Training Academy	Provide technology and quality training for 1st and 2nd tier suppliers	Participants: 1,045 people (853 companies)

Supplier Support Fund

Hyundai Mobis has established various financial support systems and payment terms to help our suppliers maintain a healthy financial position and liquidity. In particular, we take account of the financial pressure on small- and medium-size suppliers in relation to the development of new moldings which typically require large-scale investment. To provide relief regarding this issue, we cover the full hourly costs before mass production to improve supplier cash flow.

Program	Description
Financial support program	<div><div>• Provide various modes of financial support, e.g. full hourly cover for molding cost of SMEs, mutual cooperation loans, win-win growth funds, and future growth funds (exclusively for 2nd-tier suppliers)</div><div>• Establish a win-win growth fund and operate a support guarantee program to provide low-interest loans for 1st- and 2nd-tier suppliers</div></div>
Improved payment terms	<div><div>• Increase cash payments and operate a win-win payment system to support the cash flows of 2nd-and 3rd-tier suppliers</div><div>• Making cash payments in full for small- and medium-sized companies with less than KRW 500 billion in sales since 2016</div></div>

Support Program for 2nd- & 3rd-Tier Suppliers

We support the improvement of our suppliers' competencies by enhancing the quality of high-performing suppliers and sharing process improvement know-how, thereby expanding the scope of win-win partnership with 2nd- and 3rd-tier suppliers in these programs.

Classification	Program Description
Win-Win growth fund	Deposited KRW 3 billion to raise a dedicated fund for low-interest loans for 2nd-tier suppliers
Support smart plant construction	Productivity improvement support e.g. production automation for 1st/2nd-tier suppliers, establish initial/mid/ finished products inspection equipment, ERP etc.

Classification	Unit		2018	2019	2020
Direct support	Molding costs	KRW 100 million	372	528.5	1,132
Mixed support	Loans	Raised ¹⁾	1,142	1,717	2,037
		Supported ²⁾	598	975	1,654
Special support	Contribution	KRW 100 million	33	67.9	88

* Based on average balance before adjustment
1) Raised: the amount that suppliers can loan from a pool of funds that Hyundai Mobis deposited in a bank for supplier loan purposes.
2) Supported: the actual amount of loan drawn by suppliers from the fund

1 — Economic & Business Performance

Enhancing Communication with Suppliers

In order to collect on-site feedback and diversify grievance resolution routes for our suppliers, Hyundai Mobis operates diverse communication channels including a cooperation committee, committees by industry, and anonymous online communication channels. In addition, we regularly visit our suppliers to identify their needs and reflect their input into our business practices.

2020 Program Plans

Program	Description
Executive meetings with 2nd-tier suppliers	· Promote understanding of the various supplier support programs and operate executive meetings in order to resolve grievances between 1st- and 2nd-tier suppliers (3 areas)
Regular general cooperation committee meetings and executive board	· Organize policy presentations and seminars for sharing the performance analysis of cooperation committees in 2020 and plans for 2021 · Keep track of performance and progress and seek ways to develop cooperation committees
Operate industrial committees	· Operate industry-based committees every year to share industrial, technological, and mutual growth trends in the automotive industry.
Incentive programs for outstanding suppliers	· Provide incentives annually for suppliers with outstanding performance
Anonymous online grievance report center for suppliers	· Operate the Shinmungo (Anonymous whistleblower system) to handle grievances and complaints and reflect suggestions by suppliers and their employees in regard to policy improvement

Sharing Performance and Promoting Consensus

Program	Description
Introduce and operate a win-win payment system	Operate a payment system that allows prompt monetization at low risk with discount loans for goods for 2nd- and 3rd-tier suppliers using the Hyundai Mobis credit rating
Support the development of domestic and overseas sales channels	Installation and operation of joint booths and full support of expenses including accommodation to promote participation by SME suppliers at international automobile parts exhibitions in five countries.
Operate a performance sharing system	Endorse performance sharing contracts in order to distribute the outcomes, which are generated through joint development with suppliers, joint cost reduction, and productivity improvement
Support HR recruitment	Hold a Hyundai Mobis Supplier Job Fair and operate the online supplier recruitment center, "iONE-JOB"

Performance of the Win-Win Payment System

Classification	Unit	2018	2019	2020
Mobis > 1st-tier suppliers	KRW 100 million	43,879	48,121	48,952
1st-tier suppliers > 2nd-tier suppliers	KRW 100 million	617	1,022	1,073

Creating Jobs in Supply Chain

In order to secure talents and support employment, we organize a joint job fair with the Hyundai Motor Group every year. Since 2019, we have been operating an online supplier job center on the iONE-JOB website with IBK to resolve manpower shortages of SMEs and provide job opportunities for youths.

Promoting Win-Win Management

For 1st-tier suppliers who have signed a fair trade agreement, we provide 2nd-tier supplier support programs as well as consulting services related to fair trade practices. As a result, 1st-tier suppliers can expand their win-win management strategies to 2nd-tier suppliers, thus creating a sustainable ecosystem in the supply chain.

Win-Win Management Program

Overseas Business Support	Improving Productivity	Cost Saving
Joint Hyundai Motor Group Partners Booth was built and operated to support participation to provide overseas business opportunities e.g., invitation of overseas buyers, accommodation expenses	Help small- and medium-sized suppliers with poor technical expertise improve their productivity through specialized technical guidance	Provide support for cost-reduction programs such as testing and analysis of parts manufactured by suppliers targeting Chinese markets Provide inventory information to our suppliers and distribute the savings in inventory management costs to our suppliers for cost reduction
(2020) Overseas buyer export contract and transaction - KRW 41.1 billion	(2020) Cost reduced - KRW 15.65 billion	(2020) Cost reduced - KRW 240 million

2 — Environmental & Safety Performance

Environmental Training and Certification

Raising Environmental Awareness through Training

To pursue a proactive approach in our response to changing environmental issues, we provide on/offline training programs for personnel working in the environmental sector; this training covers areas such as water quality, air, waste, GHG emissions, and chemicals. We also keep track of changes in regulatory requirements every month which is then shared with managers and form in-depth discussions and bonds through safety and environment workshops which hands-on managers semi-annually participate in. To the end, we are preparing ourselves to be able to respond proactively to tightened environmental regulations. In addition, we conduct periodic corporation-wide inspections on emissions concentration levels and provide on-the-job and online training programs for sites close to 50% of legal emissions limits. Through these efforts, there were no violations of environmental laws and regulations in 2020.

Classification		Target	ISO45001 certified	Percentage	ISO14001 certified	Percentage
Domestic	Production plants	2	2	100%	2	100%
	Production bases	17	17	100%	17	100%
	Parts business sites (incl. logistics centers)	29	29	100%	29	100%
Overseas	Production companies	19	15	79%	15	79%
Total		67	63	94%	63	94%

Certified Environmental Management System

As of December 2020, our 48 domestic sites and 15 overseas production subsidiaries established an environmental management system with ISO 14001 certification. By conducting annual reviews for certification, we regularly check the progress of our environmental management and make necessary improvements.

Safety & Environmental Management System Certifications

Classification			ISO 45001	ISO 14001
Domestic	Jincheon		○	○
	Changwon		○	○
	Ulsan		○	○
	Asan		○	○
	Gwangju		○	○
	Ewha		○	○
	Anyang		○	○
	Seosan		○	○
	Gimcheon		○	○
	Poseung		○	○
	Cheonan IP		○	○
	Cheonan EBS		○	○
	Chungju		○	○
	Service (29 sites)*		○	○
Overseas	China	MBJ	○	○
		MJS	○	○
		MWX	○	○
		MTJ	○	○
		MCQ	○	○
		MCJ		
	USA	MAL	○	○
		MAL-GA	○	○
		MNA-MI		
		MNA-OH		○
	Brazil	MBR	○	○
	Mexico	MMX	○	○
	Europe	MSK	○	
		MCZ modules	○	○
		MCZ lamps	○	○
		MRU	○	○
	India	MIN	○	○
		MIA		
	Turkey	MTR	○	○

* Service ① Service BU (1 site) - HQ
 ② Logistics center (5 sites): Gyeongju Logistics Center, Naengcheon Logistics Center, Asan Logistics Center, Ulsan Export and Logistics Center 1, Ulsan Export and Logistics Center 2 & 3
 ③ Parts Sales Offices (23 sites): Northern District, Western District, Gangwon, Gangneung, Chuncheon, Eastern District, Incheon, Southern District, Chungcheong, Seosan, Jeonbuk, Jeonnam, Suncheon, Mokpo, Jeju, Busan, Gyeongbuk, Andong, Gimcheon, Pohang, Gyeongnam, Jinju Sales Office, Cheonan Reserve Warehouse

2 — Environmental & Safety Performance

Response to climate change

Energy Management

In line with global environmental and energy policies, Hyundai Mobis is committed to improving the efficiency of our energy systems as part of our sustainable energy management initiatives. With a GEMS (Global Mobis Energy Management System) installed in 21 workplaces in Korea and abroad, we monitor, compare, and analyze the company-wide energy usage to achieve efficient energy management. In 2020, we are developing intelligent control systems, including one which automatically sends an e-mail or text message to managers when standby power is generated (in emergencies). In addition, we installed an air conditioning inverter at the Seosan Proving Ground and got a high-efficiency compressor at Ulsan Export Logistics as part of our efforts to strengthen energy efficiency.

Energy Consumption

Region	(In) Material Consumption / (Out) Emission	Unit	2018	2019	2020
Total	Domestic/overseas Consumption	TJ	7,608	7,652	7,238
	Domestic/overseas Energy Intensity	TJ/KRW 100 million	0.022	0.020	0.020
	Domestic Energy Consumption	TJ	3,100	3,163	3,308
	Overseas Energy Consumption	TJ	4,508	4,489	3,930
	Domestic/overseas renewable energy consumption	TJ	135	136	59
Domestic	Electricity	TJ	2,804	2,863	2,933
Overseas	Electricity	TJ	3,873	3,791	3,354
Domestic	Fuel (city gas, propane, other oil)	TJ	296	300	375
Overseas	Fuel	TJ	603	664	546
Overseas	Others (steam)	TJ	32	34	30

GHG Emissions Reduction

Hyundai Mobis continues its dedication to the reduction of GHG emissions, which are a major cause of climate change. Since the implementation of the Mobis Greenhouse Gas Management System (MGMS) in 2011, we have estimated the company's GHG emissions, analyzed the statistics, and have continued to build a database through regular updates. We have also participated in the Carbon Disclosure Project (CDP) to offer transparent disclosure of our GHG emissions management performance to our stakeholders. Furthermore, we are proactively responding to government regulations on GHG emissions. In 2014, we were designated as a GHG energy target management company under the Framework Act on Low Carbon, Green Growth. Since 2016, we have carried out reduction programs every year to meet the targets set by the government. In July 2019, we were designated as a business with a GHG emissions allotment. As a result, we will be obliged to comply with the GHG emissions trading scheme starting from 2020.

GHG Emissions¹⁾

Region	Unit	2018	2019	2020
GHG emissions (Scope 1, Scope 2)	tCO ₂ eq	412,624	410,494	387,432
Domestic	tCO ₂ eq	152,877	155,945	163,165
Overseas	tCO ₂ eq	259,747	254,549	224,267
Scope 1	tCO ₂ eq	48,265	51,283	49,088
Domestic	tCO ₂ eq	16,704	16,875	20,706
Overseas	tCO ₂ eq	31,561	34,408	28,382
Scope 2	tCO ₂ eq	364,359	359,211	338,344
Domestic	tCO ₂ eq	136,173	139,070	142,459
Overseas	tCO ₂ eq	228,186	220,141	195,885
Scope 3 ²⁾	tCO ₂ eq	10,616	13,190	11,977
GHG (Scope 1, Scope 2) emission intensity	tCO ₂ eq /KRW 100 million	1.17	1.08	1.06

1) The electricity emission factor for each country is applied, and the data for 2018-19 is changed according to the recalculation (2013 IEA power emission factor for each country is applied)

2) Scope3: business trip, the rental site of domestic sales teams at the finished car site, the consignment production plant

Air Pollution Management

In order to minimize our impact on air quality, Hyundai Mobis prohibits the use of Ozone-Depleting Substances (ODS) in the manufacturing processes used by our domestic plants and suppliers. Furthermore, we maintain a rate of 50% of the legal limit on all air pollutants generated within our business sites. We also monitor the concentration of emissions through an internal environmental safety system and report both the analysis as well as follow-up measures on sites that exceed the limit to management to manage problematic issues. We prevent the emission of VOCs (volatile organic compound) which is the main cause of global warming and ozone destruction and control harmful air pollutants emitted from processes and facilities through regular inspections. In 2020, we tested the emission of certain hazardous chemicals at all our domestic business sites and took necessary measures to improve air quality, such as checking the operation of air emission and prevention facilities and replacing outdated facilities to optimize performance. By doing so, we continue to improve and facilities and strengthen management.

Air Pollutant Emissions*

Classification	Unit	2018	2019	2020
Air pollutant emissions	ton	16.01	13.27	14.04
Emission intensity	Kg/KRW 100 million	0.08	0.06	0.06
Air pollutants control	NOx	0.61	0.42	2.67
	SOx	-	-	-
	Dust	1.74	1.66	0.92

* Data change for 2018-19 due to the addition of production specialists (1 location), production specialists (Poseung) was added in 2020

2 — Environmental & Safety Performance

Raw Materials Management

Metals

A growing number of automotive parts are being replaced with high-strength, lightweight materials such as plastic and aluminum to reduce the weight of vehicle and frames. In 2020, a total of 109,959 tons of metal were used as raw materials, marking a 6.4% increase from the previous year.

Plastics and Rubbers

In order to improve the recycling rate, Hyundai Mobis is making efforts to increase the recovery rate of materials and the range of plastics applications. Doing so allows us to reduce the weight of vehicles and improve fuel economy. In 2010, we introduced a recycling process that collects paint scattered while being applied to lamp lenses, thereby improving both the loss rate and the efficiency of solvents. In 2020, the amount of plastic and rubber used totaled 9,674 tons, a 5.7% drop compared to the previous year. The total use of solvents reached 1,347 tons, a year-on-year decrease of 53.6%.

Raw Material Consumption¹⁾

Classification	Unit	2018	2019	2020 ²⁾
Metals	ton	126,202	103,368	109,959
Plastics	ton	11,093	10,260	9,674
Solvents	ton	1,354	2,904	1,347

1) Data change for 2018-19 due to the addition of production specialists (1 location) and unit conversion errors
2) Percentage of renewable raw materials (metals and plastics): 98.9%, non-renewable raw materials (solvents): 1.1%

Management of Hazardous Materials in Products

Through the Mobis Chemical Management System (MCMS), we prevent the use of hazardous substances in our products and ensure their systematic management. Through this system, we have set the standard for managing information on substances in order to meet the requirements for finished vehicles at the R&D phase, and carry out analysis and review of product safety in compliance with local regulations on the chemical reporting process. In addition, we collect information on the registration status of hazardous substances in automotive parts through constant monitoring using the International Material Information System and ensure a timely response to any major regulatory changes. In 2018, we strengthened our management system to respond to regulations on hazardous chemicals in products and launched Safe Environmental Quality Team to bolster our reputation as an eco-friendly company. Furthermore, in 2019, we formed a task force team to build a corporate-wide Hazardous Material Management Process which included setting the corporate standard for hazardous materials. By adopting such a proactive approach (Reporting/Registration/Notification) and taking prompt administrative measures, we have been able to monitor the use of hazardous materials and secure management sustainability. In 2020, we inspected not only our products in development and mass production, but also the major parts of suppliers that supply parts to us, and organized training for environmental regulation trends and international material information system. In 2021, we plan to support preliminary analysis for our suppliers by establishing a dedicated hazardous chemical analysis facility.

Prohibition of the Use of Four Heavy Metals

Hyundai Motor Group is implementing the “Global Standards for Four Heavy Metals” to ensure compliance with laws on vehicle disposal in Korea and the EU. To this end, Hyundai Mobis controls the use of four heavy metals (lead, cadmium, hexavalent chromium, and mercury) contained in our parts and raw materials while developing alternative materials. In addition, we signed agreements with our suppliers for the supply of eco-friendly parts to comply with regulatory requirements of the use of heavy metals.

Resource Recycling

Waste Reduction and Resource Recycling

As part of company-wide efforts to recycle and reduce waste, we monitor the entire waste management process from discharge to transportation/disposal using an online waste disposal system (Allbaro System; a comprehensive waste management system operated by the Ministry of Environment). We are dedicated to meeting regulatory requirements under the Producer Responsibility Recycling System when it comes to plastic packaging materials (air cap, vinyl, PE cushioning materials) and lubricants. We signed the “Voluntary Agreement for Recovery/Recycling of Plastic Wastes” with the Ministry of Environment in 2012 to improve the recycling rate of the five aftermarket service parts containing plastic – bumper, molding, undercover, washer tank, and cooling water tank – and thereby minimize the environmental impact of our products. In 2020, our domestic work sites produced 14,169 tons of waste. This is an 8% decrease from the previous year, 59.4% of which was recycled.

Development of Eco-friendly Materials

In order to provide eco-friendly products, we use raw materials that have passed the hazard test at the product development phase and are continually working on the development of materials that are safe for our bodies and the environment. Using plant resources as raw materials, we developed a bioplastic based on biotechnology and chemical technology for our automobile interior products. In addition, we developed lead-free solder for vehicles in mass production and are presently engaged in efforts to increase the area of its application responding to the EU ELV (End-of-Life Vehicles) Directive. Meanwhile, we are working on the mass production of a bio-composite material co-developed with Hyundai Motor Company and in the process of developing additional technologies for further expansion of its production.

Increase in Eco-friendly Packaging Materials

To reduce waste production and the impact on the environment of the production distribution process, we are expanding the application of eco-friendly packaging materials. When it comes to aftermarket parts, we are minimizing the use of packaging materials and resources to save on disposal costs for consumers and improve overall cost efficiency. In addition, we are applying product statements using eco-friendly water-based ink and non-alcohol printing methods to packaging materials while developing eco-friendly packaging materials to replace existing ones to further reduce the consumption of resources and minimize the use of plastics.

2 Environmental & Safety Performance

Waste and Recycling*

Classification		Unit	2018	2019	2020
Waste production		ton	18,935	15,435	14,169
Production intensity		ton/KRW 100 million	0.09	0.07	0.06
Recycling rate		%	55.7	63.8	59.4
Designated Waste / Hazardous Waste	Incinerated	ton	1,878	1,917	1,632
	Buried	ton	-	1	-
	Recycled	ton	114	146	435
General waste	Incinerated	ton	5,778	2,764	3,823
	Buried	ton	739	903	292
	Recycled	ton	10,426	9,704	7,987

* Data change for 2018-19 due to addition of production centers (9 centers)

Environmental Improvement through Product Supply Chain

We reduce the amount of raw materials used by making modules/parts light-weight through changes in raw materials, reduction of the number of parts, and simplification of structures. This also contributes to reducing greenhouse gas emissions by improving vehicle fuel efficiency.

Water Resource Management

Water management (Including water sources)

Given the nature of our products with their intensive assembly process, we use a small amount of water resources and are improving the recycling rate by investing in facilities, preventing the overflow of cooling towers, and increasing the recovery of steam condensation water. Of the total water consumption, waterworks and industrial water takes up 97.4% and underground water 2.6% with no direct discharge after use. In the case of water pollutants, most of the wastewater generated in the parts cleaning process is discharged through a wastewater treatment facility at each business site or to a sewage treatment facility for reprocessing. In 2020, 833,740 tons of water were used, an increase of 9% compared to the previous year.

Water Resources*

Classification	Unit	2018	2019	2020
Total amount of water resources	ton	723,615	764,423	833,740
Municipal water	ton	698,688	740,683	812,440
Underground water	ton	24,927	23,740	21,300
Consumption intensity	ton/KRW 100 million	3.53	3.38	3.63

* Data change for 2018-19 due to addition of production centers (9 centers)

Water Pollutants¹⁾

Classification	Type	Unit	2018	2019	2020
Total amount of water pollutants discharged ²⁾	Discharged to sewage treatment facility	ton	1.2	0.93	0.57
	Untreated discharged	ton	0	0	0
Emission intensity		Kg/KRW 100 million	0.0059	0.0041	0.0025
Wastewater treatment	BOD (Biochemical Oxygen Demand)	ton	0.1	0.049	0.034
	COD (Chemical Oxygen Demand)	ton	0.326	0.202	0.11
	TN	ton	0.399	0.599	0.364
	SS	ton	0.11	0.06	0.043
	N-H	ton	0.04	0.007	0.002
	T-P	ton	0.242	0.014	0.018

1) Data change for 2018-19 due to additional confirmation of wastewater treatment at the workplace (Jincheon)

2) The amount of water pollutants reflects the highest level of concentration measured.

2 — Environmental & Safety Performance

Safety & Health

Safety Management Strategy

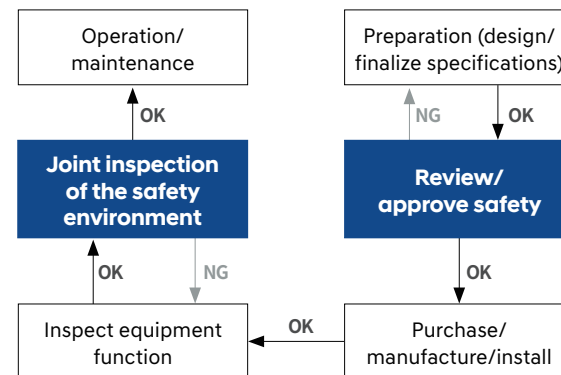
Creating Safe and Healthy Workplace

At Hyundai Mobis, we focus on safety and health in business operation in line with our safety-first management policy. At the same time, various policies have been implemented to create a workplace that is safe and keeps employees satisfied.

Workplace Safety Management

Preliminary Safety Assessment System

Hyundai Mobis applies to its operations a preliminary safety evaluation system that meets domestic and international standards on equipment and auxiliary facilities to secure their basic operational safety. In addition, we commit ourselves to improving the safety of all operating equipment and reducing safety risk factors by inspecting basic safety specifications on equipment.



Implementing the Safety Improvement Project

Hyundai Mobis is building a mid- to long-term safety management system to strengthen the safety management system and capabilities of all its places of business to a global level. Starting with the company-wide project declaration ceremony in May 2021, we plan to identify risk factors and vulnerabilities in various ways and fundamentally improve them by conducting a safety system and culture level diagnosis using the techniques of global certification organizations. In particular, we plan to develop our own evaluation method suitable for Hyundai Mobis to establish a sustainable safety management system.



Inspecting Environment for Safety

Hyundai Mobis has co-organized 365 Safety Patrol and Advisory Committee with outside organizations to minimize accidents in our workplace and ensure safety and health. Additionally, we selected targets for standard management (29 categories) and inspection (265 items) for regular and special inspection by season and theme (thaw period, storm/flood damage, winter, summer holiday seasons). The head office also conducts regular safety operation inspections at domestic sites (every year) and overseas sites (every three years), and improves the risk factors at workplaces through unannounced inspections. In addition to these activities, we support employees' rights to stop or refuse any work assigned to them if they find it dangerous or recognize risk factors in accordance with the "SHE Regulations Management Rules".

※ Due to COVID-19 in 2020, safety inspections at overseas sites were postponed.

Safety Indicators*

Classification	Category	Unit	2018	2019	2020
Rate of Industrial Accidents	Employees	%	0.05	0.07	0.06
Lost Time Injury Frequency Rate (LTIFR)	Employees	per 1 million working hours	0.43	0.54	0.53
		per 200,000 working hours	0.086	0.108	0.106
	In-house Suppliers	per 1 million working hours	0.89	1.61	1.54
		per 200,000 working hours	0.178	0.322	0.308
Occupational Illness Frequency Rate (OIFR)	Employees	per 1 million working hours	0.16	0.21	0.14

* Reinforcement of accident management standards for suppliers in 2019 (shutdown injuries for 3 days or more → shutdown injuries for more than 1 day)

Signed MOU for Joint Safety Technology Support

In order to prevent occupational accidents and raise safety awareness, we signed an MOU for joint safety technology support with outside organizations in January 2021. Based on the agreement, we will make our workplace safer and healthier by focusing our resources and expertise.



2 — Environmental & Safety Performance

Employee Health Management

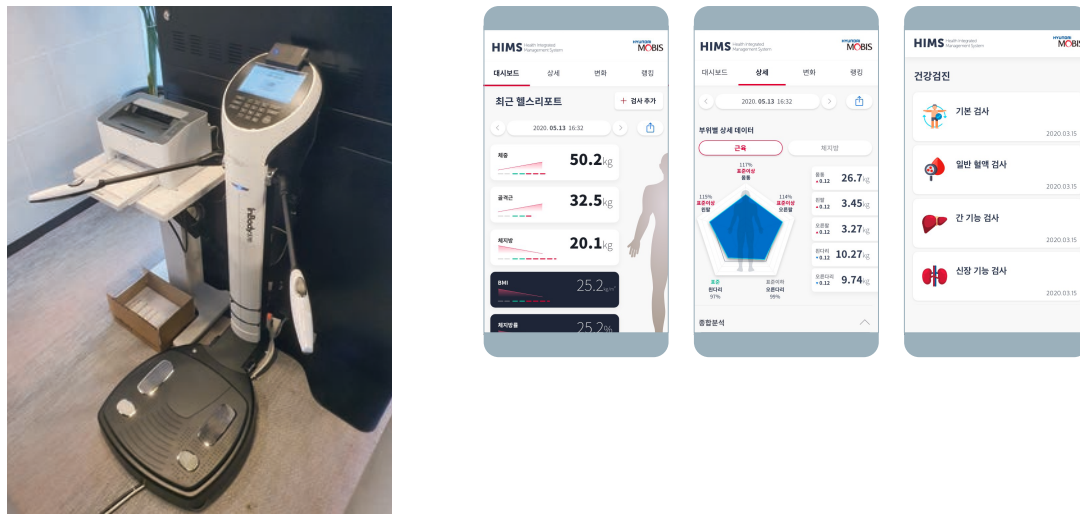
Corporation-wide Health Promotion

Hyundai Mobis implements various programs to support the prevention of illness and maintenance of the health of our employees. We have health administration offices at each workplace and provide tailored health checkups. We also offer Healing Center services to reduce employee work stress.

Program	Description
Medical expenses	Cover medical expenses for employees and their family members
Health checkup	Cover 50% of the costs of general health checkup for employees 35 years of age or older (100% every 5 years)
Work uniform/ workout clothes	Provide employees working onsite with work uniforms/ workout clothes for each season

Implementation and Operation of HIMS

To raise awareness of self-directed health care by encouraging employees improve their lifestyle, we introduced HIMS (Health Integrated Management System) and installed InBody systems at our workplaces so all our employees including those of internal suppliers can check and maintain their health.



Promoting Safety Culture

Implementation of Safety and Health Training System

All employees at Hyundai Mobis complete annual mandatory safety training to prevent potential accidents at workplaces and raise their safety awareness. We also provide online training to all construction personnel before they access Hyundai Mobis workplaces. The system prohibits access to any construction personnel who failed to complete the training. In addition, safety leadership training is regularly organized for management, including the CEO, as part of our safety-first management.

Classification	Training Details	Duration/ Frequency	Number of Participants
Regular safety training	Occupational safety and accident prevention	2 hrs/month	7,105
Special safety training	Workflow and traffic of forklifts and cranes and accident response measures	16 hrs	388
Safety training for new employees	"Occupational Safety and Health Act" and general management	8 hrs	197
Manager/supervisor training	Job process risks and hazards and disaster prevention methods	16 hrs/year	443
Corporate-wide compliance training	Safety and health management policies, basic safety rules, and case studies	Once/year	7,770

Initiate the Implementation of a Safety Culture

At Hyundai Mobis, we make diverse efforts to establish our unique safety culture where individual members act with keen safety awareness to secure a safe environment for all. In addition, we continue to promote the Eight Basic Safety Rules and continue to promote daily safety practices for enhanced employee safety awareness. Going forward, we will make efforts to facilitate our employees internalizing safety awareness by expanding and offering safety culture programs.

8 Safety Rules

- No phone while working or walking
- No smoking outside designated areas
- Wear proper protective equipment
- Do not remove safety facilities without authorization
- Do not access facility operation and logistics work areas without authorization
- Stay within the speed limit
- Use the pedestrian paths only
- Follow the preliminary safety permit

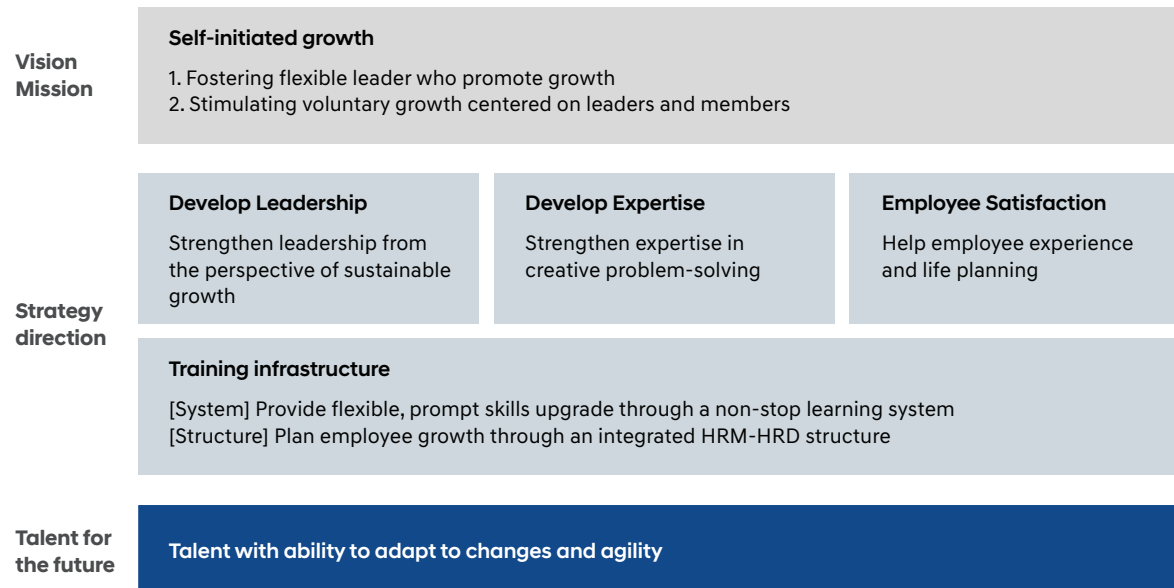
3 — Social Performance

Human Resources Development

Human Resources Development

Recognizing our employees as the key to our sustainable growth, we established the Hyundai Mobis Business Academy (HMBA-2020) as a mid- to long-term human resources development system under the vision of self-directed growth. Setting sustainable development of leaders, creative experts and satisfaction of employees as three key strategic directions, we are committed to creating a sustainable culture and flexible leadership, and improving job expertise at both domestic and overseas workplaces.

Direction of Human Resources Development Strategy



Strengthening Job Expertise

Operating IDP (Individual Development Plan)

Hyundai Mobis has implemented its Individual Development Plan (ID-P) System, in which employees establish their own training plans and then engage in learning programs based on their plans, thereby creating an environment for voluntary learning. IDP is a competency development program that guides participants as they assess their current level of competency and establish a development plan followed by an interview with the development manager (team leader) who helps participants reach their career goals. An individual employee is currently setting 3.2 plans per year. Hyundai Mobis has also built career development infrastructure which enables employees to align individual goals to our organizational targets and facilitate their effective implementation.

Reskilling / Upskilling Training

For the purpose of self-directed career development, we operate job training to provide opportunities for re-education of professionals and job conversion. We operate an upskilling program which cultivates experts by strengthening the competency in the existing core sector, and a reskilling program which secure organizational competency through intensive retraining in future core technology fields.

Coaching Support Center

With the focus on coaching/feedback, communication, and development of coaching skills of leaders which are the key part of the performance management practice, we accumulate HR data and align it with system improvement. Major programs include one-on-one personalized all-time coaching for team leaders and cell leaders, and there are skills clinics on various topics each month tailored to the performance cycle, such as setting performance goals, IDP, and evaluation. Through this, a process and system that can improve leadership on an ongoing basis is established, and the “HOW TO” of leadership is provided regularly to keep up with changing environment and technology and drive sustainable growth and commitment of employees.

Job Training

New Employee Training

As part of the introductory training, we aim to develop talents who will drive future growth by raising self-esteem and establishing a personal vision. In addition, we operate courses to acquire basic knowledge and understand basic structures in specialized fields such as practical training in automobile structure.

Training for New Team Leaders and Managers

We support leadership-customized tools and training programs to help employees who serve in new positions to recognize their new roles and perform their jobs. Through this curriculum, we will provide opportunities for continuous self-reflection and experimentation and develop fundamental changes and future-oriented organizational culture.

3 — Social Performance

Classification	Program	Description
New team leaders	On-board guidebook	Checkpoint of new team leader by situation and time (right after being assigned)
New manager/team leaders	Organization unit meeting	Checkpoint of new team leader by situation and time (within one month after being assigned)
Direct supervisor	Direct supervisor letter	New team leader's interview by time (before 1 day, after 2 weeks of assignment)

Supporting Community of Practice (COP)

In order to create a corporate-wide, self-directed learning environment and improve job expertise through learning programs focused on theories, research trends, and new technologies, we support Community of Practice (COP) programs. Any group of at least three employees can establish a COP where they can share their ideas and promote communication. In 2020, we increased the types of communities and promoted sharing of knowledge. A total of 258 employee clubs were established and operated with a total of 2,981 participants. In 2021, we will continue to encourage sharing knowledge through community activities.

Talent Development

TDP (Talent Development Program)

We are actively developing and supporting talent with high potential who perform with excellence into leaders with diverse experience and broad perspectives. After finishing TDP, we continuously monitor the personnel, and we will continue to expand the scale.

DEP (Development of Executive Pipeline)

By acting as the secretary of the heads of departments/business managers, we improve the understanding of other divisions within the affiliated division and provide opportunities to improve work capabilities.

01. Strategy Skill

- Recognition of in/external environment and practice of analysis
- Analysis of competing companies

02. Followship

- Understanding of followship
- Self-diagnosis
- Followship practice by major situations

03. PM Leader

- Extraction of conflict causes in organization or between members and establishment of alternatives
- Management of junior staff and superiors
- Reinforcement of leadership as middle manager

Employee Training

Classification		Unit	2018	2019	2020
Training cost	Total costs for training	KRW 1 million	9,703	9,686	8,367
	Training hours per person	KRW 1 million/ person	0.97	0.95	0.83
Training hours ¹⁾	Total training hours ²⁾	hours	647,171	585,537	452,948
	Training hours per person	hour/person	64.6	57.6	45.2
Participation by program	Ethics training ³⁾	person	12,024	7,564	8,441
	Internal job training	person	40,218	61,545	40,083
	External job training	person	1,293	1,024	309
	COP (Community of Practice)	person	1,428	1,405	2,981
	S-OJT	person	196	16	10
	Mentoring	person	527	328	193
	Knowledge acquisition (Continuous learning contents)	person	26,432	34,988	8,445

1) Internal and external (group) training was reduced due to COVID-19 in 2020.

2) The combination of training hours for senior managers (including executives) and those for junior managers, contract workers/production workers (in on-/offline training).

3) The calculation has been changed to the number of participants in compliance awareness, competency building in key areas, and ethics and anti-corruption compliance training. As a result, the figures for 2018 and 2019 have been changed.

Pre-Retirement Training

To help employees adapt to changes after retirement, we offer various programs including change management, life planning, financial planning, and career exploration to support their retirement planning.

Classification		Classification
Staff, Managers and Field Personnel	In the year of retirement (60)	<ul style="list-style-type: none">· Career planning and design after retirement - career exploration: start-up, re-employment, rural migration· Career exploration training - personalized programs
	One year before retirement (59)	<ul style="list-style-type: none">· Understanding the need for preparation - understanding change and retirement· Relationship training - relationship with family, communication, etc.
Supervising Managers or Higher Level	In the year of retirement (60)	<ul style="list-style-type: none">· Life planning - career management: career management after retirement - financial planning: retirement pay management, etc.· Special program on change management - changes in the relationship
Re-Skilling Career Market	Administrative/research positions (55 - 59)	<ul style="list-style-type: none">· Purpose - transition to motivate employees with passion despite their senior position/seniority· Procedures - application submission, review and interview, result guidance

3 — Social Performance

Digital Talent Development

Mobis SW Academy

We operate the Mobis SW Academy to strengthen employee software R&D capabilities with the end goal of creating future automotive technologies such as autonomous driving and connectivity technology. At the Academy, we provide training and education in convergence software specialized in autonomous driving such as sensors and recognition, decision-making, and controls. Other areas of instruction include mechanical engineering such as the operating principles of autonomous vehicles.

Convergence software training Focus on control-centered convergence software	Enhancing expertise in convergence software	[Before: Operating system + software coding/tools] + [Control & new technology: Recognition/ decision/ control, Deep Learning/vehicle security]
	Differentiated training based on competency level	[Lev. 1 to 3] Job skill-based software training and environment [Lev. 4 to 5] Development of software architects and Software Master's program
Software certification Software certificate for practice-focused Software implementation	Software Certification Test	[1st] Algorithm problem solving - programming [2nd] Software Engineering - multiple choice/written answers
	Applied to Human Resources Recruitment	Conduct code algorithm test for recruiting software researchers (with/without experience)

Software Algorithm Contest

In 2020, Hyundai Mobis held the first Software Algorithm Contest to promote creative and free thinking among employees. In the final round, based on international programming contest standards, contestants chose one of the three computer languages to compete in coding skills against each other.

Developing AI Experts through Specialized Training

Hyundai Mobis introduced a specialized training program to enhance our employee's AI utilization capabilities. This is part of the plan to integrate new AI-related technologies, such as Deep Learning SW algorithms for autonomous driving, in our business processes. To this end, we plan to develop practical AI experts with AI for Mobis training courses in order to achieve corporate-wide dissemination of the AI application capacity.

Strengthening Global Competencies

Building HRD Fundamentals for Overseas Subsidiaries

As part of our integrated HRD management, we are building and operating HRD Fundamentals for overseas subsidiaries based on the Two-Track system at headquarters and overseas subsidiaries.

Manage changes based on the overseas training system	<ul style="list-style-type: none"> • Provide a platform for sustainable/efficient delivery of contents • Incorporate common content retained by headquarters • Allow local personnel to access the system for continuous learning
Develop content and monitor dissemination/execution	<ul style="list-style-type: none"> • Specialized Job Competency Program (BizPro): Enhance overseas job competency by developing local internal instructors and creating/disseminating contents • e-CarTech: automotive technology highlights, automotive manufacturing process • Induction of New Hires: develop content for new local employees and implement mandatory training programs (core values, compliance, cultural diversity)

Developing Overseas Local Talents

We are operating a variety of programs to develop local talent and strengthen the HRD performance of our overseas subsidiaries.

Global HRD Forum	<ul style="list-style-type: none"> • Invite HRD managers of overseas subsidiaries to the forum • Share and discuss directions and action plans of GHRDS and headquarters • Share the results of analyses on the level of each subsidiary (in advance) and hold workshops to identify areas requiring improvement • Build a training system and provide training for content development
HRD Consulting for Overseas Subsidiaries	<ul style="list-style-type: none"> • Select overseas subsidiaries that urgently require direct support and conduct internal consulting based on the results of overseas HRD analysis (1 month per subsidiary) • Establish detailed action plans/roadmap by subsidiary and monitor performance

3 ——— Social Performance

Development of Global Leaders

In order to dispatch talented employees to our subsidiaries around the world, we focus on local talent development programs. We have improved our training program for expatriate employees to help them learn local languages and culture. To this end, we are systematically developing a pool of local experts in various regions including the English zone (U.S.A., Europe), Chinese zone (China), and other zones (Mexico, Brazil). This helps our employees gain insights into the local culture, language, and work style so that they can quickly adapt to their new work environment. We also organize a Biz Skill program to help employees develop the business communication and language skills they need for working overseas. Furthermore, we operate programs to develop global leadership and promote cultural diversity, while offering training opportunities concentrating on the roles and responsibilities of expatriate employees, the local safety environment, case studies of overseas subsidiaries and the Foreign Corrupt Practices Act (FCPA). In addition to training for expatriate employees, we organize workshops and seminars for their family members to help them learn about and adapt to the new environment and local culture, in addition to exchange opportunities with returning family members of expatriate employees.

Overseas Cultural Experience Program “Culture Tour”

Culture Tour is a leave system that allows employees to use their annual and monthly leave when they go on a business trip overseas. This system allows our employees to gain new experiences and broaden their creative outlook after their work is done, while simultaneously improving their job performance. In 2019, based on Culture Tour feedback, we included different countries in the same cultural regions, thus enabling more flexibility and thereby increasing the level of satisfaction and convenience of our employees. In 2020, a total of 70 cases and 414 days of Culture Tour were used.

3 — Social Performance

Employment Status

Discrimination against gender, race, age, and social status is strictly prohibited at Hyundai Mobis. We also comply with the Labor Standards Act in Korea, as well as the ILO's Conventions on Child Labor and Conventions on Forced Labor.

Employment in Korea and Overseas

Classification		Unit	2018	2019	2020 (in Korea and Overseas)*
Total number of employees		person	10,013	10,172	32,989
Gender	Male	person	8,914	9,052	25,841
	Female	person	1,099	1,120	7,148
Permanent positions	Male	person	8,763(90.6%)	8,912(90.6%)	22,049(77.1%)
	Female	person	905(9.4%)	925(9.4%)	6,555(22.9%)
	Sub total	person	9,668	9,837	28,604
Temporary positions	Male	person	151(43.8%)	140(41.8%)	3,792(86.5%)
	Female	person	194(56.2%)	195(58.2%)	593(13.5%)
	Sub total	person	345	335	4,385
By age	Under 30	person	1,783(17.8%)	1,609(15.8%)	9,222(27.8%)
	30 - 50	person	6,619(66.1%)	6,758(66.4%)	19,821(60.1%)
	Over 50	person	1,611(16.1%)	1,805(17.7%)	3,946(12.1%)
Employment of socially vulnerable groups	People with disabilities	person	141(1.4%)	138(1.4%)	328(1.0%)

* Reported by integrating domestic and overseas employees from 2020 in accordance with the expansion of the scope of data management

Employee Status by Region

Classification	Unit	2018	2019	2020
Total number of employees	person	32,302	32,065	32,989
South Korea	person	10,013	10,172	10,244
China	person	7,274	6,163	5,358
America	person	5,893	5,731	6,608
Europe	person	5,754	6,296	6,786
Asia-Pacific/others	person	3,368	3,703	3,993

Employee Status by Region*

Classification	Unit	2020
South Korea	person	10,217(99.7%)
China	person	6(0.06%)
America	person	6(0.06%)
Canada	person	4(0.04%)
Others ¹⁾	person	11(0.11%)

* As of 2020

¹⁾ Germany 3, India 1, New Zealand 1, Mexico 1, Azerbaijan 1, Japan 1, Kuwait 1

Female Employee Status

Classification		Unit	2018	2019	2020 (in Korea and Overseas)
Ratio of female employees by position (domestic)	Ratio of female employees	%	10.9	11.0	21.7
	Ratio of female managers*	%	4.4	7.6	17.5
	Ratio of entry-level female managers	%	10.6	14.9	25.5
	Ratio of female executive officers	%	0	0	0
	Ratio of female managers at departments generating profits*	%	9.2	9.1	11.2
	Ratio of female employees in STEM ¹⁾ -related positions	%	8.7	8.7	13.9

* Changes in values for 2018 and 2019 due to changes in the classification criteria for managerial positions

¹⁾ Science, Technology, Engineering, Mathematics

Recruitment and Retirement*

Classification		Unit	2018	2019	2020
Newly recruited ¹⁾		person	576	376	298
Years of employment		Year	12.9	13.3	13.8
Transfer rate ²⁾	Transfer rate	%	5.5	4.2	5.4
	Voluntary transfer	%	2.7	1.7	1.4
Internal recruitment ratio ³⁾		%	-	4.2	8.4

* Recruitment and retirement in Korea

¹⁾ Number of new hires in 2020: male 260, female 38 (under 30: 152, 30-50: 87, over 50: 59)

²⁾ Number of retirees in 2020: male 395, female 154 (under 30: 242, 30-50: 115, over 50: 192)

³⁾ The ratio of persons recruited through Career Market, a system for sourcing internal talent.

Fair HR Practice

Classification	Description
Recruitment	Hire female employees for positions in management support, training, IT, and design outside the manufacturing positions
Evaluation and promotion	Prevent disadvantage and discrimination in evaluation and consideration for promotion
Reward	Introduce a compensation system based on the employment contract such that it does away with gender discrimination
Training and positioning	Support the internal career development program through CDP

3 — Social Performance

Welfare Programs

We offer various welfare programs to enhance employee satisfaction and loyalty, and to help employees focus on their jobs in a pleasant workplace environment. We identify our employees' needs through surveys, suggestion systems, and various meetings, and subsequently incorporate them in our welfare programs.

Work / Life

Program	Description
Flexible work schedule	Implemented a corporate-wide flexible work schedule system where employees can manage their work schedule within the total monthly work hours
Telecommuting	Company-wide introduction of voluntary telecommuting based on in-house PC remote access
Paid maternity / parental leave	Grant pregnant employees 90 days of leave, and male employees 10 days of paid leave (more than prescribed in the Labor Standards Act)
Parental Leave	Provide up to two years paternity leave to workers who require child support under the age of eight (second grade of elementary school)

Living Support / Convenience

Program	Description
Condolence and congratulation	Condolence and congratulatory money and official leave
Tuition for children	Support for early childcare expenses, education expenses for children with disabilities, and college tuition fee support
Relocation expenses	Financial support for relocation such as appointment and moving expenses
Automobile discount	Discounts on automobile, tires, parts, and repair costs based on years of employment
Points	Welfare points, cyber money, and self-development points that can be used in the employee online shopping mall
Personal pension	Personal pension of KRW 20,000 per month for employees
Accommodation	Accommodation facilities for new employees, experienced employees (single), relocated and dispatched employees
Workplace nursery/ daycare centers	Yongin (Gyeonggi), Jincheon (Chungbuk), Yeoksam (Seoul) workplaces / Changwon (Gyeongnam) workplace

Culture / Recreation

Program	Description
Clubs	Cover monthly expenses
Cultural activities support	Support for various cultural activities including musical programs, plays, concerts and exhibitions (discounted up to 80%)
Cyber training centers	Customized training programs for development of employee competencies by job/position
Four Seasons Resort (condominium)	Provide accommodation at membership rate at 37 resorts
My Children's Happy Trips	Support five-star hotel accommodation for pregnant employees and employees who recently had a child
Long service rewards	Provide leave, vacation bonus, and commemorative gifts every 5 years (from 10 to 35 years of employment)

Other Programs

Program	Description
Domestic/overseas business travel	Accommodation and travel expenses for domestic/overseas business travel
Affiliated discount - Power Sponsor	Affiliated employee discounts for financial services, wedding/funeral services, car rental, and fitness

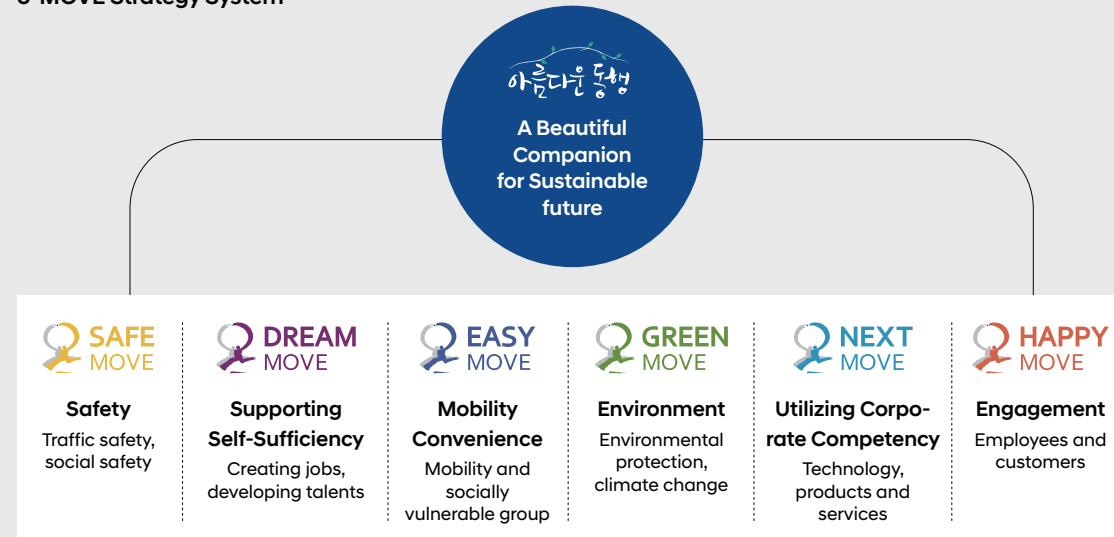
3 — Social Performance

Social Contribution

Social Contribution System

Hyundai Mobis takes a systematic approach to its social contribution programs based on 6-MOVE Strategies with the focus on safety, eco-friendliness, and convenience. In addition, we are committed to promoting growth with the local economy by engaging in such activities as 1-Company, 1- Community Partnership and Meer Forest.

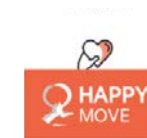
6-MOVE Strategy System



Social Contribution Roadmap



Contactless "GiveRun" & Drive-in Hope Concert



Through contactless social contribution campaign, we try to raise awareness and promote charitable donations. This also serves as an environmental program where participants pick up trash while jogging. All the registration fees go to charity. A total of 1,500 people applied for the campaign on a first-come, first-served basis. A drive-in concert is also held for the participants. The tickets were distributed through a raffle for the participants and held online streaming concert for every participants.

Employee Volunteer Activities



Our employees are actively participating in various volunteer programs to create social values under the slogan "Joy of Sharing". We formed a partnership with social welfare facilities located near our business sites and visit each month to participate in various activities. Furthermore, we purchase products and support workers during the harvest season through 1-Company, 1-Community Partnership Campaign. Our employees are also donating to support living expenses and school uniforms by raising funds for children (elementary, middle, and high school students) whose parents died from traffic accidents or have severe disability. Since 2019, we have been taking the lead in reducing fine dust by making wooden lockers for local children's centers and organizing Hyundai Mobis gardens building campaign with their families along the Han River in the Ichon area of Seoul. In 2020, social distancing was implemented due to COVID-19. Accordingly, 1,360 employees participated in this program for the underprivileged by running a non-face-to-face donation campaign.



SDGs

- Employee satisfaction
- Local community support



3 — Social Performance

Junior Engineering Class



Since 2005 Hyundai Mobis, has offered a Junior Engineering Class where we provide educational opportunities in areas not included in the regular school curriculum such as autonomous driving and hydrogen electric vehicles. In addition to the regular class sessions, Hyundai Mobis organizes a “Visiting Junior Engineering Class” where we hold plays on the science bus. We also host “Youth Engineering Leader” contests in which high school student participants have the opportunity to build self-driving vehicle models and to participate in “Visiting Junior Engineering Class” education volunteering. Yet another initiative is the “Junior Engineering Class with Customers,” offered at motor shows and exhibitions for the benefit of children who attend. In 2020, we offered non-face-to-face programs for 4,301 students including children of our employees in 30 schools in Korea.

Meer Forest



As a part of its local community support program and environmental protection for future generations, Hyundai Mobis planted a forest of 108 hectares in Chopyeong-myeon, Jincheon together with Jincheon County and the Natural Nature Trust. Meer Forest is an eco-friendly forest whose natural setting has been preserved to the greatest extent possible in order to minimize anything artificial and is shared with the people through six themed forests. The Meer Forest Experience Programs offer opportunities to learn from expert guides how best to enjoy a stroll in the forest, enjoy the views, and experience nature in a variety of ways through “Forest Walking” and a Wetland Experience. The Meer Forest Concert is another event where people can listen to music while taking in the view of Chopyeong Lake.

Mobility Support for Children with Disabilities



In order to enhance mobility and enable physically challenged children to have more social participation opportunities, Hyundai Mobis provides mobility aids and position stabilizers for disabled children. In 2020, due to the COVID-19 pandemic, we stopped the family travel program temporarily to ensure the safety of children and families, and changed the “Hope Package” partially to “COVID-19 Support Package” for their livelihood. Moreover, we publish 3,500 children’s books to raise awareness of people with disabilities and distribute them to local children’s centers and social welfare centers across the nation.

Transparent Umbrella Campaign



The Transparent Umbrella Campaign is one of our major social contribution programs where we distribute transparent umbrellas made with fluorescent material to children to prevent traffic accidents. As of 2020, a total of 11,126,841 umbrellas were delivered to 1,829 schools and 1,525 individual children who applied for the campaign with their personal stories. They were also provided to elementary school students (including special schools) in four areas including Chungju in 2019, Seosan, Taean etc. in 2020 to support local communities. In 2020, we improved the stiffness of the spring so that it can be easily opened and closed and reprocessed the sharp part of the umbrella clasp for safety to reflect the inputs from stakeholders. The traffic accident rate of children using the transparent umbrella decreased by 27% on average which is four times less than the national average. Also, a research paper on the effectiveness of the campaign was published in the “Traffic Safety Study” published by the Korea Road Traffic Authority to raise social awareness of the importance of transparent umbrellas and traffic safety education. Going forward, we will further expand the campaign for traffic safety for children and promote children’s traffic safety through the development of hands-on and non-face-to-face traffic safety education contents.



SDGs

- Talent for the future
- Quality education for local community



SDGs

- Increasing corporate value
- Increasing carbon sequestration



SDGs

- Increasing interest in corporation
- Improving the quality of life for children with disabilities



SDGs

- Increasing corporate awareness
- Increasing interest in traffic safety



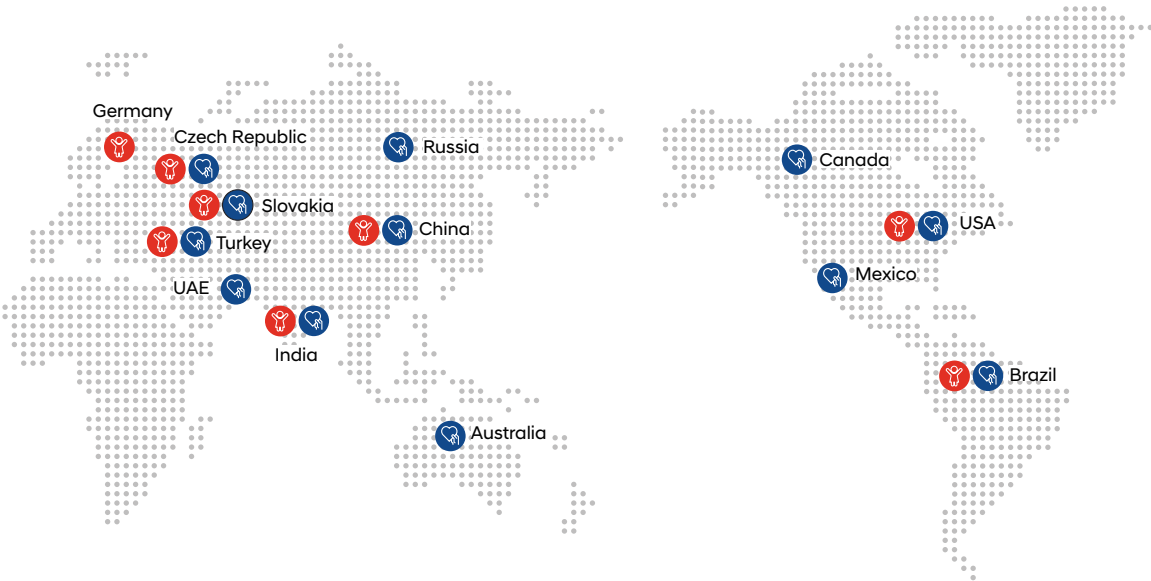
3 — Social Performance

Global Social Contribution

Expanding Global Social Contribution

As part of our commitment to a sustainable future, Hyundai Mobis is expanding the “Beautiful Companion” campaign globally with its stakeholders. Starting with Jiangsu, China, in 2013, we expanded the 6-MOVE social contribution program to Frankfurt, Germany, in 2016 followed by Detroit, United States, in 2018. In 2019, we further expanded the program to Beijing, China; Izmit, Turkey; Ostrava, Czech Republic; and Zilina, Slovakia. We operated the first Children’s Archery Class in Beijing, China, and offered Junior Engineering Classes at Izmit, Turkey; Ostrava, Czech Republic; and Zilina, Slovakia at local elementary schools. In 2020, we donated masks and quarantine supplies to local communities to promote “beautiful companionship” around the world.

Global Social Contribution Activities



- Children (Junior Engineering Class, Transparent Umbrella Campaign, Children's Archery Class)
- Local community (employee volunteer activities and donations)

Social Contribution Activities in Response to COVID-19

Region	Companies	Activities
America	MAL	- Donated masks for local hospitals with shortage of masks for medical staff
	MAL-GA	- Donated: 17,000 masks in total (1,000 N95 masks, 16,000 surgical cotton masks)
	MPMI	- 600 masks (300 masks by Hyundai Motors and Kia) for US Puerto Rico agencies as of May 12
Europe	MSK	- Selected 5 hospitals in areas where a large number of employees stay (Zilina, Chacha, Martin, Ruzomberok, P. Bistricha) and donated quarantine supplies worth of KRW 140 million including door disinfection systems, medical masks, protective equipment, and quarantine agents.
	MPE MTCE	- Purchased masks through a German partner and provided them to all European dealers (about 4,793 companies) using our distribution network.
India	MIN MIA MTCI	- We donated KRW 2.9 billion to the central disaster management agencies and NGOs in response to the central and state government's request for corporate CSR to prevent the spread of COVID-19.



05 APPENDIX

GRI Contents Index

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GRI 102: General Disclosures 2016				
Organizational Profile				
	102-1	Organization Name	4	
	102-2	Activities, Major Brands, Products & Services	4-5	
	102-3	Headquarters location	4	
	102-4	Business Regions	6	
	102-5	Ownership Structure and Legal Form	4	
	102-6	Market Areas	6	
	102-7	Company Size	6	
	102-8	Information on Employees	-	Business Report p.336
	102-9	Supply Chain	32-33	
	102-10	Significant Changes in the Organization and Its Supply Chain	-	Business Report pp.18-19
	102-11	Precautionary Principle and Approaches	26, 42	
	102-12	External Initiatives	72	
	102-13	Association Membership	75	
Strategy				
	102-14	Statement of Senior Decision-maker	3	
Ethics and Integrity				
	102-16	Values, Principles, Standards, and Code of Conduct	38-40	
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	102-18	Governance	35-37	
Stakeholder Engagement				
	102-40	List of Stakeholder Groups	16	
	102-41	Collective Bargaining Agreement	30	
	102-42	Identification and Selection of Stakeholders	16	
	102-43	Modes of Stakeholder Engagement	16-17	
	102-44	Key Topics and Issues Raised by the Stakeholders	17	

Classification	Disclosure	Indicators	Page	Note
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	102-45	List of Entities (Subsidiaries and Joint Ventures) Included in the Company's Consolidated Financial Statements	-	Business Report pp.6-8
	102-46	Defining the Boundary of the Report Details and Topics	17	
	102-47	List of Material Topics	17	
	102-48	Restatements of information	60	
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	102-50	Reporting Period	2	
	102-51	Latest Reporting Date	2	
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GRI 201: Economic Performance 2016	201-1	Creation and Distribution of Direct Economic Value	46	
	201-2	Financial Impacts of Climate Change and Threats and Opportunities to Business Activities	26	
Indirect Economic Effects				
GRI 103: Management Approach 2016	103-1, 2, 3	Description of the Material Topics and Their Boundaries, and the Evaluation of the Management Approaches and Their Components	46-47	
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure Investment and Provision of Services for Public Interest	66	
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Procurement Practices				
GRI 103: Management Approach 2016	103-1, 2, 3	Description of the Material Topics and Their Boundaries, and the Evaluation of the Management Approaches and Their Components	32-33	
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GRI 205: Anti-corruption 2016	205-2	Notice and Training on Anti-Corruption Policies and Procedures	38-40	
	205-3	Identified Corruption Cases and Actions Taken	39	
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GRI 103: Management Approach 2016	103-1, 2, 3	Description of the Material Topics and Their Boundaries, and the Evaluation of the Management Approaches and Their Components	40	
GRI 206: Anti-competitive Behavior 2016	206-1	Legal Measures against Unfair Trade Practices such as Anti-Competitive Behaviors and Monopoly	-	No violations found
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GRI 103: Management Approach 2016	103-1, 2, 3	Description of the Material Topics and Their Boundaries, and the Evaluation of the Management Approaches and Their Components	53, 55	
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GRI 103: Management Approach 2016	103-1, 2, 3	Description of the Material Topics and Their Boundaries, and the Evaluation of the Management Approaches and Their Components	25, 53-54	
GRI 302: Energy 2016	302-1	Energy Consumption inside the Company	54	
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GRI 103: Management Approach 2016	103-1, 2, 3	Description of the Material Topics and Their Boundaries, and the Evaluation of the Management Approaches and Their Components	53, 56	
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	303-2	Number Of Water Sources Significantly Affected by Different Types of Water Intake	53	
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GRI 305: Emissions 2016	305-1	Direct GHG Emissions (Scope 1)	54, 73	
	305-2	Indirect GHG Emissions (Scope 2)	54, 73	
	305-3	Other Indirect GHG Emissions (Scope 3)	54	
	305-4	Greenhouse Gas Emission Intensity	54	
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GRI 103: Management Approach 2016	103-1, 2, 3	Description of the Material Topics and Their Boundaries, and the Evaluation of the Management Approaches and Their Components	25, 53	
GRI 306: Waste 2020	306-1	Wastewater discharge by Water Quality and Destination	56	
	306-2	Wastes by Type and Treatment Method	56	
	306-3	Major Leaks	-	No leaks occurred
Environmental Compliance				
GRI 103: Management Approach 2016	103-1, 2, 3	Description of the Material Topics and Their Boundaries, and the Evaluation of the Management Approaches and Their Components	25, 53	
GRI 307: Environmental Compliance 2016	307-1	Violation of the Environmental Laws	-	No violations found
Social Performance (GRI 400)				
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GRI 103: Management Approach 2016	103-1, 2, 3	Description of the Material Topics and Their Boundaries, and the Evaluation of the Management Approaches and Their Components	29-30, 63	
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GRI 402: Labor/Management Relations 2016	402-1	Minimum Notice Period for Operational Changes	30	

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GRI 403: Occupational Health and Safety 2018	403-1	Occupational Safety and Health Management System	31	
	403-2	Risk Identification, Risk Assessment, and Accident Investigation	57	
	403-3	Occupational Health and Safety Services	58	
	403-4	Worker Participation and Communication on OSH	31	
	403-8	Workers Subject to Occupational Health and Safety Management System	31	
Training and Education				
GRI 103: Management Approach 2016	103-1, 2, 3	Description of the Material Topics and Their Boundaries, and the Evaluation of the Management Approaches and Their Components	59	
GRI 404: Training and Education 2016	404-1	Average Training Hours Per Employee	60	
	404-2	Programs to Strengthen Employee Competency and Support Their Transition	59-62	
	404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	30	
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GRI 103: Management Approach 2016	103-1, 2, 3	Description of the Material Topics and Their Boundaries, and the Evaluation of the Management Approaches and Their Components	43, 63	
GRI 405: Diversity and Equal Opportunity 2016	405-2	Base Salary and Compensation Ratio for Women as Compared to Men	31	
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GRI 103: Management Approach 2016	103-1, 2, 3	Description of the Material Topics and Their Boundaries, and the Evaluation of the Management Approaches and Their Components	43, 63	
GRI 406: Non-discrimination 2016	406-1	Discrimination Cases and Corrective Actions	43	
Child Labor				
GRI 103: Management Approach 2016	103-1, 2, 3	Description of the Material Topics and Their Boundaries, and the Evaluation of the Management Approaches and Their Components	43	
GRI 408: Child Labor 2016	408-1	Operations and Suppliers with a High Risk of Child Labor	-	No such places of business found
Forced Labor				
GRI 103: Management Approach 2016	103-1, 2, 3	Description of the Material Topics and Their Boundaries, and the Evaluation of the Management Approaches and Their Components	43	
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and Suppliers with a High Risk of Forced Labor	-	No such places of business found

Classification	Disclosure	Indicators	Page	Note
Human Rights Risk Assessment				
GRI 103: Management Approach 2016	103-1, 2, 3	Description of the Material Topics and Their Boundaries, and the Evaluation of the Management Approaches and Their Components	43	
GRI 412: Human Rights Assessment 2016	412-1	Operations Subject to Human Rights Impact Assessment or Human Rights Review	43	
	412-2	Employee Training on Human Rights Policies and Procedures Related to Business	39	
Local Community				
GRI 103: Management Approach 2016	103-1, 2, 3	Description of the Material Topics and Their Boundaries, and the Evaluation of the Management Approaches and Their Components	65	
GRI 413: Local Communities 2016	413-1	Percentage of Community Participation, Impact Assessment, and Operation of Development Programs	65-67	
Supply Chain Management				
GRI 103: Management Approach 2016	103-1, 2, 3	Description of the Material Topics and Their Boundaries, and the Evaluation of the Management Approaches and Their Components	32	
GRI 414: Supplier Social Assessment 2016	414-1	New Suppliers Screened through Social Impact Assessment	32-33	
Public Policy				
GRI 103: Management Approach 2016	103-1, 2, 3	Description of the Material Topics and Their Boundaries, and the Evaluation of the Management Approaches and Their Components	-	
GRI 415: Public Policy 2016	415-1	Political Donations	-	Under Article 31 (Limitation of Contribution) of the Political Funds Act, we do not make political donations
Customer Health and Safety				
GRI 103: Management Approach 2016	103-1, 2, 3	Description of the Material Topics and Their Boundaries, and the Evaluation of the Management Approaches and Their Components	41, 55	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of Safety and Health Impacts on Products and Services	55	
	416-2	Non-Compliance with the Health and Safety Impact on Products and Services	-	No such places of business found
Marketing and Labeling				
GRI 103: Management Approach 2016	103-1, 2, 3	Description of the Material Topics and Their Boundaries, and the Evaluation of the Management Approaches and Their Components	-	
GRI 417: Marketing and Labeling 2016	417-2	Violation of Legal Regulations and Company Regulations on Product and Service Information and Labeling	-	No violations found
	417-3	Violation of Regulations Related to Marketing Communication	-	No violations found
Customer Privacy Protection				
GRI 103: Management Approach 2016	103-1, 2, 3	Description of the Material Topics and Their Boundaries, and the Evaluation of the Management Approaches and Their Components	44	
GRI 418: Customer Privacy 2016	418-1	Number of Complaints about Verified Violation of Customer Privacy and Loss of Customer Data	-	No complaints raised

TCFD Disclosure Recommendation Indicators

Classification	TCFD Requirements	Hyundai Mobis' Response
A. Governance Disclose the organization's governance around climate-related risks and opportunities	a) Describe the board's oversight of climate-related risks and opportunities (discussion procedures and frequency, establishment of strategy and action plan etc.) b) Describe management's role in assessing and managing climate-related risks and opportunities	<p>The Sustainability Management Committee, a subcommittee of the BOD, is the final decision-making body on sustainability and environmental management including climate-related issues. The Sustainability Management Committee consists of five outside directors and one inside director. ESG-related issues, including climate change, are reported twice a year, and major issues are reported and approved.</p> <p>In April 2021, the ESG Center was established to direct a focused management of environmental and social affairs including climate change. Major issues proposed and reviewed by the ESG Working Group and the ESG Packaging Integration Council are reported to the CEO through the Chief Risk Officer (CRO). In addition, internal and external risks, including climate change, are detected through the risk packaging integration council every month, and those defined as core risks are promptly reported to the top management through the Risk Management Committee to facilitate the company's response. The Korea Corporate Governance Service (KCGS) rating, which includes environmental assessment (management of greenhouse gas emissions, etc.), is linked to and reflected in the CEO's KPI.</p>
B. Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short-, medium-, and long-term 	

TCFD Disclosure Recommendation Indicators

Classification	TCFD Requirements	Hyundai Mobis' Response
C. Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks	- Purchasing allowances for increased greenhouse gas emissions (based on domestic standards). Hyundai Mobis was designated for the target management system in July 2014 and has responded to the GHG emission regulation of the Ministry of Environment since January 2016. In July 2019, the company was designated as a company subject to emission allowance allocation. We implemented the emission trading system for the first time in 2020, and are strategically managing the number of emission allowances. By internally allocating the quantity of allowance for different places of business on an annual and monthly basis. As it is set and managed as an item for the company-wide policy management through regular performance monitoring, about 8% of surplus allowances is expected.
	b) Describe the organization's processes for managing climate-related risks	- Increased production cost due to increased use of renewable energy in places of business (globally). In 2020, electricity consumption at all domestic and overseas places of business was 655GWh (Korea: 305.543/overseas: 349.397). According to the forecast of electricity consumption by places of business, we are expected to use more than 1,000 GWh in 2040. In the case of 100% conversion to renewable energy, additional costs are incurred due to investment in power generation facilities, purchase of RECs, etc. Therefore, we will optimize the use of renewable energy according to continuous internal and external trends and economic analysis in the future. This can be linked to long-term sales growth by strengthening product competitiveness, such as responding to environmental regulations by country and satisfying the needs of global customers who require the use of renewable energy. - Decreased asset value due to damage to places of business caused by natural disasters (in Korea). As natural disasters such as typhoons, floods, and heavy snow increase due to global warming, the risk of safety-threatening accidents such as fire and explosion, damage to various facilities related to production, logistics, and other work within all domestic places of business is increasing. Accordingly, we prevent potential risks by purchasing comprehensive insurance (insurance premiums of KRW 2.4 billion per year) in case asset value declines and losses (up to 3.3 trillion KRW) occur due to damage to production facilities.
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Major risks are shared at the corporate level through the ESG council. In addition, climate-related risks, such as KCGS ratings that include environmental assessment (management of greenhouse gas emission allowance, etc.), are set as KPIs for the relevant organizations and integrated into the organization's overall risk management
D. Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	We use as key indicators the data on production disruptions and stopped supply of parts due to climate issues such as greenhouse gas emissions and natural disasters. In addition, we explain the scope of management for water, energy, and waste related to climate change. Through these indicators, risks and opportunities are evaluated, and business strategies and investment directions are taken into account.
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	2021 Sustainability Report p. 54 (Scope: all domestic places of business and overseas production/parts subsidiaries)
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Concerning Scope 2, we have set targets for a reduction of 65% in 2030 and a 100% reduction in 2040 in absolute terms. An implementation plan for Scope 1 & 3 reductions is also being established.

WEF ESG Metrics

1. Principles of Governance

Theme	Metrics	Location	page
Corporate Purpose	Definition of Purpose	CEO Message, About Hyundai Mobis, Business Brochure	3, 4-6, 7-11
Excellence of BOD	BOD Composition	Board of Directors	35-36
Stakeholder Engagement	Key Issues	Materiality Assessment	17
Ethical Operation	Anti-Corruption	Spreading the culture of compliance, Response to Ethical Violations	39-40
	Ethical Reporting System	Compliance Management System	38
Risk/Opportunity Analysis	Risk/Opportunity Analysis Integrated into the Management System	Managing Risk by Category	41-42

2. Planet

Theme	Metrics	Location	page
Climate Change	Greenhouse Gas Emissions	Climate Change Response	54, 76
	TCFD Disclosure	TCFD Disclosure Recommendation Indicators	72-73
Impaired Ecosystem	Land Use and Ecological Sensitivity	-	-
Clean Water	Using Water in Regions Whose Water Resources Have Higher Sensitivity	-	-

3. People

Theme	Metrics	Location	page
Dignity and Equality	Diversity and Inclusivity	Employment Status	63
	Equal Salary	Employee Compensation	31
	Wage Ratio	Employee Compensation	31
	Risks of Child Labor and Forced Labor	Supply Chain ESG Risk Check, Human Rights Risk Management	33, 43
Health and Well-Being	Health & Safety	Inspecting Environment for Safety, Safety Indicators	57-58
Development of Future Competences	Training Hours	Employee Training	60

4. Prosperity

Theme	Metrics	Location	page
Economic Value Creation and Employment	Job Creation	Recruitment and Retirement	63
	Economic Contribution	Values Created, Economic Performance	12, 46
	Contribution to Investment	Shareholder Return Policy	47
Product/Service Innovation	R&D Cost	R&D Cost, R&D Investment	19, 46
Local Communities and Social Vitality	Total Tax Payment	Values Created, Economic Performance	12, 46

UN SDGs Commitment

Hyundai Mobis participates in the implementation of the seventeen goals of the Sustainable Development Goals (UN SDGs), which were unanimously adopted by UN member states around the world. We propose future-oriented goals and achievements in the economic, social, and environmental fields that can at once meet the needs of today and of future generations and strive to implement them.

Philosophy That Drives the Fulfillment of Sustainable Development Goals

Sustainable Development Innovator

Hyundai Mobis will take the lead in achieving a sustainable future society based on the three core ideas of 'pursuing common prosperity', 'development of people and society', and 'clean global environment'.

Pursuing common prosperity

We pursue economic prosperity through the pursuit of shared prosperity, the expansion of sustainable supply chains, the creation of decent jobs, and economic growth.

Development of people and society

We contribute to creating social values based on the development of equal and excellent human resources.

Clean global environment

We take the lead in preserving ecosystems and responding to climate change based on sustainable production and consumption.

Stakeholder Impact

Classification	The Three Ideas	Key Issues
Shareholders and Investors	Pursuing common prosperity	- Contribution to economic development through corporate growth and development
	Development of people and society	- Expansion of R&D and infrastructure
	Clean global environment	- Identification of new growth engines for a sustainable future
Local community	Pursuing common prosperity	- Investment in infrastructure and symbiotic growth with local communities
	Development of people and society	- Implementation of corporate social responsibility - Support for the economically and socially underprivileged
	Clean global environment	- Protecting community ecosystems and biodiversity
Customers	Pursuing common prosperity	- Sustainable consumption
	Development of people and society	- Enhancing service accountability
	Clean global environment	- Production of recyclable products
Suppliers	Pursuing common prosperity	- Shared growth with suppliers - Support for suppliers
	Development of people and society	- Establishment of an ethical management system grounded in transparency and integrity
	Clean global environment	- Sustainable supply chain selection and evaluation
Employees	Pursuing common prosperity	- Acquiring and nurturing local talent in the areas around the places of business
	Development of people and society	- Achieving work-life balance - Strengthening health and safety management
	Clean global environment	- Human rights growth - Operating an environmental management system and creating an eco-friendly organizational culture

UN SDGs	Initiative	Schedule	Page
 No poverty	End poverty everywhere through the eradication of absolute poverty and the establishment of social security for all.	2025	65-67
 Good health and well-being	Manage diseases at a preventable level, provide essential health services, and establish a universal health care system.	2025	31-32, 57-58
 Gender equality	Eliminate discrimination against women and ensure equal participation in all fields of economy and society.	2025	43, 63
 Clean water and sanitation	Guarantee safe drinking water and sanitation facilities, and achieve objectives such as reducing water pollution and managing water resources.	2025	56
 Affordable and clean energy	Supply reliable, modern, and sustainable energy at an affordable price.	2025	54
 Decent jobs and economic growth	Provide decent work that also supports small businesses and protects workers' rights.	2025	63
 Reduce inequalities	Ensure equal opportunity and mitigate inequality of outcomes.	2025	43, 63
 Responsible consumption and production	Work to enable sustainable production and consumption and reduce waste generation.	2025	32-33, 55
 Climate action	Strengthen our ability to repair and restore the damage in the face of climate change and resulting natural disasters.	2025	26, 42, 54
 Biodiversity	Protect and restore terrestrial ecosystems and forests and prevent biodiversity loss.	2025	66

Greenhouse Gas Verification Statement



This verification statement was prepared at the request of Hyundai Mobis Co., Ltd.

Verification Standard and Scope

Lloyd's Register Quality Assurance Ltd. (LRQA) was requested by Hyundai Mobis to provide independent verification of the 2020 Greenhouse Gas Emission and Energy Usage Statements (hereinafter referred to as "the Statement"). The verification standard for this verification was "Guidelines for Greenhouse Gas Energy Target Management and Operation, etc." and was conducted in accordance with "Verification Guidelines for Greenhouse Gas Emissions Trading System Operation". The Statement contains information regarding the direct and indirect greenhouse gas emissions and energy use.

Management Responsibilities

LRQA's liability is limited to Hyundai Mobis Co., Ltd. LRQA has no obligation or liability to any other person or organization with respect to any such matters as described in the last note. The management of Hyundai Mobis Co., Ltd. is responsible for preparing the Statement and maintaining effective internal control over the data and information contained in it. Ultimately, the Statement was approved by Hyundai Mobis Co., Ltd., and it is the responsibility of Hyundai Mobis Co., Ltd.

LRQA's Verification Method

LRQA's verification was performed at a reasonable assurance level in accordance with the "Verification Guidelines for the Operation of the Greenhouse Gas Emission Trading System".

This verification was made through sampling and the following activities were performed as part of evidence gathering.

- On-site inspections were made of the production site facilities and the system for managing data and records related to greenhouse gas emissions and energy use was reviewed.
- Interviews were conducted with staff responsible for the management of data and records related to greenhouse gas emissions and energy use.
- Data and records related to 2020 greenhouse gas emissions and energy use were verified up to the raw data level.

Assurance Level and Importance

The opinions expressed in this verification statement are based on a reasonable level of assurance and were based on the expert judgment of the assurance auditors and the 5% materiality criterion.

LRQA's Opinion

As a result of the verification with the LRQA approach, we present an "appropriate" opinion as to whether the specification complies with the "Guidelines for Greenhouse Gas Energy Target Management, etc." and GHG Emissions in Table 1.

March 23, 2021

Il-hyeong Lee

On behalf of Lloyd's Register Quality Assurance Ltd.
17F, Sinsong Building, 67, Yeouinaru-ro, Yeongdeungpo-gu, Seoul, Rep. of Korea

LRQA Contract No.: SEO 6014771

Table 1. The greenhouse gas emissions as in Hyundai Mobis Co., Ltd.'s Statement

Scope (according to the definition of the Guidelines for Greenhouse Gas and Energy Target Management Operation, etc.)	2020
Direct GHG emissions	20,706
Indirect GHG emissions through energy	142,459
Total GHG emissions	163,165

The above data corresponds to the equivalent ton of CO₂.

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Independent Assurance Report

This assurance statement is intended for readers of the Hyundai Mobis Sustainability Report and has been prepared under an agreement with Hyundai Mobis.

Assurance Standards and Scope

Lloyd's Register Quality Assurance Ltd. (LR) has received a request from Hyundai Mobis to provide independent assurance of the 'Hyundai Mobis Sustainability Report 2021' (hereafter "the Report").

This assurance was conducted at a moderate level using AA1000AS v3 according to the verification standards below, and the scope was Type 2.

The scope of assurance covered the operation and activities of Hyundai Mobis' domestic and overseas places of business¹. It included the following requirements.

- Assessing compliance with the AA1000 Accountability Principles²: inclusiveness, materiality, responsiveness, and impact.
- Confirmation that the report was prepared in accordance with the GRI standards (Core Option).³
- Evaluating the accuracy and reliability of data and information for the following indicators:
 - GRI 200 (Economy): 201-1, 201-2, 203-1, 203-2, 204-1, 205-2, 205-3, 206-1
 - GRI 300 (Environment): 301-1, 302-1, 302-2, 302-3, 303-1, 303-2, 303-5, 304-2, 305-1, 305-2, 305-3, 305-4, 305-7, 306-1, 306-2, 306-3, 307-1
 - GRI 400 (Society): 401-1, 401-3, 402-1, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 404-1, 404-2, 404-3, 405-2, 406-1, 408-1, 409-1, 412-1, 412-2, 413-1, 414-1, 415-1, 416-1, 416-2, 417-2, 417-3, 418-1
 - Safety performance data as reported on p. 57

1. For overseas places of business, only GHG emissions and employee-related data are included in the scope of assurance.

2. <https://www.accountability.org>

3. <https://www.globalreporting.org>

Data and information on Hyundai Mobis' suppliers, contractors, and other third parties were excluded from the scope of assurance.

LRQA's liability is limited to Hyundai Mobis. As explained in the last note, LRQA assumes no obligation or responsibility

to any other person or organization. Hyundai Mobis is responsible for the collection, aggregation, analysis, and presentation of all data and information in the report, and for maintaining effective internal control over the report publication system. Finally, the report has been approved by Hyundai Mobis and is the responsibility of Hyundai Mobis.

LRQA's Opinion

Based on the LRQA's approach, there have been no failures to comply with any of the following by Hyundai Mobis:

- Compliance with the above requirements.
- Disclosure of accurate and reliable performance data and information (all errors found in the assurance process have been corrected).
- Reporting of all significant issues to readers and stakeholders.

This opinion is based on the moderate-level verification and was based on the professional judgment of the verification auditor as a materiality criterion.

Note: The scope of evidence collection in the moderate-level assurance is smaller than the high-level verification. The moderate-level assurance focuses on the collected data rather than directly checking the raw data at the places of business. As a result, moderate-level assurance has a significantly lower assurance level than high-level assurance.

LRQA's Approach

The verification by LRQA is carried out under LRQA's assurance procedures. As part of evidence gathering for this verification, the following activities are performed:

- We evaluated Hyundai Mobis' approach to stakeholder engagement to ensure that issues raised by the stakeholders were correctly identified. We did this by reviewing documents and related records.
- We reviewed Hyundai Mobis' process for identifying and determining material issues to ensure that material issues are properly included in the report. We compared the reports of Hyundai Mobis with those of other companies to check whether specific issues in the industry were reported in a way that enabled comparison to each other. In addition, we reviewed the criteria used by Hyundai Mobis in determining the material issues. This was conducted to evaluate whether Hyundai Mobis' business decisions

are made based on information related to sustainable development.

- We reviewed Hyundai Mobis' data management system to ensure that there are no significant errors, omissions, or misrepresentations in the report. To this end, we reviewed the effectiveness of our data processing procedures, guidelines, and systems, including internal verification. We also interviewed key people who collected and compiled data and drafted reports.
- We visited the Hyundai Mobis headquarters in Seoul and reviewed the evidence provided by Hyundai Mobis.

Observations

Additional observations and findings identified during the verification process are as follows.

Inclusivity

No significant stakeholder groups were found excluded from Hyundai Mobis' stakeholder engagement process.

Materiality

There were no material issues related to Hyundai Mobis' sustainability performance that are not included in the report. Hyundai Mobis has established a wide range of standards to determine which issues are important, and these standards are not biased only in favor of the management of the company.

Responsiveness

To evaluate ESG risks in the supply chain, Hyundai Mobis conducts due diligence through diagnosis by its suppliers and visits to their sites, and transparently reports the results of the due diligence and corrective actions.

Impact

Hyundai Mobis needs to develop a more systematic approach to understand the impact of organizational activities on some issues (e.g., groundwater use, biodiversity).

Reliability

Hyundai Mobis' data management system for reported indicators is well established.

LRQA Qualifications and Independence

LRQA implements and maintains a comprehensive management system that meets the accreditation requirements of ISO 14065 (Greenhouse Gas – Requirements for accreditation or certification of GHG feasibility assessment and verification bodies) and ISO/IEC 17021 (Conformity Assessment – Requirements for organizations providing management system audit and certification). In addition, LRQA complies with the requirements of the International Standard on Quality Control 1 (ISQC1) and the Code of Ethics for Certified Public Accountants of the International Ethics Standards Board for Accountants (IESBA).

LRQA guarantees selection of appropriately qualified auditors based on their qualifications, training, and experience. The results of all assurance and certification evaluations are internally reviewed by the senior management to ensure that the approach applied is strictly followed and transparent. LRQA verifies Hyundai Mobis' greenhouse gas emissions. LRQA does not violate independence and impartiality as it only provides verification services to Hyundai Mobis.

May 11, 2021

Tae-kyung, Kim
Assurance Team leader

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LR Contract No.: SEO 00000819



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Miscellanea

Affiliated Organizations

Organization	Purpose of Affiliation
Korea Chamber of Commerce and Industry	Compulsory membership under the Chambers of Commerce and Industry Act; Issuance of import/export documents, etc.
Korea Enterprises Federation (KEF)	Collaboration and policy suggestions for establishing a cooperative system between labor and management
Korea Auto Industries Coop. Association (KAICA)	Collaboration between related companies for the development of the automobile industry
Fair Competition Federation	Exchange of information and opinions with governments and companies to comply with fair trade
UN Global Compact Network Korea	Compliance with the ten principles of UN Global Compact
Korea International Trade Association (KITA)	Acquisition of trade information and policy recommendations on export, customs duties etc.
Korea Economic Research Institute (KERI)	A comprehensive study on the short- and long-term development projects of the South Korean economy and companies
Korea Automotive Recyclers Association	Environmental preservation and improvement of automobile recycling rate in the automobile industry
Korea Industrial Technology Association (KOITA)	Vitalization of technical cooperation network and strengthening of technological innovation capability
The Korean Society of Automotive Engineers	Technology development through sharing of automobile-related academic technology
The Korean Academy of Motor Industry (KAMI)	Industry development through interpersonal exchanges and seminars with automobile-related experts

Total Amount of Donations and Payments to Associations and Groups by Year

Organization	Unit	2018	2019	2020
Associations and tax-exempt organizations	KRW	17,219,237,306	4,658,471,417	11,463,773,155

* No lobbying, no donations to interest representatives or similar organizations, local or national political campaigns/organizations/candidates

Major Payments and Donations

Organization	Unit	2018	2019	2020
KEF	KRW	103,360,000	215,000,000	215,000,000
Seoul Chamber of Commerce and Industry	KRW	76,800,000	76,800,000	108,300,000
KIAC	KRW	57,000,000	-	-
KAICA	KRW	12,000,000	12,000,000	12,000,000
Hydrogen Convergence Alliance (H2KOREA)	KRW	200,000,000	200,000,000	200,000,000

Social Contribution Investment Amount

Classification	Unit	2020	Remarks
Cash donation	KRW	21,734,326,728	Domestic donations
In-kind donation	KRW	0	-
Converted amount of employee volunteer activities	KRW	200,580,106	Amount of employee volunteer work hours converted into financial value
Business overhead	KRW	282,594,846	Expenses for social contribution activities

Honors

Honor Name	Date of Award	Issuing organization/Supervision
Win-win index Excellence	Dec. 2017	Korea Commission for Corporate Partnership
17/18 DJSI AP/Korea	Nov. 2017	DJSI
New Excellent Technology (NET) - “Collision pad for knee protection that uses continuous fiber composite”	Apr. 2017	KOITA
Honored with ‘National Tax 500-Billion-Won Tower’ on 52nd Taxpayer’s Day	Mar. 2018	President of Rep. of Korea
18/19 DJSI AP/Korea	Oct. 2018	DJSI
IR52 Jang Young-sil Award for “Paintless Injection Crash Pad”	Aug. 2018	KOITA
19/20 DJSI AP/Korea	Oct. 2019	DJSI
Jang Young-sil Award - iMEB	Apr. 2019	Ministry of Science, ICT and Future Planning
2019 Social Contribution Grand Prize	Dec. 2019	Ministry of Health and Welfare
Excellent Family-Friendly Company	Dec. 2019	Ministry of Gender Equality and Family
20/21 DJSI AP/Korea	Dec. 2020	DJSI
Prime Minister’s Commendation at 2020 Government Award for Contribution to Sustainability Management	Dec. 2020	Ministry of Trade, Industry and Energy



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