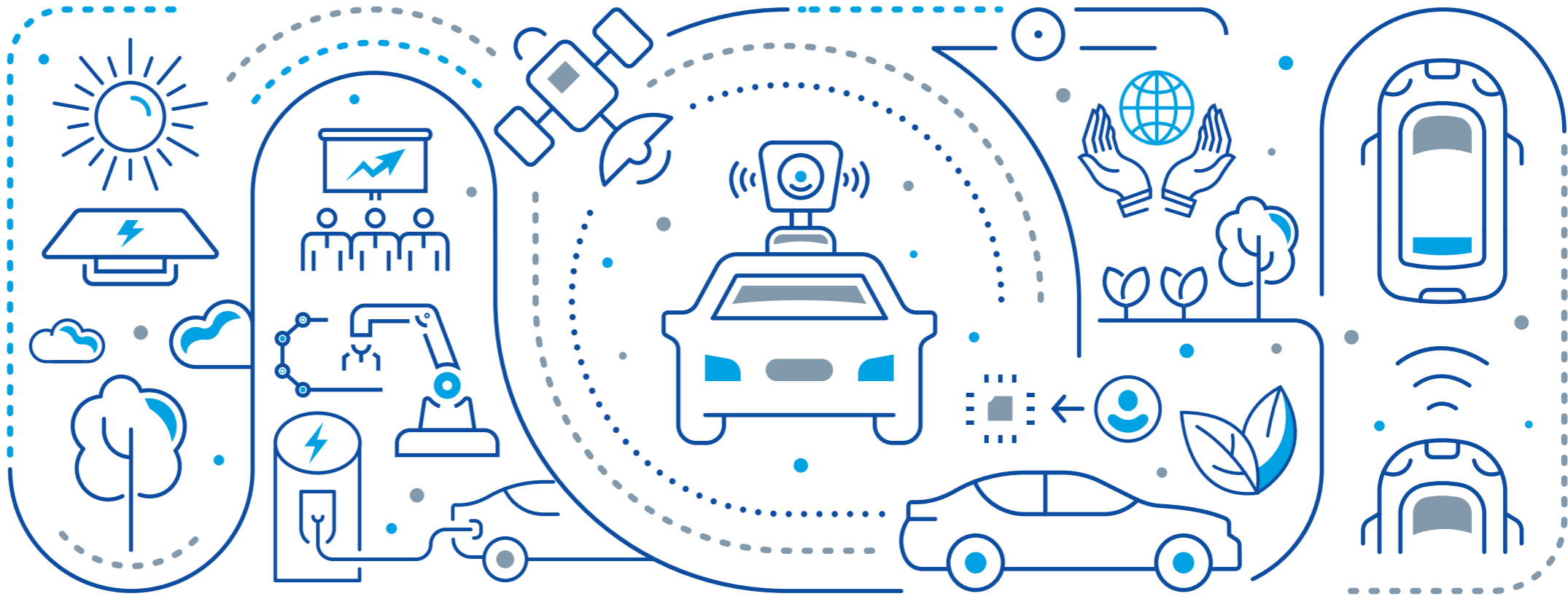


Mando

Mando Sustainability Report 2020

Driving with Technology



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About This Report

In hopes of sharing Mando's sustainability management activities and performances with our stakeholders from various fields, we published our 2020 sustainability report. In this report, we are introducing our sustainability management performances and activities in pursuit for realizing Mando's vision, "Our vision is your freedom", which ultimately aims towards stakeholders' "safer, easier, and greener freedom".

On the basis of the company's core sustainability management agenda, we are also reporting the economic, environmental, and social values that the company created in 2020 through global business activities.

Reporting Standards

This report has been prepared in accordance with "Core Options" of the Global Reporting Initiative (GRI) Standards, which is a global reporting guideline for corporate sustainability, and it contains contents from ISO 26000, UN SDGs, UNGC, SASB and TCFD.

Reporting Boundaries

All business operations in Korea, including Global R&D Center in Pangyo and production sites in Pyeongtaek, Wonju, and Iksan.

(Also includes partial data, activities, and performances of global production sites)

Reporting Period

January 1 2020-December 31, 2020

(Achievements for the first half of 2021 partially included).

Reporting Cycle

Annual (Publication date of the previous report: June 2019)

Assurance from Independent Party

Independent assurance provider verifies the report to ensure reliability and quality of reporting contents.

Contact Information

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Availability of Mando's Sustainable Management Information On-Line

Each year, Mando periodically and transparently discloses its corporate management information on the company website for its investors and stakeholders. Additional information related to this report can be found on our website, business reports, audit reports, and the Korea Financial Supervisory Service website (<http://dart.fss.or.kr>).

<https://www.mando.com/eng/>



Mando YouTube Chanel



Mando LinkedIn



Corporate Governance Report (Available in Korean)



Articles of Association (Available in Korean)



2020 Business Report (Available in Korean)



2020 Mando Audit Report (Consolidated, Available in Korean)



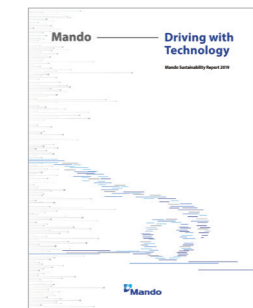
2020 Mando Audit Report (Separate, Available in Korean)

Cover Story on Sustainability

Mando contributes to a safer, greener, and easier tomorrow and aims towards sustainable growth based on the trust of our stakeholders.



2018 Sustainability Report



2019 Sustainability Report



2020 Sustainability Report

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Dear distinguished stakeholders,

The global community is experiencing social, economic, environmental, and safety-related uncertainties and difficulties due to the COVID-19 pandemic. Mando also faced a challenging period at the same time. Nevertheless, we have been making various social, economic, and environmental efforts to overcome this crisis and to speedily recover our resilience. This third Sustainability Report presents the economic, environmental, and social values we achieved together with our stakeholders in 2020 even in the midst of such turbulences, and our plans to strive to become a "A Mobility Freedom Creator" by 2030. I extend my gratitude to all of you for your endless care and support, and here, I share with you our activities and achievements for the year.

Beyond the Pandemic

Based on our policy of 'putting the health and safety of our employees first', Mando dispatched a company-wide COVID-19 emergency response team on January 2020, whereby we established and implemented a strict precaution and prevention system at all our business sites around the world and operated our businesses based on the following three principles to effectively respond to the emergency situation created by COVID-19.

Firstly, we established a company-wide COVID-19 emergency response system to reinforce the safety of our employees. Secondly, we diversified our clients, improved cash liquidity and strengthened development of eco-friendly technologies to respond to the crisis with even more flexibility and sustainability. Lastly, we created an active corporate culture (Vitality Mando) where every Mando employee is able to realize their potential based on autonomy and responsibility so that we overcome the crisis together. As a result, Mando was the only automotive parts company in South Korea to be listed in "2020 World's Best Employer" by Forbes. With the gathered efforts of all our employees, Mando will continue our stride to become a company that proactively creates sustainable corporate value.

Mobility Freedom Creator,

In line with the rapidly changing demands in the market, Mando is preparing for a sustainable future through proactive innovations in technologies and products. With the acceleration of changes in the automotive industry, we decided to mark the year 2020 as the year that we begin our journey as 'A Mobility Freedom Creator'. Mando will expand its business beyond the manufacturer of automotive parts and into 'data service' provider. Furthermore, Mando will strive to be loved not just by automobile manufacturers but also by 'diverse end-users', as well to become a company that creates freedom in 'mobility'. To this end, we are conducting pilot projects on Data Service with various private and governmental organizations. In addition, we have launched various new products to advance into the era of the electric vehicle, hydrogen fuel-cell vehicle and autonomous vehicle, and each product was highly recognized by our customers. Furthermore, we have launched 'Software Campus' to enhance our software capability, where we plan to develop the integrated Vehicle Motion Control and showcase SW-as-a-Product in the near future. We will continue to improve our corporate constitution through advancing Smart Factory, RPA (Robotic Process Automation), and Digital Transformation, and emerge as a leading company in the era of the Fourth Industrial Revolution.

Together into a Bright Future

Mando proactively cooperates with external stakeholders to respond to global social issues such as climate change and COVID-19. Among our efforts to become better a sustainable company, Mando registered as a participant of the UNGC (UN Global Compact) and declared its commitment to the UNGC Ten Principles. In addition, Mando empathized with the severity of climate change and decided to participate in various global initiatives, such as the Carbon Disclosure Project (CDP), and the K-EV100 campaign, a campaign launched by the Korean Ministry of Environment to have the corporates to replace 100% of their business-purpose vehicles to zero emission vehicles. Accordingly, starting with vehicles to be purchased this year, Mando plans to replace all of the company's business-purpose vehicles to zero emission vehicles by 2030. Moreover, as part of its internal efforts, Mando launched the Sustainability Management Office in May with a plan to advance its sustainable management system and has been actively uncovering strategic initiatives.

In 2021, we will stand with our stakeholders to overcome the ongoing COVID-19 pandemic as well as environmental issues like climate change. Under our vision, "Our Vision is Your Freedom. In Our Creation, your tomorrow will be safer, greener, and easier", Mando will contribute to make our society safer and greener, and strive toward a future for co-growth. We look forward to your continued interest and support in Mando and the various sustainable management activities that we will pursue.

June 2021
CEO and President, **Seong-Hyeon Cho**

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Company Overview

Mando is a global automotive parts company supplying its products to over 60 local and global automobile manufacturers. We design, engineer, assemble, manufacture, supply and sell our products from over 50 global R&D, manufacturing, sales sites including our Global R&D Center located in Pangyo and those in Asia, North America, South America, and Europe,. Mando will continue to grow as a global company providing core automotive parts that plays a key role in vehicle safety as well as for providing high value-added, high-tech products and solutions of the future.

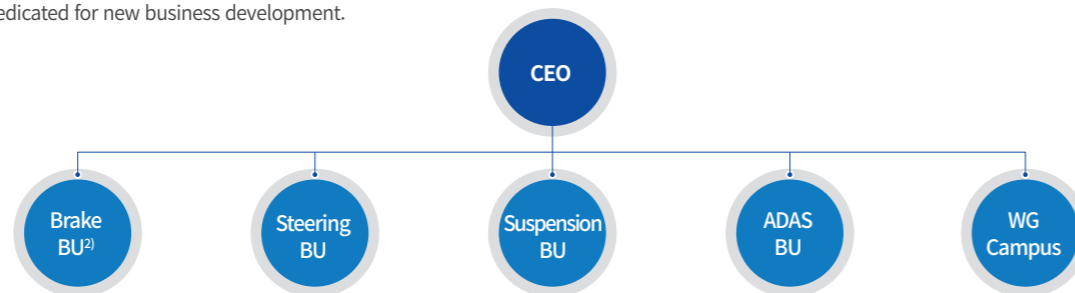
About Mando

As of December 2020

Company Name	Mando Corporation	Total Liabilities	KRW 3,229 billion
Date of Establishment	October 1, 1962	Registered Capital	KRW 47 billion
CEO	Mong-Won Chung, Seong-Hyeon Cho, Kwang-Heon Kim	Sales	KRW 5,665 billion
Headquarters	32, Hamanho-gil Poseung-eup, Pyeongtaek-si, Gyeonggi-do	Credit Rating	AA-
Business Activities	Manufacturing and Sales of Automotive Parts	Number of Employees	11,764

Organization Structure

To effectively respond to the changing automotive industry, Mando established a global business framework that operates under four business units (BUs)- Brake, Steering, Suspension, and Advanced Driver Assistance System (ADAS¹)- and WG Campus, a group dedicated for new business development.

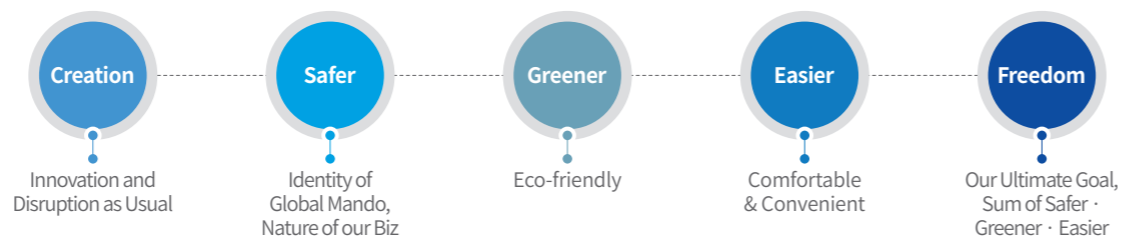


Vision

Mando's vision is to contribute to a safer, greener, and easier tomorrow for all stakeholders, including its customers and the Mando family. Our ultimate goal is to pursue 'Freedom' by enhancing safety, protecting the environment, and reducing inconveniences in our daily lives through innovative technology.

Our vision is your freedom.

In our creation, your tomorrow will be safer, greener and easier.



Core Values

To realize our vision, Mando employees form unified corporate culture through pursuit of the company's core values, "Integrity, Frontier, and Work Together", leading the company to continuously grow and become a global company



Integrity

Work fair and square by complying with the basics and principles



Frontier

Be the best by taking on challenges and innovating with an indomitable will



Work Together

Seek coexistence through consideration and communication

Management Philosophy

Mando established "Halla Way" as its business philosophy, aiming to become a company that continues to grow under any circumstance. Halla way is the path that all our members must walk in unison for the realization of a better future, and also a necessary task to be fulfilled in our management activities.



Select & Focus



Standardize, Globalize & Empower



Secure Resources



Respected Corporate Culture

1) ADAS : Advanced Driver Assistance System 2) BU : Business Unit

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Business Area

Mando develops and manufactures brake, steering, suspension, and ADAS¹⁾ products as well as components required for electric vehicles. Furthermore, Mando provides an integrated solution that includes sensors, integrated control processors and actuators, thereby leading the mobility paradigm towards the future industry of electric and autonomous vehicles. We currently supply automotive parts and solutions to over 60 automobile manufacturers, including the top 10 automobile manufacturers in the world, and continue to strive to become the leading company of the future vehicle mobility industry by leveraging our outstanding technology, quality, and price competitiveness. Furthermore, all Mando employees uphold Mando's vision and core values, and make joint efforts to realize the value of sustainability as a member of society.



Chassis



Brake System

The core technology for making the vehicle safe

Mando is the first company in Korea to produce an IDB²⁾, a product that integrates existing EBD system (which is comprised of four or more components) into 1 box. Mando currently supplies IDB to globally renowned automobile manufacturers and is developing variants of IDB in order to provide high value-added solutions for global automotive market's demand.

In addition, Mando is gearing to develop and showcase to the market the BbW³⁾, the electric, electronic brake system of the future that can completely eliminate the hydraulic brake lines from vehicles.



Steering System

The technology in the closest proximity to drivers' safety

Mando possesses all the steering technology required from turning the steering wheel to maneuvering of the wheels. Among Mando's diverse steering systems, EPS⁴⁾, a system that integrates state-of-the-art mechanical, electric, electronic, and software technologies, has been rapidly growing with the advancement of autonomous driving ever since Mando's successful localization of the system for the first time in Korea in 2009. The excellence of Mando's EPS is acknowledged by traditional automobile manufacturers as well as 'advanced technology' driven electric vehicle manufacturers. Currently, Mando is on the brink of achieving the world's very first mass-production of the Pure-Play SbW⁵⁾ which removes the mechanical connection between the steering wheel and the wheels and replaces it with electronic signal. These future steering technologies go beyond simple maneuvering of steering wheel and wheels and propose the direction of future automotive technology as a mobility solution.



Suspension System

The technology that directly impacts driver's comfort

Mando's suspension system minimizes driver's fatigue by absorbing impulses created by the road and preventing them from directly reaching the vehicle body or passengers, as well enables stable control of the vehicle. This suspension system is installed in a variety of car models around the globe, ranging from passenger cars to larger commercial vehicles. In addition, we grafted our proud electronic control technology onto the suspension system and are mass-producing a future electronic control suspension system that enables seamless control over diverse driving environments such as acceleration, sudden braking, and cornering.

1) ADAS : Advanced Driver Assistance System 2) IDB : Integrated Dynamic Brake 3) BbW : Brake-by-Wire 4) EPS : Electronic Power Steering 5) SbW : Steer-by-Wire

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Advanced Driver Assistance System
The technology that brings dream car into to a reality

Mando is in pace with the mobility trends of electric and autonomous vehicles. To this end, based on its electronic control chassis system, Mando is focusing on the development of sensors that function as the eyes of the vehicle as well as integrated controllers that function as the brain. As a result, Mando reinvented itself from an ‘automotive parts company’ that supplies specific parts into an autonomous driving solution company that provides ADAS¹⁾ functions with integrated sensors, controllers and chassis. Mando envisions a dream car that can protect its passengers from any dangerous situation, that is even more convenient and comfortable, and that even provides advanced convenient functions as if reading the user’s mind. Starting with the localization of Korea’s first front-radars, Mando strives to complete the lineup of core autonomous driving parts through development of the LiDAR, high-definition imaging radars, in-vehicle passenger sensors, and next-generation integrated controllers.



For Micro Mobility
Smart Personal Mobility Module

Mando’s SPM²⁾ leads the transformation into the future lifestyle, making the lives of people even more convenient and free. Through the chainless SPM module, Mando enables flexibility of mobility design, data accumulation and utilization, and easy maintenance, as well provides new business opportunities.



For EV
e-Drive

Mando’s e-Drive, a powertrain system for EVs, integrates three components- the driving motor, reducer and inverter- into a single module, whereby reducing total volume and weight by 10~15% compared to the products of Mando’s competitors. Mando continues its development efforts to attain ‘high efficiency’ and ‘high power density.’



For Fuel Cell EV
Fuel Cell DC-DC Converter

Mando developed Korea’s first hydrogen fuel cell 100kW DC-DC converter (FDC³⁾) for hydrogen trucks, with mass-production planned for 2021. Mando is also developing 200kW converter that requires higher output and 40kW converter for hydrogen passenger vehicles. In addition, with the consideration for expanding beyond the automotive market, Mando is developing technologies for other industries that utilize hydrogen energy.

1) ADAS : Advanced Driver Assistance System 2) SPM : Smart Personal Mobility 3) FDC : Fuel-Cell DC-DC Converter

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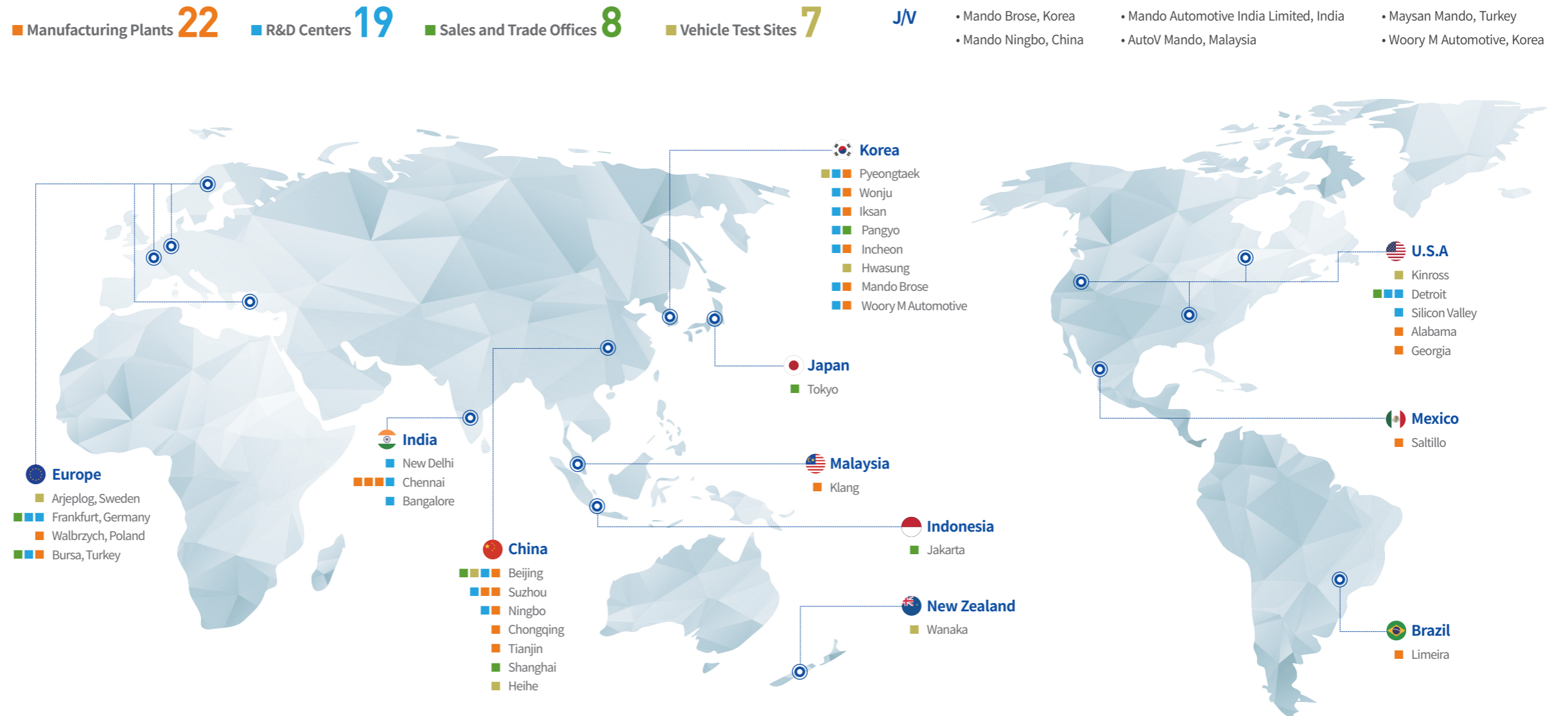
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Global Network

Mando is striving to solidify its competitiveness in the global market.

As of the end of 2020, Mando operates over 50 establishments across Asia, North America, South America, and Europe.



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Sustainability Management System

While Mando shares Halla Group's visions and values on sustainable management, Mando also established its own core strategies and management systems, and is striving to generate Environmental, Social, and Governance (ESG) values at the corporate level.



Governance of Sustainable Management for Halla Group and Mando

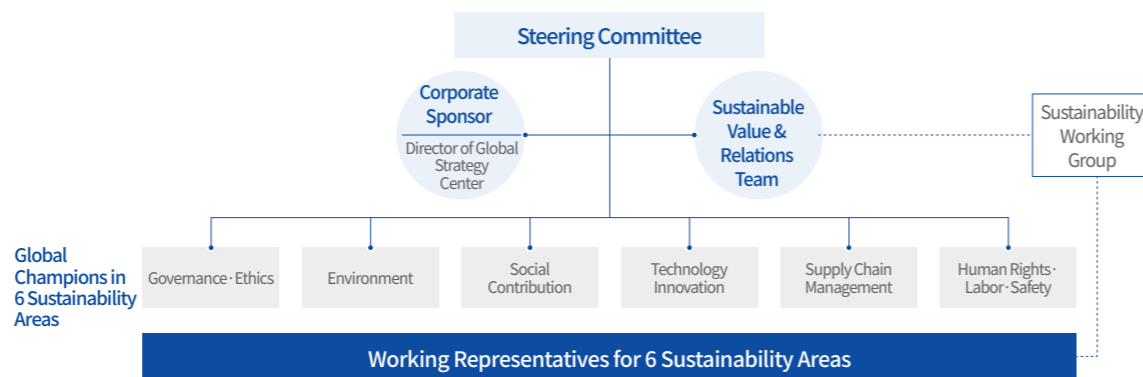
Mando has pursued sustainable management activities in various ways in the past. Since 2020, Mando has inherited and participated in the sustainable management values of Halla Group, and established a close cooperation system with the Group to establish a more proactive and systematic corporate sustainability management. Through this, Mando has prepared an improved operation system for the effective realization of sustainability management values. Halla Group's Sustainable Management Council and Mando's Sustainability Management Office will be in operation starting 2021 and will lead the effective implementation of sustainable management through respective working group and working councils.

Halla Group's Governance of Sustainable Management



Sustainability Management Office

Champions of the six sustainability areas discuss the establishment of sustainability management policies, review and monitor performance of sustainability activities, and provide improvement plans through the Steering Committee Meeting on a bi-monthly basis. In addition, they report operation status of the sustainable management to the Transparent Management Committee and the Board of Directors, and monitor and inspect implementation performances of the sustainable management activities in each respective area on a monthly basis through sustainability working group.



Halla Group ESG Vision House

ESG Vision	A Beloved, Solid, and Leading Global Company
Mission	Sustainable Growth by the Right Approach
Strategic Direction of Group	To achieve economic values while upholding ESG values and social values as indicators of non-financial performance

Core Sustainability Areas and Values of Mando



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Sustainability Management Performance

Mando created positive economic, environmental, and social values in 2020, and will continue its sustainable management activities.

Key Performance Index for 2020

In 2020, Mando continuously grew both technologically and economically despite facing challenging business environment created by COVID-19. In addition, through collaboration with diverse social stakeholders, we actively engaged with local communities and realized win-win business results with our business partners. We are also taking the lead in improving the global environment by carrying out activities to reduce our impact on the environment.

Goals	Tasks	Performance Index	Unit	2018	2019	2020		
Strengthening foundation for sustainable growth	Global market expansion	Sales	KRW 1 trillion	5.67	5.98	5.56		
	Realization of customer satisfaction	Quality risk management	Improvement rate on cost of quality failure	%	37	12	20	
Securing future growth engines	Expansion of new business investment	R&D investment	KRW 1 billion (%)	315(5.6)	361(6)	331.8(6)		
		R&D head count	Persons	2,115	2,319	2,266		
Environmental risk management	Strengthening environmental management system	Percentage of worksites with ISO 14001 certification ¹⁾	%	100	100	100		
	Compliance with local and international regulations on environment agenda	Number of violations on environmental regulations	Cases	0	0	0		
Response to climate change	Energy consumption reduction	Energy consumption	TJ	2,258	2,134	1,620		
		GHG (greenhouse gas) management	GHG emissions	Direct emission	tCO ₂ -eq	9,007	7,911	6,508
			Indirect emission	tCO ₂ -eq	101,195	95,631	72,061	
Efficient resource management	Wastewater and waste reduction	Amount of wastewater discharge	m ³	268,176	241,596	221,427		
		Amount of waste generated	Ton	16,267	15,681	6,421		
		Percentage of waste recycled	%	93	93	89.62		
Establishment of transparent and ethical corporate culture	Use of eco-friendly products and services	Amount of green purchasing	KRW 1 million	1,585	203	860.7		
		Number of participants in ethics training	People	231	178	185		
		Number of violations on corruption	Cases	0	0	0		
Safe working environment	Human rights protection at workplace	Number of participants in human rights training	People	2,311	2,282	2,235		
		Number of violations on information Protection regulations	Cases	0	0	0		
		Factor of Safety Index (FSI)	-	0.3	0.45	0.45		
Embracing 'joy-to-work' corporate culture	Fostering future talents	Training hours per employee	Hours	40	43	26		
		Total training expenses	KRW 1 million	6,013	5,258	6,199		
		Number of turnover and retirement	People	96	73	71		
Employees satisfaction	Employee volunteer activities for social contribution	Number of employees using flexible work hour system	People	2,336	2,231	2,215		
		Number of employees on parental leave	Male	People	9	10	18	
			Female	People	12	14	13	
Responsible supply chain management	Mutual growth with business partners	Mutual Growth Index	Level	Excellent	Excellent	Fair		
	Sustainability management of supply chains	Percentage of new business partners evaluated using social and environmental criteria	%	100	92	100		
Strengthening social contribution in local communities	Initiation of new social contribution activities	Volunteer hours	Hours	11,062	9,952.2	5,883		
		Number of participants	People	1,652	1,607	1,274		
		Expenditure for Social Contribution	KRW 1 million	727	668	725		

Strategic Direction for Mando's Sustainability Management

Climate Action



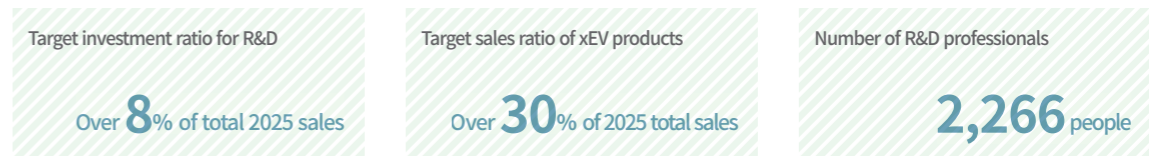
Mando monitors the current status of environmental data such as CO₂ emission (scope 1, 2 and 3) and waste generation for all business sites in Korea. From 2021, Mando will systematically identify and report climate-related data by participating in the Carbon Disclosure Initiative (CDI).



Clean Technology



In addition to developing new technology products for hydrogen and electric vehicles, Mando is strengthening its R&D to reduce the environmental impact generated by our products. We plan to expand our R&D beyond automotive part development and into infrastructure services related to eco-friendly technologies.



Responsible SCM



Mando operates an integrated supply chain management system to enhance the competitiveness and manage risks of our partners. Mando assesses and manages our business partners based on various evaluation criteria. We plan to increase the weight of ESG evaluation criteria with a purpose to spread ESG management in our business ecosystem



1) Including overseas business sites subject to certification

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SDGs Commitment

Mando supports the Sustainable Development Goals (SDGs) of the United Nations, has achieved various outcomes in 2020 to create shared value for the prosperity and development of the international society, and will carry out activities more proactively in 2021.

Partnership



SDGs17. Strengthen the means of implementation and revitalize the global partnership for sustainable development (p.36)

To build a sustainable business ecosystem, Mando pursues mutually sustainable growth through support based on the three themes of mutual growth: 'establishing a fair trade culture', 'building a trust relationship' and 'strengthening the competitiveness of our business partners'.

Prosperity



SDGs9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation (p13, 14)

Mando is leading the development of new future automotive technology and has achieved the advancement of automotive parts by strengthening quality and service through active R&D investments.

People



SDGs1. End poverty in all its forms everywhere (p51, 52)

Mando and Mando employees are sponsoring children in need jointly with the Green Umbrella Children's foundation, and have donated to local communities through the 'Walk Together' program for the last 6 years.

Planet



SDGs12. Ensure sustainable consumption and production patterns (p.40)

We design recyclable products and develop eco-friendly materials to minimize waste generation during the manufacturing process, and promote activities to reduce generation of waste in the workplace.

Peace



SDGs16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels (p.27)

We operate an audit system to prevent corruption, and cases of unfair business practices or violations of the Code of Ethics can be reported through the On-line Report Center on the ethical management website.



SDGs11. Sustainable cities and communities (p.15)

We have been participating in R&D projects under the supervision of the Ministry of Trade, Industry and Energy since April 2019 to reduce fine dust generated by brake wear.



SDGs4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all (p.52)

We provide career education for teenagers who are in the blind spot of educational system by participating in the 'Seed School' initiative, a youth career education program operated by the Korea Education Volunteer Corps.



SDGs13. Take urgent action to combat climate change and its impacts (p.38, 39)

We established company-wide greenhouse gas reduction goals and strategies, and have been re-designated as a green company that contributes to environmental improvement through energy saving and greenhouse gas reduction activities.

UNGC Commitment

By joining the UN Global Compact (UNGC) initiative in April 2021, Mando activated company-wide sustainable management and promised to actively implement the Ten Principles of the UNGC. To this end, Mando will establish internal policies and action plans and actively implement them to take the lead in realizing a sustainable society.



Human Rights

Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights;

We announced the declaration of human rights and strive to comply with the Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, and all the constitutions of the ILO and state. (p.44, 45)

Principle 2 make sure that they are not complicit in human rights abuses.

We receive on-line reports on ethical management and operate a sexual harassment reporting center at the group level, and run a grievance reception channel and a counseling system. (p.44)



Environment

Principle 7 Businesses should support a precautionary approach to environmental challenges;

We have in place the 'establishment of a green management system', 'reduction of environmental pollutants' and 'green partnership' strategic systems to make an eco-friendly green factory a reality. (p.20)

Principle 8 undertake initiatives to promote greater environmental responsibility; and

We manage pollutants such as waste, chemicals, and wastewater, and participate in global initiatives such as the Carbon Disclosure Project (CDP) and the Task Force on Climate-related Financial Disclosures (TCFD). (p.21, 39, 40)

Principle 9 encourage the development and diffusion of environmentally friendly technologies.

We conduct continuous research and collaborate with local and foreign companies with the goal of reducing fine dust from wearing of brake by 30%. (p.15)



Labor

Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

We negotiate with the labor union every year, hold labor-management council meetings with the workers' committee, and strive to improve the wage and welfare of our employees. (p.49)

Principle 4 the elimination of all forms of forced and compulsory labour;

We implemented various systems to help employees maintain a work-life balance, such as the 'flexible working system', 'minimum rest guarantee system' and 'working from home. (p. 50)

Principle 5 the effective abolition of child labor; and

We follow the Declaration of Human Rights and comply with the minimum employment age in accordance with the national regulations to abolish child labor. (p.45)

Principle 6 the elimination of discrimination in respect of employment and occupation.

We do not ask to include information that is not relevant to the job in order to provide equal opportunities for employment. (p.48)



Anti-corruption

Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.

We operate a counseling and on-line reporting center on the ethical management website to prevent corruption, and conduct ethical management training on a regular basis. (p.27)



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TOPIC 1

Securing Future Technologies

Through continued commitment to R&D and investment activities, Mando thrives to reinforce the competitiveness of core businesses and identify new business opportunities for future growth engines.

Management Approach

R&D Strategy System

Based on its world-class R&D capabilities, Mando strives to secure future automotive technologies and establish itself as a global leader in the automotive parts industry. In particular, Mando aims to develop innovative technologies to achieve its strategic goal of providing mobility freedom to the society by 2030 through development of integrated solutions for the mobility ecosystem. By 2025, Mando will increase R&D expense as percentage of sales to 8%, expand sales contribution of advanced chassis products and safety-enhanced premium products to 40%, and raise sales contribution of ADAS¹⁾ and EV parts to 30% (13% in 2020).

R&D Organization and Network

Mando operates 19 R&D centers in five countries, including Korea, U.S., Germany, China, and India. There are 2,266 research personnel as of 2020. The R&D organization is comprised of advanced development organization focused on developing next-generation products, and design, software, test assessment, and research planning organizations.

R&D Status

Category	2018	2019	2020
R&D personnel (persons)	2,115	2,319	2,266
R&D investment (KRW billion)	315	361	331.8
Ratio to sales (%)	5.6	6	6

Advanced Development



Development of intelligent, eco-friendly auto parts and next-generation products for future automobiles

Design



Development of brake, steering, and suspension systems, ADAS, and chassis products

Software



Mass production by each global BU²⁾, development and verification of platform software for advanced products, development of new technologies

Test Assessment



Installation of driving test fields in different environments around the world, testing of driving and new technologies

Research Planning



Establishment of technology development strategies

Establishment of SW Campus to Reinforce Software Competitiveness

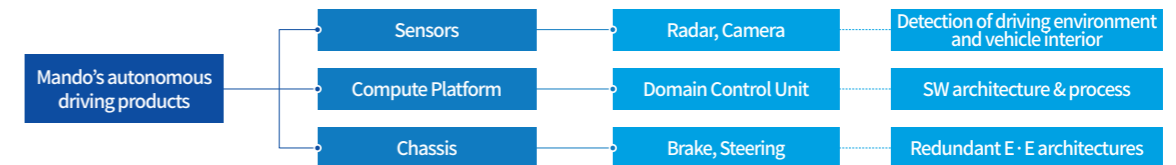
With the recent trend in digitalization of automobiles and its software, rapid progress is being made in regards to advancements in automotive software and hardware integration. Mando established SW Campus in April 2021 to effectively respond to this trend. Software R&D, which was previously managed separately by each Business Units, was integrated in order to build software governance system and to enhance software capabilities. In addition, Mando plans to secure company-wide software platform to introduce SaaP³⁾.

Autonomous Driving

Development of Short-range Radar, a Core Autonomous Driving Technology

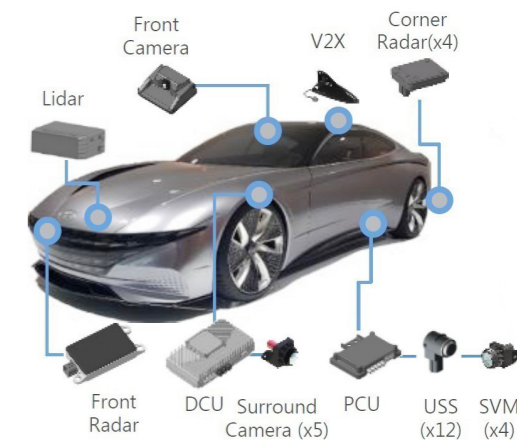
Mando completed in-house development of short-range radar to become a global ADAS leader possessing core autonomous driving technologies. Mando has developed full line-up of radar products, as medium- and long-range radars are already under mass production. Moreover, apart from front cameras already under mass production, Mando is developing in-cabin sensors, surround cameras, driver monitoring cameras, LiDARs, and next-generation integrated controllers to offer advanced ADAS technologies to customers and drivers.

Mando's Autonomous Driving Technologies



Developing Total Solution for Autonomous Driving

Autonomous driving, the essence of Industry 4.0, and other advanced technologies for accident-free smart vehicles are finding increasing levels of application. Mando is developing LiDAR, a core sensor for autonomous driving in measuring the distance to objects using laser, cameras to visually recognize objects nearby, and radars to detect distance, direction, and velocity from surrounding objects using electromagnetic waves. In addition, Mando enhances drivers' convenience by enabling autonomous driving under congested traffic conditions. SCC⁴⁾ maintains a safe distance from the vehicle ahead to prevent accidents, and LKAS⁵⁾ keeps the car in its lane while driving, and by combining the two features, Mando is developing 'high- and low-speed forward vehicle following system.' Based on its rich experience in supplying level 2 ADAS solutions, Mando is planning to secure level 2.5~3 autonomous driving solutions by 2022, and starting 2025, Mando will make active R&D investments to develop level 4-5 autonomous driving products.



Parts related to level 4 autonomous driving

1) ADAS : Advanced Driver Assistance System 2) BU : Business Unit 3) SaaP : Software as a Product 4) SCC : Smart Cruise Control 5) LKAS : Lane Keeping Assist System

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Development of Environment-friendly Automotive Parts

Development of Environment-friendly Vehicle Parts: Tackling Environmental Risks

Given the seriousness of the crisis our planet is facing, corporations can no longer avoid their responsibility for environmental pollution. In responding to the call, Mando strives to develop environment-friendly automotive parts that can minimize risks to the environment. Mando will continue to research and invest in environment-friendly automotive parts for the market trend and secure future market competitiveness.

Electric Vehicles – Mando’s By-Wire & EV Modular Platform

Mando provides world-class products and solutions that fulfill required value of future vehicles. Unlike internal combustion engine based platforms, the electric vehicle platform can make the floor flat like a skateboard and allow the vehicle to maximize space through integration of various parts such as e-Motor, inverter, and reducer. Mando is taking the lead in developing eco-friendly parts suitable for the rapidly changing market.

By-wire Chassis

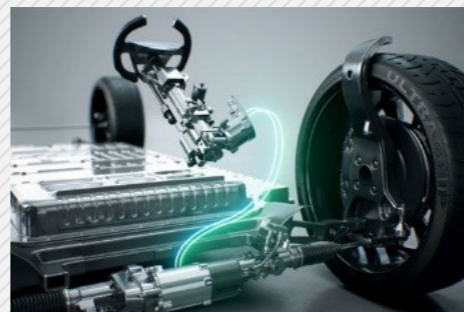
- Enables steering control with electric signals by removing mechanical connections between the steering handle and wheels
- Increases the degree of freedom in vehicle design: maximization of interior space and freedom in steering handle placement
- By-wire chassis is a core technology for future EV modular platform

Targeting to Mass-produce World’s First Intelligent Steering System Controlled by Electric Signal, SbW¹⁾

Mando aims to mass-produce SbW, a system that can control the direction of vehicles using electric signals, by 2022. SbW is the world’s first steering system that has the steering handle and vehicle wheels completely separated. Since the direction of the wheels can be changed through electric signal, position of the steering handle can be freely arranged, securing spatial autonomy such as vehicle design, and implementing safety and convenience functions that enable the steering handle to be stowed in autonomous driving conditions. Mando’s SbW technology based on ‘freedom’ and ‘safety’ received global recognition by winning the Innovation Award in the Vehicle Intelligence & Transportation category at CES 2021. Mando is pursuing commercial development of SbW with multiple EV NTOs²⁾ based in North America, and SbW applied to autonomous EV is scheduled to enter mass production for the first time in November 2022.

Freedom & Safety

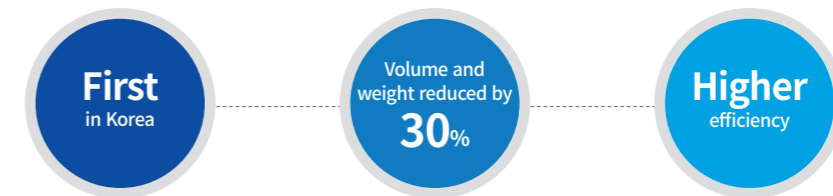
- **Design Flexibility**
Increasing design flexibility of vehicles by removing physical connection between the steering column and gearbox
- **Living Space in Car**
Auto Stow³⁾ design enhances freedom in interior space thereby allowing diverse self-driving lifestyle, including reading, gaming, and watching movies.
- **Redundant Safety**
The entire system continues to operate normally even when some parts fail.



SbW Embodiment

Development of DC-DC Converter for Hydrogen Fuel Cells (FDC⁴⁾)

FDC is a device that converts and supplies power coming out of a fuel cell stack according to battery voltage. Mando successfully developed 100kW FDC for fuel-cell commercial vehicles for the first time in the Korean domestic market. Mando’s FDC has drastically improved price competitiveness and fuel economy by reducing volume and weight by over 30%, in comparison with imported FDC currently in the market. Mando will begin mass production of 100kW FDC starting 2021 and is collaborating with various partners to develop 200kW FDC with the goal of mass production in 2023. Mando plans to expand the scope of FDC to other industrial areas such as construction machinery and power generation equipment that use hydrogen fuel cells. Mando will continue to strive in becoming a global leader in the field of hydrogen vehicles through continued investment in the development of FDC parts.



Integrated EV Powertrain System

Currently, the market for automotive powertrain system is focused on separated motor-inverter and integrated motor-inverter types. Mando anticipates the xEV powertrain market to grow even further, along with increased demand for xEV component efficiency and packaging optimization. In order to become a market leader, Mando is developing e-Drive, which reduces the volume and weight of the product while increasing efficiency through integration of motor, inverter, and reducer into one single package. Mando strives to secure EV product capabilities and expand market share by developing system solutions that integrate automotive parts and relevant technologies.

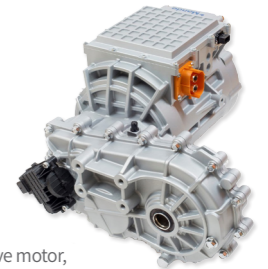


e-Drive system parts

e-Drive

- Volume-weight reduced and efficiency increased
- Applicable to all lineups of Strong HEV or higher

Integrated solution for drive motor, reducer, and inverter



1) SbW : Steer-by-Wire 2) NTO : Non Traditional OEM 3) Auto Stow : Design where the steering column is pushed into the engine room 4) FDC : Fuel-Cell DC-DC Converter

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Service Expansion of Hydrogen Station Management App, 'H2Care'

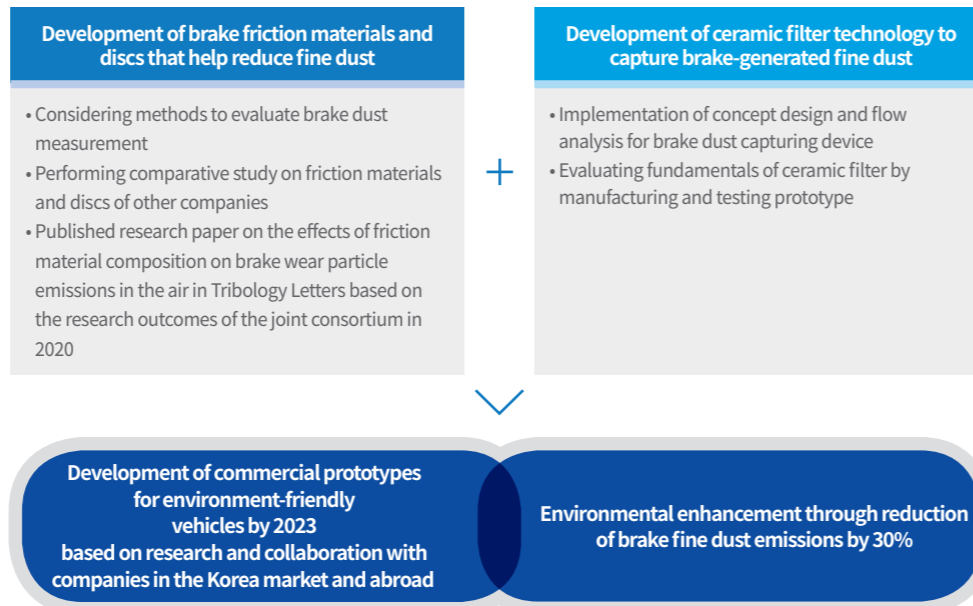
In February 2020, Mando launched 'H2Care,' an application that provides information about hydrogen charging stations to help drivers who face inconvenience due to the lack of information on hydrogen charging stations. This service is available on Android and iOS. As of March 2021, 'H2Care' offers real-time information about hydrogen stations in Korea to over 10,000 users. In particular, the app also provides 'automatic counting of vehicles waiting in line based on CCTV image and AI' at 10 hydrogen stations. The app is also linked to Hyundai Developers' 'Vehicle Information Open API' to provide cumulative driving distance information on a personalized page. The 'Charging station reservation system' has been applied to Yangjae Hydrogen Station in Seoul to reduce congestion and increase operating efficiency.



H2Care hydrogen charging station information app

R&D in Response to Regulations on Brake Wear Particle Emissions

Mando will proactively respond to regulations related to brake wear dust, which are expected to come into effect in 2025. Accordingly, Mando formed a consortium under the supervision of the Ministry of Trade, Industry, and Energy in April 2019 and started 2 separate 5-year national projects for the 'Reduction of non-exhaust fine dust in the transportation area.'



Identification of New Businesses

Robot Solution Development Project, 'Patrol Robot Goalie'

Mando takes the initiative in developing autonomous driving robots used in everyday life, by converging robotics and autonomous driving technologies. The patrol robot 'Goalie' was the very first outcome of this project. 'Goalie' aims to encourage active use of parks by preventing night crimes and enhancing people's safety. Since the second half of 2020, Mando has begun trial run of night patrol at a park in Baegot New Town in cooperation with Siheung-si, Gyeonggi-do. Mando will develop 2nd gen. Goalie model and start the patrol service in Gwanak-gu, Seoul, from the second half of 2021.

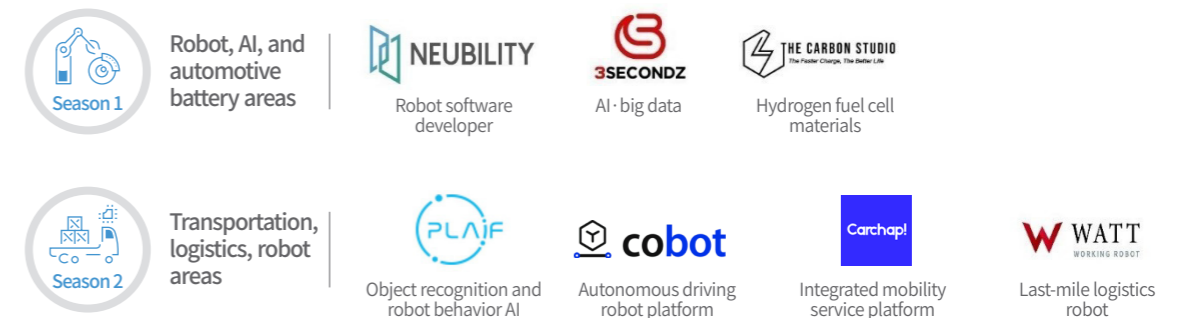


Autonomous patrol robot, Goalie

Fostering Mobility Startups with 'Tech UP+'

Mando continues to find, foster, and invest in startups. Mando's Mobility Tech UP+ is a program run jointly by Mando and a specialized tech startup builder, FuturePlay, to foster and invest in mobility startups in the early stage. Tech UP+ Season 1 was launched in 2018, and the program has now completed its second cycle to identify, foster, and invest in 7 early-stage startups so far. Among companies that received investment during Season 1, Neubility and The Carbon Studio have posted rapid growth by successfully attracting subsequent investments in 2020.

Identification and expansion of investment opportunities are fundamental to sustainable growth. Based on its accumulated capabilities, Mando is pursuing identification of new business through market-leading high-tech development as well as active investment in startups in mobility.



Mando Innovation Silicon Valley (MISV)

MISV, located in Silicon Valley, U.S., was launched in 2017 to review potential partnerships and investment opportunities in promising startups. In 2020, MISV engaged in active market monitoring and deal sourcing through a partnership with AutoTech Ventures in Silicon Valley. In addition, MISV is securing competitiveness in Silicon Valley by developing AI, EV, and battery technologies and conducting active networking activities.

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Participatory Technology Development Involving Stakeholders

Support for Employees' Invention Activities

To encourage an active R&D culture, Mando supports employees' efforts to apply for patents by hosting training programs and workshops related to intellectual properties. Based on latest new invention results, Mando employees received citations at the 2020 Invention Day Ceremony and were also selected for recognition from the Korea Intellectual Property Association (KINPA).

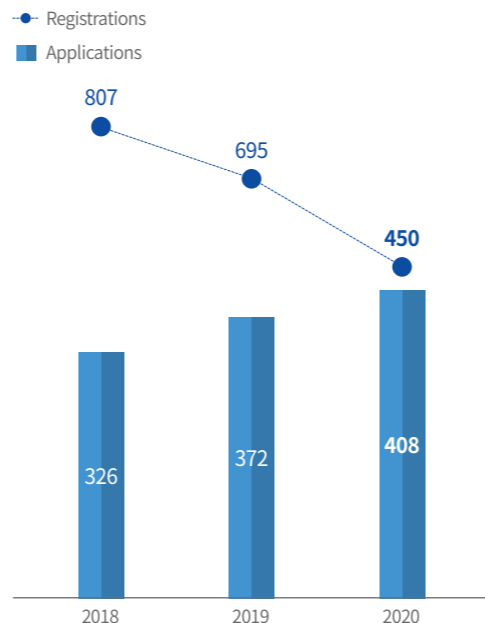
Mando's award of the highest prize, the Citation from the Chair of the Presidential Council on Intellectual Property, at the ICT Patent Awards creates an environment for enhancing the creativity of employees and encourages voluntary participation of employees by providing compensation on job-related inventions.

External Awards for Intellectual Properties



Presidential Citation for the 55th Invention Day Ceremony
 Citation from the Commissioner of the Korean Intellectual Property Office at the 2020 KINPA Patent Engineers of the Year
 Citation from the Chair of the Presidential Council on Intellectual Property at the 2020 ICT Patent Awards

Number of Intellectual Property Rights Applied and Registered



Number of Intellectual Property Right Applications

Category	Number of applications
Brake	156
Steering	103
Suspension	24
ADAS	134
Electric-Electronic	18
Electric Bicycle	8
Etc.	7

Open Innovation, Collaborative Research Activities

Mando engages in 'Open Innovation', which involves external collaboration with other companies and academic institutions, to secure core technologies, and develop and test new products. Mando held 10 external expert seminars in 2020 to monitor future trends in technology. In August 2020, Mando and Valcon, a consulting firm in Denmark, carried out a joint consulting project related to the Six Theta* technique application. As product design diversification is becoming increasingly important, Mando is developing innovative technologies and products through active R&D cooperation with external organizations.

*A new R&D instrument design technique that reduces cost by reducing the complexity of R&D and production equipment and evaluates the completeness of design in terms of the Design Weakness Index (DWI)

SPECIAL PAGE

Mando Leaves a Strong Impression on Vehicle Intelligence and Transportation at the CES 2021

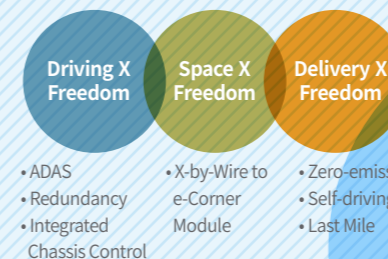
Mando introduced the new vision of 'Freedom' based on themes such as 'Spatial freedom' and 'Smart delivery' at the 'Consumer Electronics Show (CES) 2021,' the world's largest exhibition show for household appliances and information technologies.

Spatial freedom refers to the freedom to engage in variety of activities based on innovation in the usage of interior space. The flexibility in interior space usage can be maximized in the fully autonomous driving mode. At this year's CES, Mando presented future car solutions for autonomous communication between driver and modules integrated with super-connected concept, including the electric signal brake system BbW¹⁾ that applies Mando's by-wire technology to brake parts, and the intelligent steering system SbW²⁾, which received the CES Innovation Award.

Mando also presented a Smart Personal Mobility (SPM) module, which is the world's first chainless pedal-assisted system. The SPM module will provide freedom in the design of e-micro mobility. The SPM module combines advanced AI, IoT, and cloud technologies for clients that design and produce micro-mobility products. The SPM module is applied to micro-mobility based on various concepts to accommodate different lifestyles. Mando plans to launch SPM in the European delivery market in 2021.

Mando was acknowledged as a mobility solution provider, not just auto parts partner, in recognition of various future technologies presented at CES 2021, enabling Mando to successfully take the first step toward the goal of becoming 'A Mobility Freedom Creator' by 2030.

'A Mobility Freedom Creator'



1) BbW : Brake-by-wire 2) SbW : Steer-by-Wire

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Quality Management

Mando strives to secure driver safety and earn customer trust by reinforcing product quality throughout the entire product development process, including quality control of partners.

Management Approach

Quality Philosophy

Quality stability is a corporate philosophy that Mando focuses on with sincerity. Mando recognizes that a single safety issue can affect the survival the company. In order to prevent quality issues and readily respond to safety regulations, Mando established a new quality philosophy focusing on securing quality stability. Mando will continue to create a safer world by providing the best quality solutions for the safety and convenience of customers.



Quality Management System

Mando pursues management from both financial and value perspectives to secure quality competitiveness amidst the rapidly changing internal and external environments. Mando places emphasis on preventing safety issues and reducing claims to lessen the financial impact. Mando strives to secure competitive quality by changing the work methodologies and transforming the e-product system.



Prevention of Safety Issues

Observance of Safety Compliance

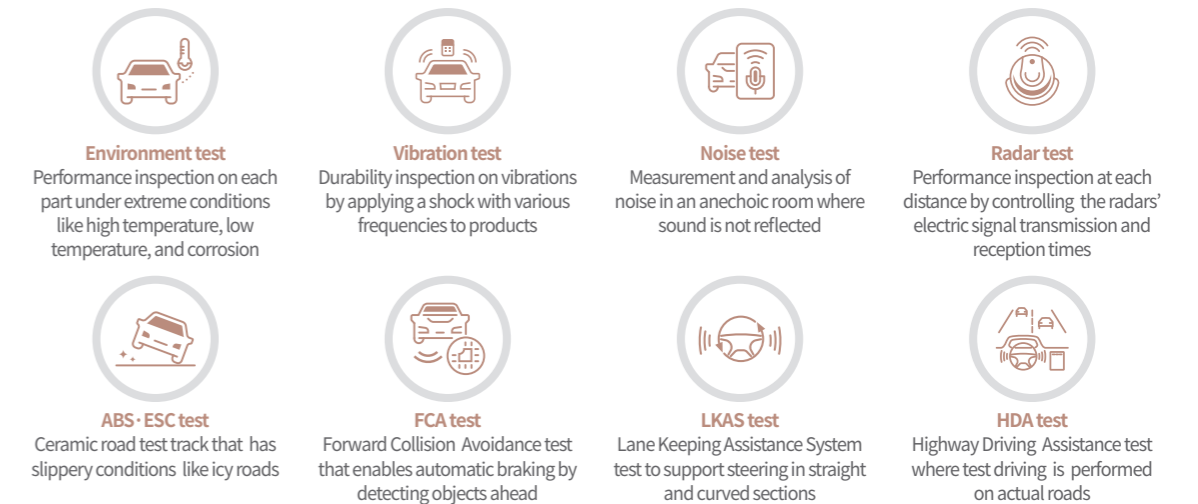
Various national institutions are reinforcing safety requirements through legal legislations such as the Severe Accident Punishment Act, and punitive damage compensations. General consumers' interests and concerns related to safety, such as collective lawsuits, are receiving greater attention. In order to meet this movement, Mando is striving to achieve zero potential safety risks in product design and manufacturing, reestablish a safety development process, control the preliminary risks regarding safety legislations, and enhance employees' safety awareness.

Reestablishment of Safe Development Processes

Mando established standard review processes to promote safety-oriented product design and manufacturing in order to preemptively prevent product recall and quality issues related to safety. Based on the review results, Mando will build safe development systems and processes managed as a database, which will include establishing a sign-off process for each gate, improving the Global Quality Management System for recalls, and reviewing the primary distribution and impact on related sectors.

Operation of Vehicle Verification Organization for Each Product

Mando implements a quality test on all in-house developed products to ensure that products are operated safely under various conditions and environments. Test and evaluation laboratories located in Korea, China, India, New Zealand, U.S., and Sweden conduct research tasks such as performance tests and durability tests under extreme conditions, contributing to the creation of quality products that satisfy customers.



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Winter Test for Safety

The winter test is an automotive performance test that evaluates whether automotive parts will play their proper roles under severe environmental conditions like snowy and icy roads in cold regions. Mando performs the winter test to evaluate the performance of automotive parts in extremely cold regions such as Sweden and China to secure the stability of auto parts and protect consumers' safety. The winter tests were difficult in 2020 and 2021 due to COVID-19, but Mando implemented the tests to conduct mass-production projects and to develop new products for future growth. The winter test in 2021 was scaled down by 34% compared to the previous year, limiting the number of participants to approximately 100 essential people to minimize the risk of COVID-19. Nonetheless, Mando received a favorable evaluation by clients on the completeness of products. Mando will continue to carry out more advanced winter tests to develop safe and convenient products that ensure customers' safety.



Claim Reduction Activities

Early Warning System for Claims

Mando improves quality-related claims by identifying risk using an early warning system for claims. In particular, Mando minimizes risks by controlling frequent claims systematically. The early warning system is an automated system that helps early detection and improvement by analyzing claims occurring in the fields of all regions. The system automatically alerts staff(employee) in charge of quality control (quality assurance, quality control) if the number of claims in the current month by vehicle model or product increases by a certain level compared to the previous month or the last six months. Claims can be minimized by taking follow-up measures on frequently occurring issues. This system enables employees of Mando in Korea and overseas to acquire real-time claim information.

Minimization of Quality Risks in New Products, LCD¹⁾, and LCM²⁾

Mando operates a 'Flawless Launch' organization to stabilize the quality of new products in the early stages by sharing open issues in real-time to resolve such issues quickly, and by building a database to monitor the effectiveness of improvement actions. In addition, Mando promotes early quality stabilization through preliminary quality inspections and guidance activities to strengthen LCD and LCM pre-quality verification.

Reinforcement of Reliability Evaluation

As vehicle's driving mileage increases with the expansion of autonomous driving and shared economy, it is becoming indispensable for vehicles to maintain product functionality without breakdown during the target period. Moreover, durability and quality have become crucial with the shift in the automotive quality paradigm. In 2020, Mando performed reliability analysis to satisfy the reliability requirements of leading OEMs and to reinforce competitiveness through product optimization. Mando also reduced claims and saved quality costs by identifying ways to improve field claims through reliability analysis. In 2021, Mando plans to continuously reduce the costs associated with quality, development, and testing through reliability verification, and enhance reliability by performing lifetime analysis on new products and specifications.

Establishment of a Quality Verification Environment

Mando aims to build a verification environment and process to secure robust quality. Customers demand high level of quality in the area of noise and abnormal noise that products generate, and in particular, requirements are very high regarding Noise, Vibrations, and Harshness. Accordingly, Mando built a verification environment that simulates the actual driving situation of vehicles to reproduce NVH and determine the effectiveness of improvement plans, making it possible to identify the conditions for NVH occurrence and primary factors. Furthermore, Mando will establish a process to verify all NVH issues in advance during the development stage by 2021, taking into account diverse characteristics of NVH with various quality standards and evaluation methods, and strengthen its detection ability.

Verification of Parts and Materials for Robust Design

Mando secures robust designs and parts by reviewing the material compatibility using product drawings in the development stage. Mando's drawing co-sign system verifies materials in the early development stages of new products, new technologies, and existing products that had issues in the past. In 2020, Mando minimized material errors and shortened development time by completing co-sign approval for 44 material drawings.

Furthermore, Mando secures robust parts and minimizes quality costs in the development stage by verifying the material compatibility in each stage of DV³⁾·PV⁴⁾. DV·PV verification was completed 60 times in 2020, and establishment of a database allowed Mando to quickly identify the causes of quality issues. Mando plans to utilize systematic planning to secure material quality in 2021.

1) LCD : Low Cost Design 2) LCM : Low Cost Manufacturing 3) DV : Design Validation 4) PV : Product Validation

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Efficient Quality-related Task

Software Development and Quality Management System

Mando continuously strives to enhance work efficiency and improve productivity by minimizing routine and repeated tasks. Mando has established a software quality diagnosis system based on MSDP¹⁾ 3.0 and A-SPICE²⁾ standards to secure flawless software quality. By utilizing the above systems, Mando diagnoses the implementation status of software development processes, analyzes individual quality risk factors, and manages the entire development process to eliminate any software quality blind spots.

Expansion of Quality Improvement Infrastructures for Electronic Components

Due to the evolution of the automobile industry and the expansion of electronic components used in automobiles, Mando intends to develop future-ready quality capabilities by expanding infrastructures for electronic components. Automotive semiconductor is a key component in this market evolution, and Mando has established quality improvement system to strengthen semiconductor device management. Furthermore, Mando has introduced an e-learning program specialized in fostering semiconductor quality experts. In 2021, Mando plans to improve the software development process by strengthening the management of software design changes in the pilot stage and internalizing the software engineering process.



Expansion of Quality Management for the Supply Chain

Supplier Quality Management through SQA³⁾

It is essential to secure quality control and supply stabilization throughout the supply chain to ensure complete product quality. Mando secures quality stability throughout its value chain by controlling the quality of not only the in-house production process but also the quality of parts supplied by suppliers as well. Through SQA, Mando conducts preventive quality and system stabilization activities to stabilize the quality and supply, and to prevent defects for mass production parts to enhance independent quality management capability of suppliers. The final management target is selected by evaluating the number of non-conformities reported, independent quality management goals, and internal inspection items for Mando's primary Tier-1 suppliers on a half-year basis.

Mando performs monitoring in each quarter based on the evaluation results. Partners with insufficient evaluation results are guided to implement improvement activities through a meeting body, and Mando strives to improve the quality management level for all partners.

Stabilization of the Mass-production Quality of Semiconductor and Electronic Companies

With the coming of the EV era, the electrification of parts is also gradually expanding. Accordingly, Mando is shifting focus to the e-product system in a way that meets the demand in the new era. Mando has established a quality diagnosis system for software development, and reinforced quality management criteria to stabilize the mass-production quality of semiconductor and electronic component suppliers. Mando inspects semiconductor partners using a check sheet that reflects the history of quality issues in the past, and the quality of new semiconductor devices is controlled through reliability analyses.



1) MSDP: Multicast Source Discovery Protocol 2) A-SPICE: Automotive Software Process Improvement Capability dEtermination 3) SQA: Supplier Quality Assurance

Environment-friendly Management

Mando reduces environmental impact of the entire process from product development, production, disposal, and recycling, and adopts measures to produce vehicles that customers can ride with confidence in harmful substances.

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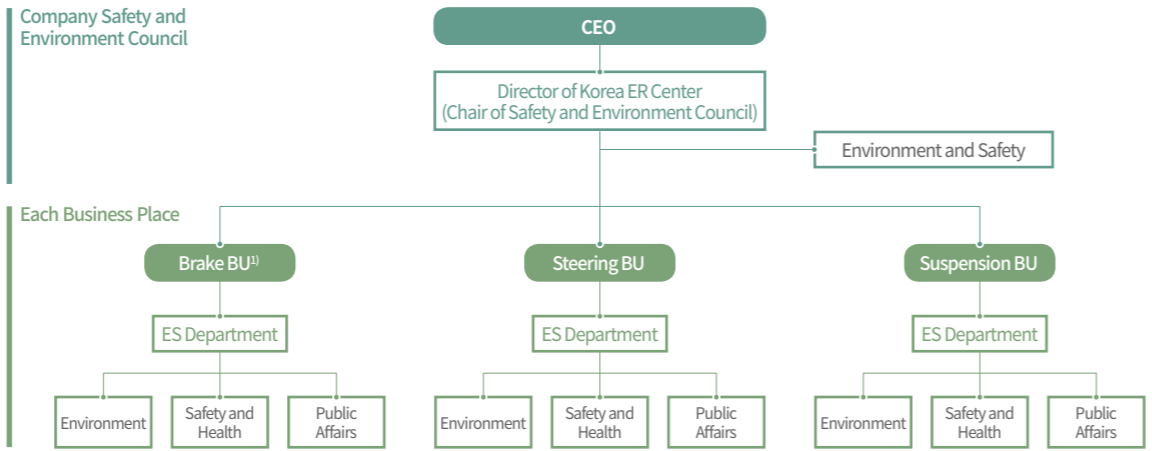
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Management Approach

Environmental Management System

Mando operates 'Safety and Environment Council' as a governance organization to effectively operate a comprehensive environmental management system across the company and the value chain. In addition to periodic inspection on environmental issues through regular meetings, the Council convenes ad hoc meetings to promptly make decisions and implement countermeasures to resolve issues when environmental issues occur.

Environmental Management Organization

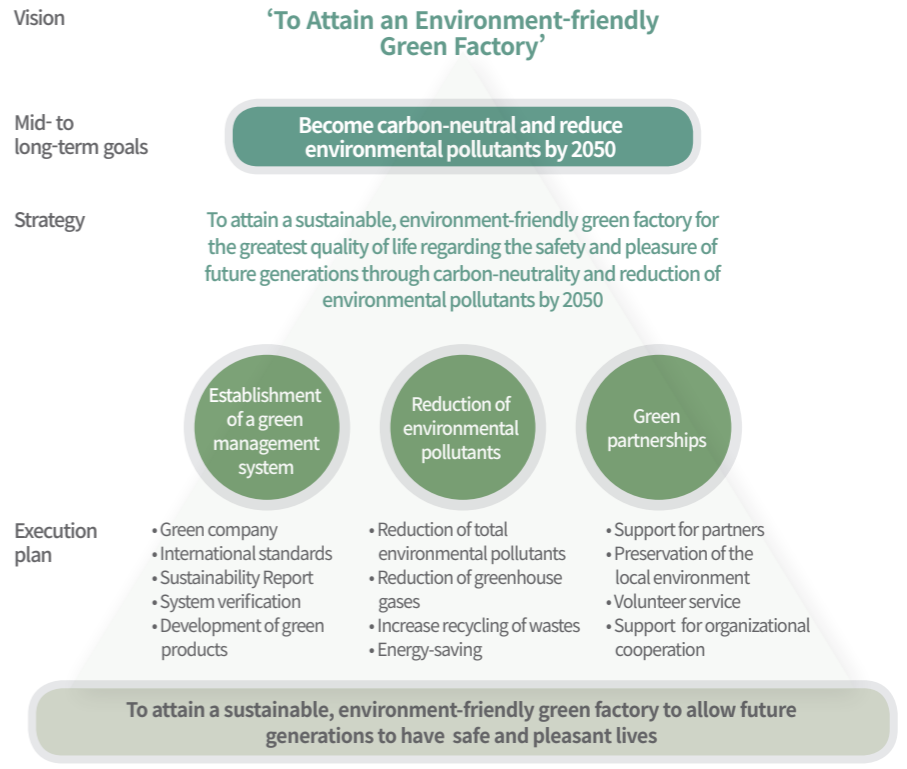


Environmental Management Plans for 2021

ESG evaluation and verification	<ul style="list-style-type: none"> Carbon Disclosure Project Sustainability Report 	<ul style="list-style-type: none"> Climate change risk information and new certification Improved rating for the Sustainability Report (Technical support for partners)
Environmental information · GHG emissions	<ul style="list-style-type: none"> Environmental information disclosure and verification Greenhouse gas verification 	<ul style="list-style-type: none"> Standard green management indicator and verification of each environmental indicator Establishment of strategy in response to government negotiation quota in the third year
ISO14001	<ul style="list-style-type: none"> Improvement of standards Reevaluation of environmental risks 	<ul style="list-style-type: none"> Expansion of standards applied to indirect departments (Identification of issues and plans for measures) Evaluation of critical environmental risks and establishment of action plans for all departments
Advanced factory environment	<ul style="list-style-type: none"> Manufacturing standards Improved working environment 	<ul style="list-style-type: none"> Standardization of building construction and drawing of factory piping (underground · above-ground) Improved factory environment (Outdated utilities and obsolete facilities)

Environmental Management Strategies

In accordance with its vision of realizing an environment-friendly green factory, Mando set forth the goals of becoming carbon-neutral and reducing environmental pollutants by 2050. Mando strives to implement environment-friendly management by building a green management system, promoting pollutant-reduction activities, and forming partnerships with interested parties.



Highlights of Environmental Management Performance in 2020

Mando's Wonju Factory was designated as a Green Company in August 2020

Redesignated as a green company

Pollutant concentrations reduced by 20% Emissions of volatile organic compounds (VOCs²⁾ reduced by 26%

Increased efficiency of facility operation

Formed a mentoring agreement on environmental technologies with Wonju Regional Environmental Office and three regional SMEs

Supply chain management

1) BU : Business Unit 2) VOCs : Volatile Organic Compounds

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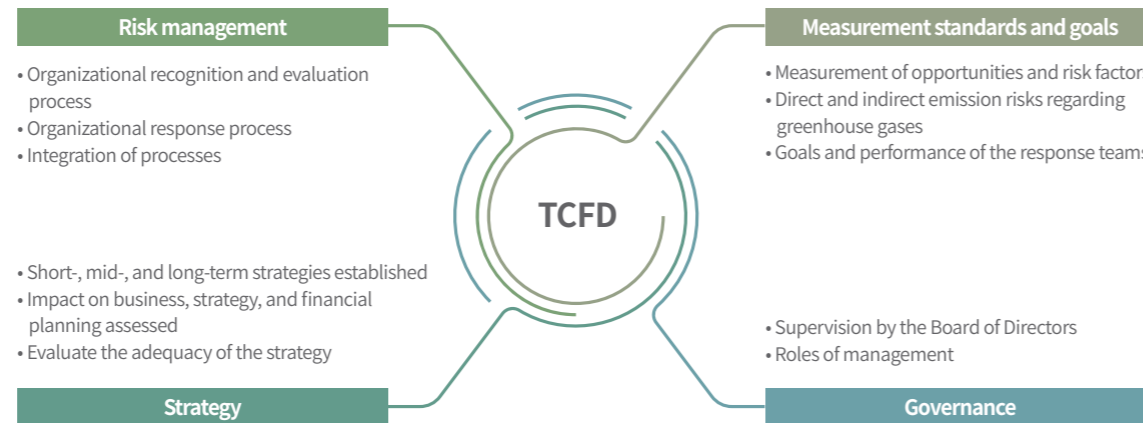
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Analysis of Climate Change Risks

Active Participation in Global Initiatives

Mando actively participates in global climate change initiatives, such as CDP¹⁾ and TCFD²⁾. With regard to TCFD, climate change risks and opportunities are reflected in corporate management in terms of governance, strategy, risk management, and indicators, and to this end, the following activities are being carried out.

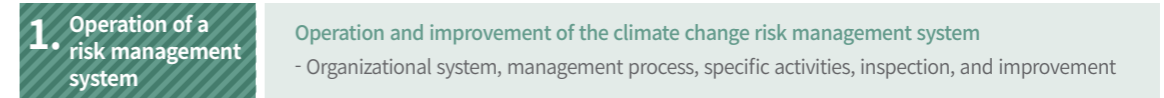
Requirements According to TCFD Standards



Climate Change Management Areas According to TCFD Standards

Announced Item	Major Activities
1. Governance	<ul style="list-style-type: none"> Preparation of a climate change management system linked to the working-level organization, with the Sustainable Management Committee as the highest decision-making body
2. Strategy	<ul style="list-style-type: none"> Management system Increased acquisition of international certifications and participation in initiatives and development of environment-friendly products Reduction Promotion of greenhouse gas reduction activities at all business places Partnership Management of partners' climate change response measures and facilitation of an environment-friendly society
3. Risk management	<ul style="list-style-type: none"> Analysis of transition risks and physical risks related to climate change Review of management risks and integrated consideration into management activities
4. Indicators and reduction goals	<ul style="list-style-type: none"> Direct cost of responding to greenhouse gas regulations CER expected to come down by 78,000 tCO₂ in 2025 (cost of KRW 2.35 billion) Mid-term greenhouse gas reduction goal Upper limit of emission (goal) for 2025: 61,772tCO₂

Climate Change Risk and Opportunity Management Process according to TCFD Standards



Mando manages climate change risks in four stages and reflects the results of periodic risk analyses in business strategies. In 2021, Mando will start review performance and develop improvement measures linked with with specific risk management activities.



Following the adoption of scenario-based climate change analysis method required by the TCFD, Mando analyzed risks based on two future scenarios of climate change: ① physical environment, ② corporate business environment such as regulation, market, and technology level. In addition, Mando defines and analyzes climate change risk and opportunity factors by considering two climate change scenarios (RCP³⁾ 2.6 scenario where temperature rises by 2 degrees and RCP 8.5 scenario where temperature rises by 4 degrees).

Category	Physical Risks	Transition Risks
Risk type	Natural disasters related to climate change, such as typhoons and floods	Climate change risks related to government regulations, market, technology, industry, and corporate reputation
Scenario analysis	RCP 2.6 (2°C scenario)	RCP 8.5 (4°C scenario)
Analysis target	Mando's business places	IEA ⁴⁾ sustainable development scenario IEA policy scenario
		[Policy] Carbon regulations; [Market] IT and logistics

1) CDP : Carbon Disclosure Project 2) TCFD : Task force on Climate-related Financial Disclosures 3) RCP : Representative Concentration Pathways 4) IEA : International Energy Agency

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Climate Change Risks Related to Mando

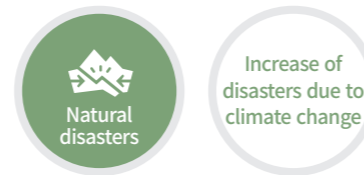
Risk

(Korea) Regulations on the emissions trading system and medium-term rise in CER prices (Overseas) Increase in the number of new carbon regulations applied to the overseas sites



Risk

Increased possibility of damage and higher cost of recovery due to increase in natural disasters such as typhoons, heavy rains, and abnormally high temperatures



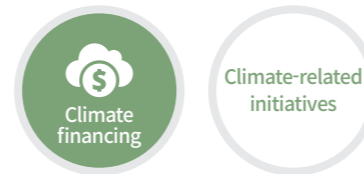
Opportunity & Risk

Expansion of environment-friendly vehicle markets such as EV and HEV due to increase in carbon regulations necessitated by climate change



Opportunity & Risk

Global initiatives like DJSI¹⁾, CDP²⁾, and TCFD³⁾ take climate change response measures into account, and Mando's climate change response will be considered when investors and clients make decisions



Opportunity & Risk

Companies with high greenhouse gas emissions or carbon footprints are likely to be criticized by opinion makers like NGOs and the media for their lack of carbon response



Impact of Climate Change Risks and Opportunities on Mando

1. Compliance Costs

Increased compliance costs related to government carbon regulations at Korea and overseas sites



**1. Production Activity
2. Recovery Cost**

Increased cost of reinforcing infrastructure related to manufacturing sites for natural disasters (air conditioning, electric, firefighting, and security infrastructures)



**1. Technologies and Products
2. R&D Cost**

Cost expected to increase in the short-term due to Mando's active investment for securing future technologies while ensuring long-term growth in sales from environment-friendly vehicles



**1. Corporate Finance
2. Product Sales**

Increased need for non-financial performance management related to carbon management and climate change responses by actively participating in climate change initiatives demanded by the value chain

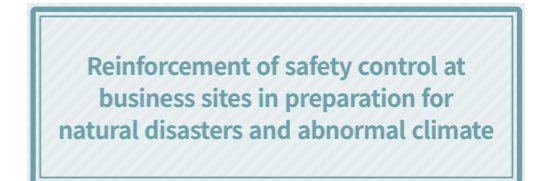


**1. Stock Price
2. Corporate Image**

Sustainable management has become an important factor in the mid- to long-term, with carbon emissions and climate change response, which are highly related to the auto industry, being particularly important for Mando



Mando's Activities to Manage Climate Change Risks and Opportunities



1) DJSI : Dow Jones Sustainability Indices 2) CDP : Carbon Disclosure Project 3) TCFD : Task force on Climate-related Financial Disclosures

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Governance

Mando pursues the realization of sound governance in its management system to show an entrepreneurial spirit under the principle of transparent and responsible management. The Board of Directors is the principal decision-making body that supervises and advises the management while helping the management adopt right decisions to enhance value for shareholders and the company.

Operation of the Board of Directors

Composition of Board of Directors

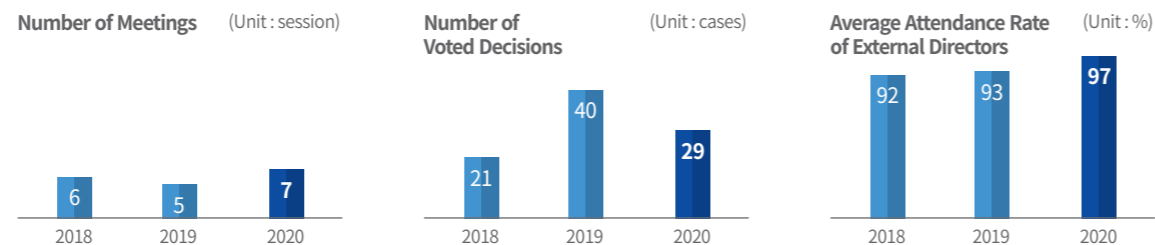
Mando's Board of Directors is composed according to Article 33 of the Articles of Incorporation, which stipulates that the Board of Directors shall be composed of three or more directors, and that one fourth of them must be external directors. If the total assets are over KRW 2 trillion at the end of the most recent fiscal year, the number of external directors shall be three or more and shall account for more than half of the total number of directors. Mando's Board of Directors is composed of three internal directors and four external directors, making a total of seven members as of March 2021. The CEO holds the position of the chair considering his-her expertise in the automotive industry and past experience. The tenure for directors is three years, and a maximum of six years for external directors in the case of a reappointment.

Board of Directors Status

As of the end of March 2021

Category	Name	Initial date of appointment	Term	Field of activity	Career highlights
Internal directors	Mong-Won Chung	-	2023.03	CEO	
	Seong-Hyeon Cho	2021.03	2024.03	CEO, Executive president	
	Kwang-Heon Kim	2020.03	2023.03	CEO, Head of Korean ER Center	
External directors	Han-Cheol Kim	2017.03	2023.03	Financial advisor	Adviser at Lee & Ko
	Kyeong-Soo Kim	2017.06	2023.05	Legal advisor	Lawyer at Yulchon
	In-Hyung Lee	2020.03	2023.03	Financial advisor	Senior researcher at Korea Capital Market Institute
	Gi-Chan Park	2020.03	2023.03	Finance consultant	Former SJL Partners vice-president

Activities of the Board of Directors



Independence of the Board of Directors

Mando elects directors through independent and transparent processes. According to Article 38 of the Articles of Incorporation, Mando can appoint one or more CEOs decided upon by the Board, and the appointed CEO(s) receive(s) the authority to represent the corporation for the appointed year. The internal directors are selected among our senior executives while the external directors are selected among qualified individuals in accordance with the related law. They are recommended by the Nomination Committee after screening for qualification, and their appointment is decided at the general meeting of shareholders. To guarantee the independence of the Board of Directors, Mando prepares and follows 'Restriction Rules on the Appointment of External Directors' so that the external directors are able to function independently without the interference of the management and significant shareholders.

Expertise and Diversity of the Board of Directors

Mando elects qualified experts with specialized knowledge in law, banking, and finance to serve as external directors. We conduct education for external directors to improve their expertise according to the rules of the Board of Directors. We carried out orientation education for new external directors in 2020.

Education for Improving External Directors' Expertise

Date	Purpose	Participating external directors	Details of education
April 8, 2020	Education for new external directors	In-Hyung Lee, External Director Gi-Chan Park, External Director	<ul style="list-style-type: none"> General introduction to the company history and organizational tasks Company strategy and management status Status of internal accounting operations Promotion status of new projects Other matters related to BOD operation, etc.

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Subcommittees under the Board of Directors

Composition of Subcommittees Under Board of Directors

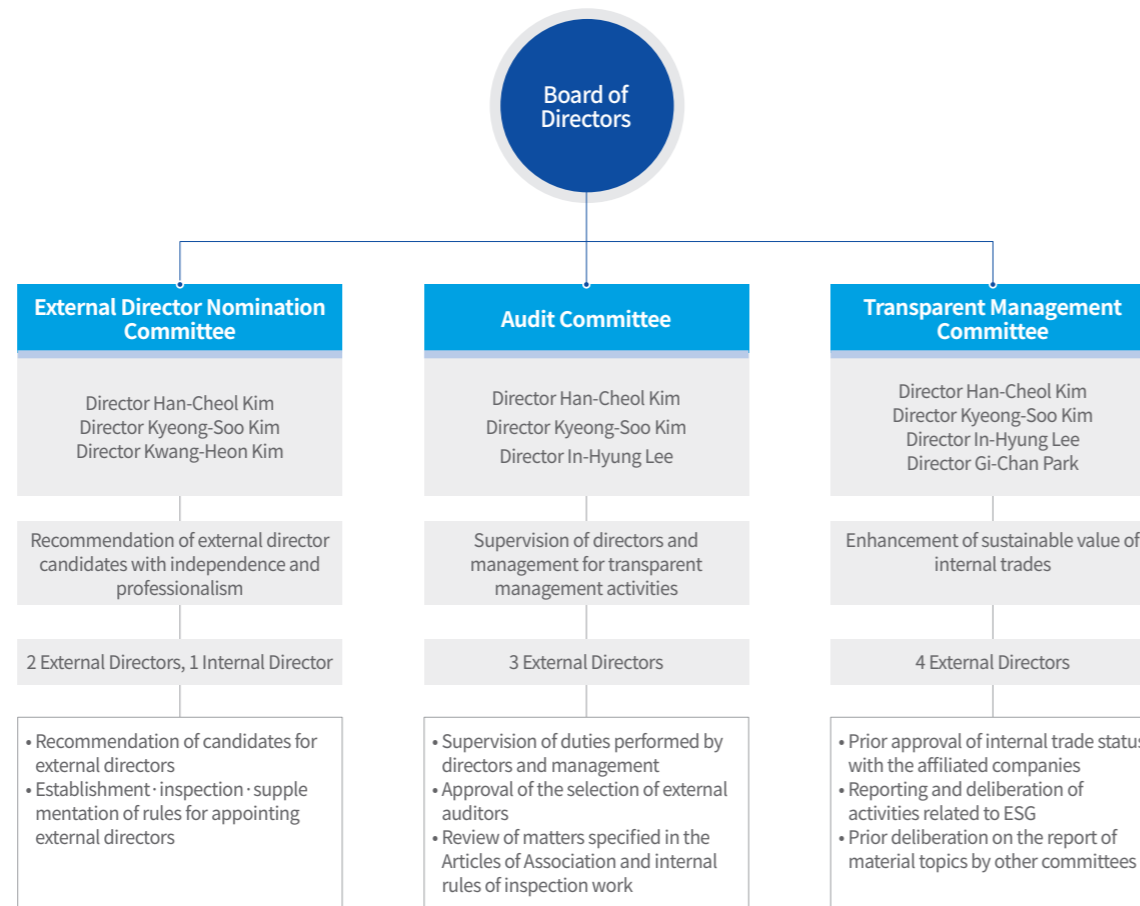
Mando operates three subcommittees (External Director Nomination Committee, Audit Committee, Transparent Management Committee) under the Board of Directors according to the Articles of Association. Tasks are assigned to each subcommittee according to the regulations of each committee to encourage professional decision-making.

External Director Nomination Committee

More than half of the External Director Nomination Committee is comprised of external directors. The Committee follows fair and transparent processes to recommend candidates with professionalism for nominating and evaluating external directors.

Composition of Subcommittee

As of March of 2021



Transparent Management Committee

The Transparent Management Committee, formed by expanding and reorganizing the existing Internal Trade Committee, inspects the execution of the fair-trade compliance program as well as important policies and activities related to ESG. The Transparent Management Committee enables transparent discussion and verification activities to promote social values and shareholder values for improved sustainability management activities.

Audit Committee

The Audit Committee is comprised of all external directors who are selected among experts in law, finance, and accounting to secure professionalism and independence. The committee strives to expand the soundness of corporate governance by carrying out business audits and accounting audits.

Remuneration and Compensation for Directors

Remuneration Regulations for Directors

Mando sets the remuneration for directors according to remuneration regulations for directors and external directors. For registered directors and external directors, remuneration is decided within the remuneration limit approved by the general meeting of shareholders. Registered directors are paid bonuses, within the limit determined by the resolution of the general meeting of shareholders, in consideration of the company's management performance and individual performance. The remuneration limit of KRW 10 billion was approved at the regular general meeting of shareholders conducted in March 2020.

As of the end of December 2020 (Unit: KRW 1 million)

Remuneration of the Board of Directors

Category	Number of persons	Total remuneration	Average remuneration per person
Registered director	2	4,484	2,242
External director	1	107	107
Audit Committee member	3	215	72

Status of Shares Owned by the Management

As of the end of December 2020

Name	Relation	Type of share	Number of shares owned	Share Ratio (%)
Mong-Won Chung	Executive	Common share	3,310	0.01
Jae-Young Chung	Executive	Common share	300	0.00
Yong-Joo Lee	Executive	Common share	2,085	0.00
Total			5,695	0.01

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Ethics Management

Mando shares the integrity management values of Halla Group. Honest, ethical, and transparent management is an important future value for the company and is a core virtue that can direct the entire company embrace the right corporate culture.

Integrity Management System

Basic Direction of Integrity Management

Mando set the basic direction of integrity management to perform tasks fairly and to fulfill its social responsibilities by complying with the basics and principles. We have set integrity management goals for 2021 and prepared four operation policies to encourage our employees to implement them. Every employee at Mando places the highest priority on integrity management, putting greater importance on the realization of public value to hold the ground between the increasingly complex interests and corporate growth.

2021 Integrity Management Policy

Goal	Contribute to profit-making through a comprehensive inspection of risks and support the leap into a sustainable company by increasing non-financial values.			
Operation policy	Securement of growth engine		Enhancement of non-financial values	
	Analysis of economic value	Preemptive prevention of risks	Inspection of related themes	Information security
	Inspecting measures to improve profit	Risk Fact Analysis	Compliance risk Inspection of ESG themes	Inspecting the security of the contact-free task system
	Promotion · Training		Strengthening capability	
	Promotion of integrity management value	Internal and external auditing training	Improvement of systems	Strengthening of auditor competency
	Expanding audit cases : Making training materials	Reinforcing ethics training for integrity management: Use of internal PR channel	Reviewing the efficiency of risk management systems	Reinforcing e-learning Encouraging the acquisition of professional qualification

Corruption Management

Category	Unit	2018	2019	2020
Occurrence of corruption cases (Number of heavy disciplinary actions*)	Cases	9(1)	3(0)	8(5)
Status of complaint reports	Cases	3	7	4

*Salary reduction or higher action

Internal Policy on Integrity Management

To become a sustainable company that pursues common interests based on trust and cooperation, Mando established a code of ethics, which is the standard for correct behavior and judgment in business relations, to be followed by all employees, partners, and other stakeholders.

We set the detailed permissible scope and standards for employee behaviors in the ethical behavior guidelines for efficient operation of the ethics rules. All Mando employees use these guidelines as the criteria for ethical decision-making and actions. In particular, ‘transitional arrangement’ is implemented to prevent the integrity management manager from violating the Code of Ethics, and overlooking or helping external stakeholders to handle unfair business practices. We establish transitional arrangement plans for employees who perform the same job for three year or up to 5 years regardless of the employment period to prevent any occupational fraud that may occur in the execution of the same duty for an extended period.

Ethics Training

Mando operates ethics training programs for its employees and partners to minimize the risk of violating laws related to anti-corruption, fair trade, and trade secrets. To provide consistent training on ethics management policies to Korea as well as overseas sites, Mando provides training materials in Korean, Chinese, and English. In 2020, we carried out training for experienced employees (once), job basic courses (once), and new employees (twice); the training was provided online due to the spread of COVID-19. Offline training for new employees, managers, admin staff, and safety-related job groups were conducted as arranged, and a total of 185 employees participated in the ethics training. We also offer training for our partners by providing information on Mando’s Code of Ethics, dispute settlement application procedures, and Improper Solicitation and Graft Act to strengthen the mindset towards ethical management.

Outcome of Integrity Management Training

Category	Unit	2018	2019	2020
Number of employees who completed integrity management training	Persons	231	178	185

Integrity Management Activity

During the New Year and Thanksgiving holidays, Mando sends out integrity management letter to its employees and partners to prevent bribery and improper solicitation. We are making an effort to ensure fairness in dealing with partners by encouraging our employees to continuously practice ethics guidelines and cooperate with sincerity. We plan to inspire a willingness take actions through the pledge of integrity management and various campaigns.



Message of Integrity Management Action

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Compliance

Mando has set forth legal and ethical compliance as the foremost management principle and operates a compliance management process to execute businesses according to laws in each country. In addition, Mando promotes fair and transparent businesses, enacting and enforcing the compliance control standards to seek the sound development of the company and build the trust of customers.

Compliance Observance

Compliance Inspection Activities

Mando appoints compliance officers based on related regulations, such as Article 542-13 of the Commercial Act, to execute regular and non-regular compliance inspection activities at business sites in Korea and overseas. Based on the inspection results, Mando engages in effective compliance inspection activities by reflecting improvement points. Compliance officers carry out compliance inspection activities such as revising regulations (compliance control standards), checking and improving the contents and delivery method of technical data requests, and enacting agreements with interested parties.

Compliance Risk Management

Mando enforces compliance monitoring activities at all times, such as preliminary review of legal violations when making decisions and signing of project contracts, to minimize the risk of violating laws at business sites in Korea and overseas. Mando also implements security diagnosis of the IT system to comply with existing laws such as the Personal Information Protection Act and Information and Communication Network Act, and inspects the level of personal information security level of the HR information system. Moreover, Mando conducts compliance training for employees in the fields of personal information, intellectual property rights, and anti-corruption to improve compliance awareness.

Global Intellectual Property Right Compliance Training

Mando regularly conducts intellectual property right compliance training for employees at global R&D centers to prevent potential global intellectual property disputes against third parties. In 2020, Mando held this training for 117 employees in the United States alone due to COVID-19. Employees in countries where training was omitted signed an online compliance pledge, amounting to 3,680 employees in five countries. In 2021, Mando will develop and implement an online intellectual property right compliance training course.

Number of Employees who Signed Online Compliance Pledge

Site	Number of employee
Korea	2,812
U.S.	194
Europe	85
India	141
China	448
Subtotal	3,680

Fair Trade Compliance

Mando revised internal regulations according to the amendment of the 'Fair Transactions in Subcontracting Act' and conducted training and inspection activities on partners. Also, Mando visits partners or uses G-TOPs, a communication website for partners, to explain details of the Subcontracting Act.

Partner Training and Inspection Status

Category	Date	Subcontracting inspections
Training on the relevant regulatory requirement concerning subcontracting works	13 th · 15 th · 19 th · 20 th Oct. 2020	Training related to subcontracting act such as prohibition on unfair return of purchased goods, unreasonable intervention in management of partners
Investigation on subcontracting practices	9 th · 12 th · 15 th · 23 th Jun. 2020	Q&A session with procurement center concerning work processes of purchase and component development

Reinforcement of Compliance Activities of Partners

In 2020, Mando improved the overall technical data request system to protect technologies and technical data of partners more faithfully in accordance with the Fair Transactions in Subcontracting Act. In addition, Mando signed a compliance agreement with local and global partners to comply with hazardous substances to minimize the environmental impact by using products that comply with the Act on Resource Circulation of Electrical and Electronic Equipment and Vehicles (including the End of Life Vehicle Directive of the EU).

Details of Compliance Improvement on Partners

Fair Transactions in Subcontracting Act	<ul style="list-style-type: none"> Improving the content of Technical Data Request and distribution method (From March) Inspection on the status of using Technical Data Request (December)
Act on the Resource Circulation of Electrical and Electronic Equipment and Vehicles	<ul style="list-style-type: none"> Signing the Hazardous Substance Regulation Compliance Agreement with partners (From April)

Compliance with Protection of National Core Technologies

Mando's ADAS¹⁾ was designated as a national core technology related to 'core parts, system design, and manufacturing technology autonomous vehicles.' Accordingly, Mando performed consulting on information security to comply with protective measures required in the Act on Prevention of Divulgence and Protection of Industrial Technology. Mando strives to comply with compliance by taking well-planned measures for identified improvement tasks.

Unfair Trade Report Channel [Link](#)

Mando operates the on-line Inspection Office to receive reports on unfair trading and violation of the Code of Ethics and Ethical Action Guide by employees and stakeholders. Mando guarantees the anonymity of reports to prevent informants from getting disadvantaged, strictly prohibiting disadvantageous treatment or discrimination. Mando also runs an online report channel on the website allowing various stakeholders other than employees to report unfair trading acts.

1) ADAS : Advanced Driver Assistance System

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Risk Management

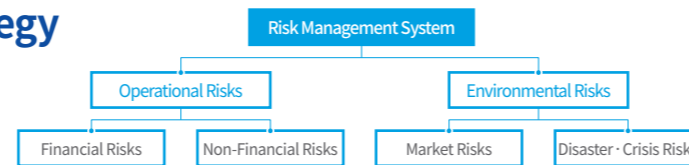
Mando conducts company-wide risk management across the Integrity Management Office, management meetings, and business departments.

Mando monitors and proactively prevents internal and external risk factors that pose business uncertainties, and operate a risk management system to actively and promptly respond to the discovered risks.

Risk Management Strategy

Risk Management System

Mando classifies risks into operational risks and environmental risks. Operational risks are classified into financial risks and non-financial risks, and risks are identified in advance for proactive risk prevention activities. Environmental risks are classified into market risks and disaster or crisis risks. The external environment is monitored continuously and Mando is building and operating a system that enables quick response, as well as prevention, in advance.



Non-financial risks Transparent Management Committee, periodic review by the Sustainable Management Group, etc.

Financial risks Monthly Operation Review · Quarterly Biz Review, etc.

Risk Management Procedure

Mando operates an internal control procedure to manage financial risks. Mando has established a Business Continuity Management System (BCMS) in order to respond to disasters and crises. The CEO presides over risk inspection meetings to monitor and control various risks associated with the external environment and market. Mando has built a COVID-19 emergency response system to take an active and agile response to COVID-19, successfully responding to diseases.

Reinforcement of the Non-financial Risk Management System

Mando has built a system to report sustainable management activities and indicators each month by appointing global champions in six areas, including governance-ethics, environment, social contribution, technical innovation, human rights-safety, and supply chain management. Mando's Sustainable Management Council monitors and responds to non-financial risks in each area.

Management of Core Financial Risks

Management of Tax Risks

Mando faithfully fulfills its tax obligations by strictly complying with the regulations in each country where it manages businesses. Mando operates an internal system to prevent non-compliance with tax laws, such as tax evasion, tax avoidance, and delayed payment. Through strict legal compliance, risks are managed to prevent additional taxes, penalties and return omissions. In addition, Mando periodically evaluates tax policies applied to tax returns in preparation for situations in which tax laws may be subject to interpretation.

Management of Liquidity Risks

Mando establishes regular financial balance-of-payment plans and reviews target financial ratios to ensure that its local and global sales, investment, and financial affairs are not exposed to financial liquidity risks. Mando also maintains sufficient financial liquidity not to violate borrowing limits or financial agreements. As part of these efforts, Mando has implemented a cash pooling system to share internal funds among subsidiaries and secure additional short-term borrowing limits.

Minimization of Risks Associated with Fluctuations in Exchange Rate

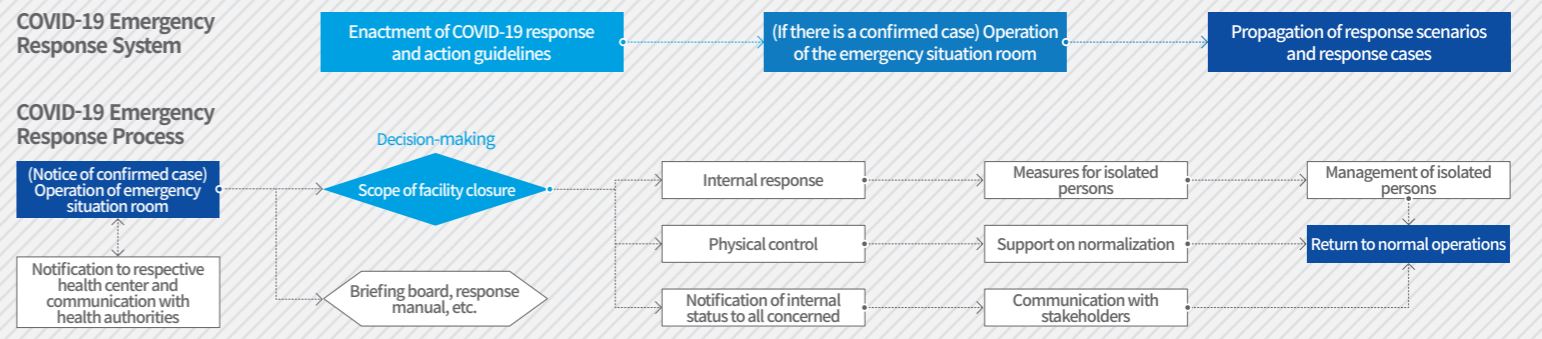
Mando's Global Finance Team manages various financial risks that may occur during overseas business expansion. Mando operates a company-wide exchange risk management system based on foreign exchange transaction standards to minimize the adverse financial effects resulting from exchange rate volatility in major currencies, such as USD, RMB, and EUR.

Establishment of an On-site COVID-19 Emergency Response System

Mando established an emergency situation room, which monitors risks across global business sites and supply chains in real-time, since the early stage of COVID-19. Mando laid foundation for readily responding to emergency situations by forming an on-site emergency response system through a labor-management agreement back in early 2020. In addition, Mando distributes and practices quarantine guidelines to must be followed at worksites. Body temperatures of employees and visitors are strictly measured, and suspected patients are blocked in advance through a self-checklist. Through such prevention activities, Mando was able to minimize the number of confirmed cases in 2020.

COVID-19 Emergency Response System

COVID-19 Emergency Response Process



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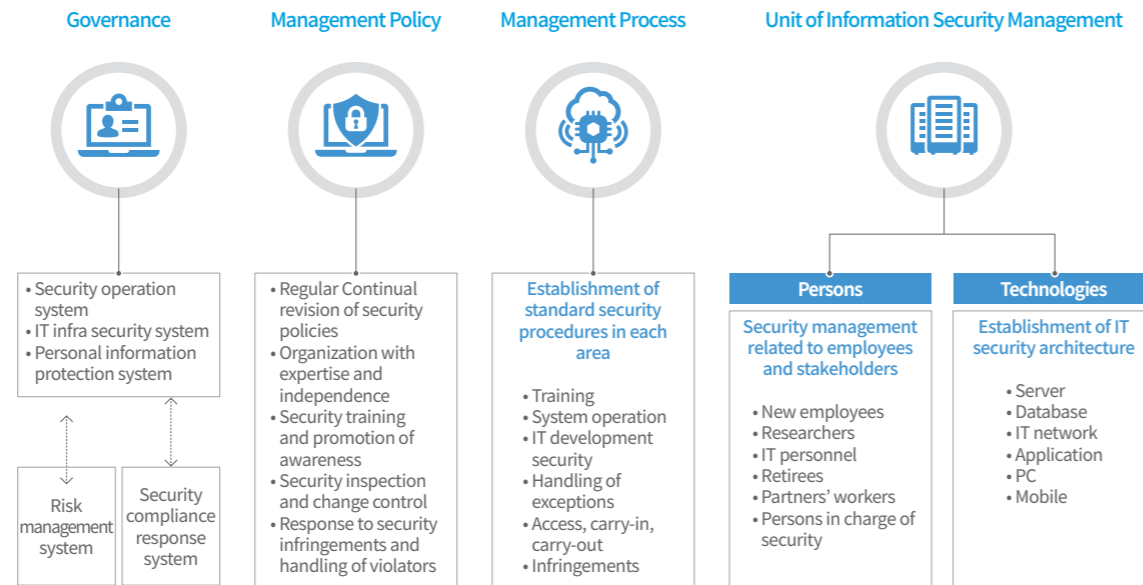
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Information Security

Information Security Management System

Mando has established an information security management system and runs an exclusive organization responsible for information security, fully supporting hands-on information security activities. Mando executes strict inspection activities based on the information security management system to protect important information assets and customer information. As the first step, Mando ensures that its employees and all stakeholders comply with the security regulations to protect information assets and customer security. Mando engages in training, public relations, inspection, and improvement activities to eliminate risks to information security while preparing and managing countermeasures in four areas of technology, process, human, and governance. Furthermore, Mando consistently promotes security assessment activities such as ISO27001, customer security inspections, and security consulting to secure the objectiveness and directivity of information security.



Protection of Personal Information

Mando has established methods of clarifying and systematizing responses to personal information protection laws in Korea and overseas. Mando continuously strives to comply with relevant laws through the reflection of amendments to laws, personal information protection training, the inspection of conditions, and improvement.

Number of Complaints Against Violation of Personal Information Protection

(Unit: Cases)

Category	2018	2019	2020
Complaints Posted by Outsiders and Verified Internally	0	0	0
Cases of Verified Data Leakage, Theft, and Loss	0	0	0

Activities to Enhance Information Security Awareness

Security Management for IT Systems

Mando performs annual security diagnosis on IT systems to prevent information leakage accidents. In 2020, Mando verified and improved problems in the system operation by diagnosing the operating conditions of the security system and information system. Mando regularly conducts monthly mock hacking (to check for vulnerabilities) on web systems that are accessible from outside, as part of efforts to prevent information leakage accidents.

R&D Security Management

Mando implements special security diagnoses to strengthen the security management of R&D, the core function of Mando. Mando established security operation standards along with improved security vulnerabilities of R&D systems, such as collaboration solutions. Training on security guidelines was carried out for 18 R&D system operators.

Reinforcement of Security Awareness in Employees

Mando implements security training in conjunction with the training programs at the Human Resource Institute to reinforce security awareness among employees. In 2020, 2,290 employees completed security training. Moreover, Mando strengthens employees' security awareness by making it mandatory to sign the annual security pledges, selecting security themes through the monthly security day event, and performing office security inspections for each team.

Information Security Performance

Category	Unit	2018	2019	2020
Number of Training on Information Security	times	13	8	10
Number of Information Security Training Participants	persons	2,592	2,550	2,290
Number of Violations of Violations against Information Security Laws	cases	0	0	0

Security Management for Employees Working from Home Amid COVID-19

Mando established internal rules to ensure 'security while working from home' and performed security training promotion activities to prevent information leakage and block attacks by malicious codes considering the work-from-home system implemented due to COVID-19. Mando also establishes and manages information security policies for standard collaboration solutions implemented to help employees work from home.

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Communication with Stakeholders

Mando defines stakeholders as all subjects who directly or indirectly influence Mando's business management. Stakeholders are divided into customers, shareholders-investors, partners, employees, local communities-NGOs, academia, and government-associations. We are operating various communication channels to allow smooth communication among stakeholders and build a solid relationship based on trust.

Stakeholders	Communication channels	Activity
Customers	<ul style="list-style-type: none"> Global motor shows Tech shows Summer · Winter Ride Session 	<ul style="list-style-type: none"> Introducing next-generation, advanced technologies
Investors and shareholders	<ul style="list-style-type: none"> General shareholder meetings Reports (business report, audit report, corporate governance report, sustainability report) Local-Global NDR¹⁾ and Conference · IR meetings (Performance presentations, conference calls, 1:1 meeting, etc.) Investor Day 	<ul style="list-style-type: none"> Securing future vision through new projects, cooperation, and investment Shareholder communication and performance disclosure through various IR meetings Disclosing financial results through business reports Transparent announcement of governance system through the corporate governance report Disclosing the status of non-finance risk management through the ESG report
Partners	<ul style="list-style-type: none"> Partners' Day Regional meetings to understand partners' difficulties and activities to become friendly Mando Cooperation Seminar Mutual growth survey 'Mando Cooperation' for mutual growth Mutual Growth Committee 	<ul style="list-style-type: none"> Introducing 4 practice items for compliance with the subcontractor act Conducting practical training to strengthen competence, technology protection awareness training, training to prevent human rights abuse, etc. Free sharing of patents to reinforce market competitiveness Supporting authentication of the quality system Financial support for coexistence
Employees	<ul style="list-style-type: none"> Online communicational channel 'Mantong' Internal communication channel 'With Mando' Corporate culture invigoration group 'Open Committee' Youth executive conference body 'Value Board', Team David Presentations of the company's business plan Corporate culture satisfaction survey Employee training and workshop Internal broadcasting, webzine Labor-management council 	<ul style="list-style-type: none"> Conducting enterprise security and pledge of compliance Operating health management and various welfare programs Providing an opportunity for organizational transfer through the Career Development Program Operating training programs for improving competence Sharing management results and information Preparing opportunities for communication between the management and employees
Government	<ul style="list-style-type: none"> Reports (business report, audit report, corporate governance report, sustainability report) Mando website Industry · academy · institute cooperation Startup fostering program Tech UP+ Ministry of Environment, Ministry of Economy and Finance, Ministry of Trade, Industry and Energy 	<ul style="list-style-type: none"> Operating an internal control system and audit organization Faithful tax payment Continuous training and hiring of talents Technical research and development cooperation in areas such as autonomous driving, eco-friendly products, etc. Cultivating promising startups and invigorating investments
Academia	<ul style="list-style-type: none"> Industry-academy cooperation Technology consultative body, technology advisory groups 	<ul style="list-style-type: none"> Cooperating with technical experts from external organizations and members of advisory committees
Local communities · NGO	<ul style="list-style-type: none"> Child Fund Korea, operating Mando Social Volunteer Group Korea Transportation Safety Authority Public organizations by region Activities as the member of UN Global Compact 	<ul style="list-style-type: none"> Donation and volunteer activities with employees' participation Conducting activities for preserving the river ecosystem around the establishment Supporting recipient of basic livelihood Blood donation campaign Joining UNGC and supporting 10 principles

Highlights of stakeholder activities in 2020

2021 CES



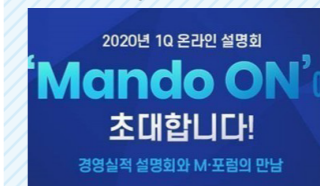
- Received the innovation award from 'CES 2021' VIT²⁾
- Suggested a future automobile solution where the module integrated with electric hyper-connecting technology communicates autonomously with the driver, such as electronically controlled brake (BbW³⁾) that applies 'by-Wire' technology to the brake part, electric signal intelligent steering system (SbW⁴⁾), etc.

Partners' Day



- Hosted Partners' Day at Halla University with participation of Mando's top management and partner CEOs
- Presented the key policies and vision of Mando to partner CEOs and hosted award ceremonies for excellent partners

Mando ON | Enterprise-wise business plan presentation



- Hosted an online seminar to share and communicate the management status and direction of the company
- It was conducted total four times, covering the topics of management status in 2020, management direction, business status, and COVID-19 response and over 100 employees participated.

Result of active ESG external communication



- Acquired grade A from the 2020 ESG evaluation of KCSG, which is one level higher compared to the previous year
- Won the Prime Minister's citation at the 2020 Sustainable Management Contribution Awards assessing sustainable management performance based on environment, society, and governance

1) NDR : Non Deal Roadshow 2)VIT : Vehicle Intelligence & Transportation 3) BbW : Break-by-Wire 4) SbW : Steering-by-Wire

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Materiality Assessment

Mando conducts materiality assessment involving stakeholders to select material topics and determine priorities.

Materiality Assessment Results

Mando's Materiality Assessment Process in 2020

Mando comprehensively analyzed its management strategy and performance, media, ESG evaluation items, policies and regulations in each country, and industrial cases to form a pool of sustainability management issues. Accordingly, we conducted stakeholder impact and business impact analysis on derived topics and selected the final topics of the report according to results of the analysis.

Step 01. Formation of a pool of sustainability topics

Mando identified sustainability management trend, requirements from global standards and guidelines, etc. to organize a pool of sustainability topics. Also, analysis of media and sustainability reports related to the auto parts industry were conducted, and survey was conducted to collect stakeholders' opinion. As a result, a pool of 24 sustainability management topics was deducted.

1) Analysis of international standards
We thoroughly reviewed the reporting requirements of the related international standards including the sustainability reporting guideline GRI Standards, ISO 26000, SASB, TCFD, and UN SDGs.

2) Media analysis
We listed material topics by classifying 571 articles related to Mando's sustainability management from January 2020 to January 2021 into positive, negative, and neutral categories in the economic, environmental, and social sectors.

3) Analysis of reports related to the same field
We analyzed sustainability topics that are mainly managed in sustainability management reports of the same field at home and abroad.

4) Questionnaire for main stakeholders
We conducted a survey on sustainability topics on a total of 703 people including employees, partners, shareholders, investors, customers, academic institutions, and others.

Step 02. Selection of material topics for sustainability management

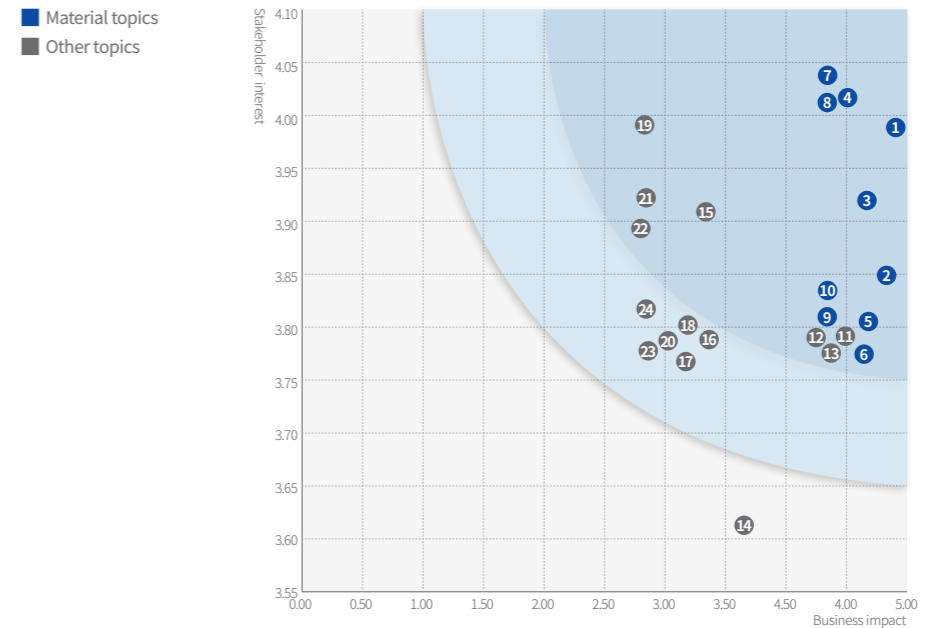
We formed the materiality assessment matrix according to the topics that rank high in terms of stakeholder interest and business impact to find material topics. We selected 10 material topics to be covered as priority in this report.

Step 03. Reporting of sustainability management performance based on material topics

For the selected material topics, we introduced the background and importance of selecting topics and the performance and activities of the year in Mando's 2020 Sustainability Report.

Materiality Assessment Results

Mando selected 10 material topics through materiality assessment.



Rank	Material topic	Page of report	Rank	Material topic	Page of report
01	Product innovation and customer safety · health	p.13-18	13	Compliance with social and economic requirements	p.58
02	Composition of Board of Directors and transparency of operations	p.24-25	14	Protection of biological diversity	p.20,41
03	Responsible management of wastewater and other waste	p.40-41	15	Prohibition of employee discrimination	p.45
04	Ethics and integrity	p. 26	16	Reinforcement of partners' sustainability management	p.35-37
05	Training to enhance employees' competence	p.46-47	17	Management of water use and protection of water sources	p.41
06	Response to climate change	p.38	18	Fair HR system	p.48
07	Safe work environment and management of employee health	p.42-43	19	Compliance	p.27
08	Prohibition of child labor and human rights protection	p.45	20	Win-win management with partners	p.36-37
09	Stakeholder communications	p.30	21	Information security and privacy	p.29
10	Responsible procurement of raw materials	p.36	22	Employee welfare	p.50
11	Reduction of GHG	p.39	23	Social contribution considering characteristics of the industry	p.51-52
12	Reinforcement of responsible management of partners	p.35-37	24	Expansion of equal opportunity and diversity	p.48,57

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CORE SHELL

OBJECT TRACKING ON LOCATION
SYS_CAP_01 TRACKING

LOCAL SERVER DATABASE

ME-918	LBB 43PY1623								
GL-27	NDD 43RA1683								
CF-48	LBB 43PY1623								
HO-902	LBB 43PY1623								
NS-101	DEE 76SD48C6								
QR-040	QCC 76UD48E6								
CM-10	XNN 09M72L9								
EP-568	EUU 10IR0350								
VX-04	NDD 43RA1683								
ZQ-568	LBB 43PY1623								
BB-35	RNN 43VE16F3								
NS-023	LBB 87PY027	7840 06534	306228756	0.0759	25.7%	1.5172			
TG-551	LBB 21PY9421	3406 62190	895117645	0.0770	87.1%	1.8673			

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83.4 POWER
97.5 PRESSURE

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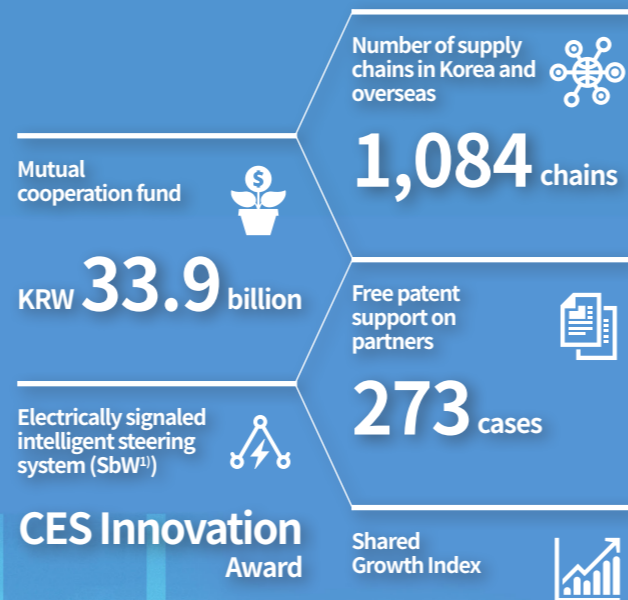
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ECONOMY

We recognize that Mando's economic activities centered around customers and partners must spread positive social and environmental impact in addition to making financial achievements. Accordingly, Mando not only improves its economic performance by engaging in economic activities with global customers and partners, but also develops and disseminates future technologies. Moreover, Mando reinforces partners' ESG performance management system and fulfills ESG requirements mandated by customers to reinforce sustainable management of the value chain.



Business Performance

Despite the tough business environment arisen from the COVID-19 pandemic and the global automotive semiconductor supply issue, Mando accomplished continued quantitative and qualitative growth in 2020 through aggressive business expansion and risk management.

Securing Growth and Stability

Mando's Growth in 2020

In 2020, Mando continued its investment and R&D in EV-related field, and added greater sophistication to autonomous driving. Mando has been securing new business wins from traditional OEMs and reinforcing its leadership in the market for Integrated Dynamic Brake (IDB) and Advanced Driver Assistance System (ADAS). Mando has shown a balanced growth by expanding its EV business portfolio and strengthening both regionality and diversity.

Customer Diversification

Mando focuses on developing next-generation electronic products and EV chassis solutions. Utilizing its own differentiated active safety solution, Mando is expanding its customer portfolio by diversifying products for traditional internal combustion engine OEMs as well as EV makers. In particular, Mando is seeking various new business wins opportunities and avenues for cooperation, including increased e-products sales to traditional captive customers, EV companies, Chinese xEV makers and commercial vehicle companies.

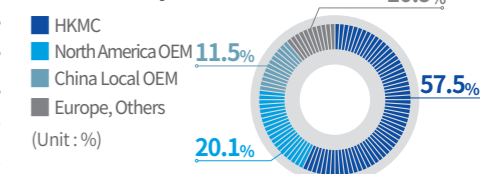
Regional Diversification

Mando has started to create opportunities for high growth in the emerging markets along with the fast industrial turnaround in China and India since late 2020. Especially, since China is rising as the largest EV market, Mando is consolidating its position in the region through expanded sales to global leading EV companies as well as local OEMs. Moreover, Mando, being acknowledged for its technological competitiveness, balances the regional diversity of its businesses by cooperating with major OEMs and EV makers in Europe.

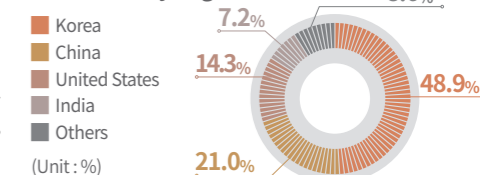
Future Growth Engines

Mando builds future competitiveness by promoting advanced technologies, including IDB and ADAS which are highly acknowledged by customers. Furthermore, Mando reinforces its competitiveness by improving business flexibility, agility and expandability, adding to the xEV product portfolio for sustainable growth, and strengthening the SW sector. Especially, Mando plans to engage in active facility investments and R&D for environment-friendly vehicle parts by issuing ESG bonds²⁾.

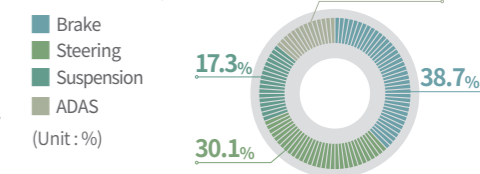
Sales Ratio by Customer



Sales Ratio by Region



Sales Ratio by Product



1) SbW : Steer-by-Wire 2) Issued in April 2021

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Customers

Mando places customers as the top priority value instead of simply striving towards customer satisfaction. Mando not only offers various customer satisfaction programs for the existing customers but also participates in global tech shows and expos in order to reach out to diverse foreign customers and receive an objective evaluation of its technological superiority.

Technology-based Customer Satisfaction Management

CES 2021

Mando participated in the world's largest electronics show titled 'CES 2021' for the first time and declared its new vision, 'Freedom in Mobility.' Mando's new vision captures its commitment to provide freedom in mobility to consumers with safety secured through advanced future car technologies.

The 'X-by-Wire' technologies presented by Mando, such as 'BbW¹⁾,' the electrically signaled braking system which increases freedom of vehicle space and 'SbW²⁾,' the electrically signaled intelligent steering system, were favorably received in CES. BbW and SbW are future technologies that enhances the availability of the vehicle space by allowing drivers to freely pull out and use brake pedals and steering wheel, the core automotive parts, whenever necessary. In particular, SbW won the CES Innovation Award and was acknowledged globally.

Moreover, Mando demonstrated the 'dual safety (redundant) control technology' based on DCU³⁾ utilized for autonomous driving, consolidating its corporate image as an integrated mobility solution company pioneering the future automotive industry. Mando plans to extend such warm responses received in CES into actual product orders by developing future automotive technologies and products and securing cost competitiveness, utilizing the market trends analyzed through local customer meetings.



CES 2021 video (portion)



Mando Receives the First 'CES Innovation Award'

Mando's 'SbW' won the Innovation Award for Automotive Intelligence and Transportation at 'CES 2021.' While EVs must separate the chassis and steering wheel to increase battery efficiency and improve the control of the system, existing vehicles do not have the parts separated since they are connected mechanically. Mando's SbW can freely arrange the steering wheel according to the use of the vehicle by connecting the chassis with the steering wheel using electric signals. Mando plans to open up the future of the EV market by redefining the vehicle interior space with SbW.



SbW that won the Innovation Award

H2 Mobility + Energy Show

Mando participated in the '2020 H2 Mobility + Energy Show' and presented environment-friendly technologies and visions besides the offerings provided by its primary businesses. Products demonstrated include Korea's first hydrogen fuel cell DC-DC converter (FDC⁴⁾) and the hydrogen charging service app, 'H2 Care.'

FDC is a device that not only supplies power to an inverter which drives the motor, but also charges a high-voltage battery using voltage from a hydrogen stack. FDC thereby improves both price competitiveness and fuel efficiency by reducing the volume and weight by over 30%.

'H2 Care' is a mobility service app that links 'hydrogen charging stations' to 'hydrogen fuel cell vehicle drivers.' Users can obtain real-time operation status of hydrogen stations and use a path-finding service coupled with navigation. Mando will develop various business models to maximize users' convenience by utilizing big data accumulated on the H2 Care app, thereby actively responding to the demands of environment-friendly automotive brands.



H2 Mobility + Energy Show



'Autonomous Driving Technology' Award from Ford

Mando was awarded with the Brand Pillar Award for Autonomous Driving Technology from U.S. Ford. Ford annually hosts the 'Annual World Excellence Awards' for its partners. In 2020, this event took place online, and Mando won an award for autonomous driving technology following the last year's award in the 'Safety' sector. Ford acknowledged Mando's electronic steering product (STO⁵⁾) through this award. STO is mounted on large trucks as a part of the steering system. Mando manufactures STO at Mando U.S. Corporation and supplies it locally to Ford.



Ford F250 equipped with STO

1) BbW : Brake-by-wire 2) SbW : Steer-by-Wire 3) DCU : Domain Control Unit 4) FDC : Fuel-Cell DC-DC Converter 5) STO : Steering Torque Overlay

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Supply Chain

Mando operates its policy and procedures for supply chain sustainability based on the idea that the sources of core competitiveness lie in close cooperation with partners and mutual growth. Hence, Mando will continuously implement supply chain management policies for quality, payment, technology, mutual cooperation, safety control, quarantine and environment-friendliness. Also, Mando will consistently pursue supply chain ESG management policies, ensuring that social responsibility issues of individual partners do not develop into risk factors affecting the entire supply chain.

Supply Chain Management Strategy

Building a Supply Chain Management System

According to its integrity management ideology, Mando adopts fostering a fair and transparent business environment as well as strengthening partners' competitiveness based on technology and quality as its core purchasing policy. Recently, there have been an increasing number of risk cases around the world that directly or indirectly affect the entire value chain. To control such supply chain risks that might influence corporate management, Mando closely communicates with its partners.

Supply Chain Status in Korea and Overseas

Mando has built a global supply chain network of about KRW 4.3 trillion (as of 2020) by working together with 300 Korean companies and over 750 foreign companies.

Number of Partners Globally and the Amount of Parts and Materials Purchased (Unit: Company, KRW billion)

Category		Number of Partners	Amount Purchased
Parts	Korea	215	2,001
	Overseas	701	2,157
Raw and side materials	Korea	109	118
	Overseas	59	45
Total		1,084	4,321

* Based on 2021 business plan; the number of companies excludes TP among the companies included in the business plan

* Counted as separate companies if each factory of the same company is registered separately in Korea or the company is registered for each investment company

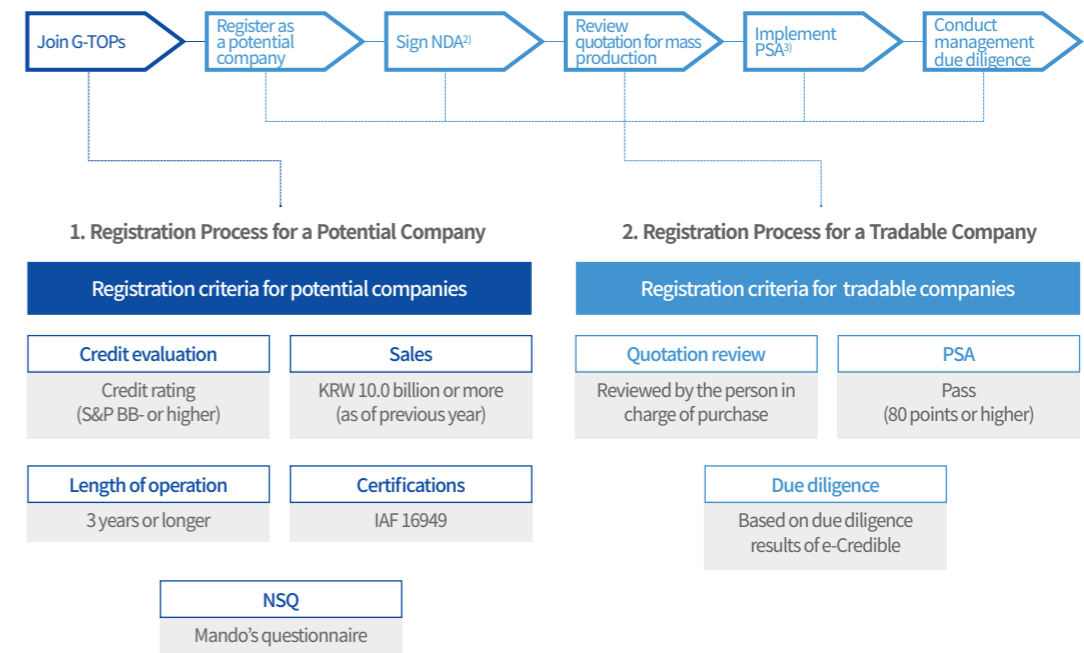
Security Management for Partners

Mando evaluates partners' security levels annually in cooperation with Mando Global Purchasing Center in order to increase the information security level of partners, with whom it shares technical information. In 2020, 115 primary partners of Mando were evaluated based on 40 information security items (17 management security items, 5 physical security items, 18 technical security items). Mando informs the evaluation results to partners so that they can continuously improve their information security.

Selection and Evaluation of Partners

Procedure for Registration of a New Company

The procedure for registration of new partners is classified into two separate registration processes: for a potential company and for a tradable company. In the process for potential companies, Mando evaluates partners' financial elements by assessing credit rating, sales, length of operation, certification, and NSQ¹⁾. Partners that have completed potential company registration then undergo evaluations on their production process and management conditions. Through this procedure, Mando aims to prevent supply chain issues in advance.



1) NSQ : New Supplier Questionnaire 2) NDA : Non-disclosure agreement 3) PSA : Potential Supplier Assessment

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Evaluation of New Suppliers

When selecting new suppliers, Mando evaluates both financial factors including quality and credit ratings as well as non-financial factors such as environment and safety, to build a long-term win-win relationship with partners. Programs related to anti-corruption and ethics, ISO 14001 and ISO 45001 certifications, number of persons in charge of environment and safety, and training programs are included in the selection criteria. In 2020, 31 companies globally passed the criteria, and thus were selected as Mando's new partners. To reinforce the environment and safety system of the supply chain, Mando's existing partners also operate an evaluation system for strengthening environment and safety system of the supply chain by conducting evaluations on quality, timely delivery, quality system, environment and safety, proposing improvement requirements to suppliers, managing improvement measures, and including terms of supply safety in contracts.

Supply Chain Risk Management

Since the supply chain is an extension of Mando's production lines, Mando manages risks associated with its supply chain by analyzing its business capabilities, such as supply chain quality and technology, both from a financial and non-financial perspective. Supply chain risk management is performed quarterly in three stages, including sensing, leveling, and mitigation. Companies in risk groups are deduced based on the evaluation results to establish response methods and execute measures for improvement. As of the third quarter of 2020, 47 partners out of 619 companies in the supply chain were evaluated to have high risks, and Mando accordingly established response measures for each company. Furthermore, Mando's Company Evaluation Team assists the supply chain in acquiring certifications and improving quality by offering training on quality certifications and rating improvement.

Management of Conflict Minerals

Countermeasures against Conflict Minerals

As regulatory movements around the world regarding the use of responsible minerals take shape, supply chain management for conflict minerals is rising as a crucial task. Conflict minerals supply chain management refers to the act of prohibiting the trading of minerals related to weapon funds, human rights infringement or environmental destruction and effectively verifying and managing the corporate supply chain to ensure that fully responsible minerals are being traded.

Due Diligence Process for Conflict Minerals

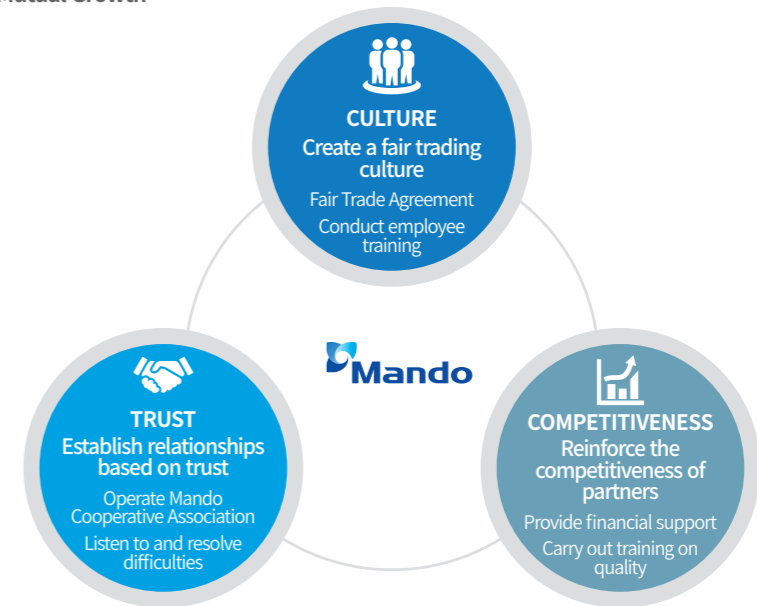
Mando is establishing conflict mineral policies to ensure that minerals mined unethically in ten countries within conflict regions, such as the Democratic Republic of the Congo in Africa, are not included in the value chain. Mando has been regularly investigating and managing submissions of partners along with the OEMs in North America by using CMRT¹⁾. In addition, by establishing a specific regulation process for conflict minerals, Mando will gradually engage in a more systematized conflict minerals management.

Mutual Growth

Building a Sustainable, Win-win Business Ecosystem

Mando strives to build a sustainable business ecosystem with partners based on the principles of fairness, openness, and win-win. Mando abides by the 'Fair Transactions in Subcontracting Act' and pursues mutually sustainable growth by providing support on three themes (creating a fair trading culture, establishing relationships based on trust, reinforcing the competitiveness of partners).

Three Themes of Mutual Growth



Globally Sharing Information on COVID-19 Status

With an aim to solve difficulties that partners face in collecting information on COVID-19, since March 2020, Mando has been sharing information, such as COVID-19 status in each country (Europe, U.S., Mexico, etc.), updates on shutdown schedules of customers' plants, and funding policies of the government and financial institutions, twice a week with tier-1 partners.

Acquisition of Excellence Grade for Win-win Index

The win-win index combines the results of the comprehensive win-win growth evaluation conducted by the Korea Commission for Corporate Partnership and the results of the fair trade agreement implementation evaluation conducted by the Fair Trade Commission at the same ratio. Then, it evaluates the combined results based on four grades, namely 'Top', 'Excellence', 'Good' and 'Normal'. Especially, the grade obtained in 2020 has greater significance given that the active mutual growth efforts of major companies were included in the win-win growth index amid the economic crisis caused by the COVID-19 pandemic.

1) CMRT : Conflict Minerals Reporting Template

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Royalty-free Patents

Mando offers a portion of intellectual property rights to partners free of cost in order to help reinforcing their technological competitiveness. In 2020, Mando provided 273 local patents, 20 non-exclusive licenses, and 6 national projects.

Support on Quality System Certification

Mando assists partners in maintaining and improving quality system certifications by operating the Supplier Assessment Team, an exclusive division in charge of quality system duties for partners.

Mando conducts a detailed training on the requirements needed for obtaining quality system certification, covering areas such as evaluation criteria. Although Mando was not able to carry out training in 2020 due to COVID-19, it assisted six companies acquire new certifications the same year. After the partners acquire certifications, Mando consistently manages the entire quality system process in order to help them improve ratings.

Practical Empowerment of Partners

Mando conducts hands-on empowerment training for the employees of partner companies to reinforce their market competitiveness. In 2020, 261 employees of 191 partners participated in various training program for partners programs, including APQP¹⁾, FMEA²⁾, and Gate Review.

Funding of Partners

Mando offers low-interest loans to partners that are in need of funds for overseas expansion or facility investment. Mando's financial support method can be divided into three categories: direct support, mutual cooperation fund, and guarantee fund. As of 2020, Mando provided KRW 90.6 billion of funds.

Number of Cases and Amount of Patent Support

Category	Unit	Cases	Amount Supported
Royalty-free Patent	KRW	273	123,868,120
Non-exclusive License	KRW	20	6,249,000
National Project	KRW	6	1,150,400,000
Total	KRW	299	1,280,517,120

Support on Quality System Certification of Partners

Quality System	Performance in 2020
Quality System Certification of Partners	38 companies
Quality System Certification of tier-2 and tier-3 Partners	77 companies
Quality System Certification HKMC	134 companies
Quality System Certification of GM	69 companies
Quality System Certification of Renault Samsung Motors	20 companies

Training Program for Partners

Category	Unit	2018	2019	2020
Number of Partners that Completed Training	Partners	475	975	191
Number of Employees in Partner Companies who Completed Training	Persons	1,026	1,131	261

Financial support for partners

Category	Direct support	Mutual cooperation fund	Guarantee fund
Amount Supported	KRW 41,135 million	KRW 33,924 million	KRW 15,525 million

Communication with Partners: Partners' Day

Partners' Day, held at the beginning of every year, is an occasion to share Mando's major policies and vision with partners and reward outstanding partners, thereby strengthening partnerships. On Partners' Day held in January 2020, the top management of Mando including CEO and representatives of each partner companies participated. Mando will continue to form new cooperative relationships with partners in order to secure competitiveness and create a virtuous circle of profitability.



Partners' Day in 2020

Amity Activity

By visiting partners or hosting video conferences, Mando engages in 'Amity Activity' to promote mutual growth activities and listen to difficulties experienced at manufacturing sites. In 2020, Amity Activity was held for 55 companies (40 primary companies and 15 secondary companies). Mando provided feedback within seven days in case of simple inquiries, and carried out improvement activities after consultation with relevant departments and shared the results in case of any difficulties or problems.



Amity Activity in 2020

Seoul National University Business Fair Supporting Material Parts Companies

On June 18, 2020, a business fair supporting material parts companies hosted by Seoul National University was held at Mando's Pangyo R&D center with an aim to help partners find future value-generating businesses. Mando proposed a new platform for the traditional automotive material parts industry by explaining the current status of the mobility material parts industry and the B.U.M.I.³⁾ program to ten tier-1 partners.

1) APQP : Advanced Product Quality Planning 2) FMEA : Failure Mode & Effect Analysis 3) B.U.M.I : Bridge on University-Mobility Industry

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ENVIRONMENT & SAFETY

Mando strives to reduce the environmental impact of its corporate activities. The company controls environmental risks by systematical identification, evaluation, and improvement with a global environmental management system. In addition, the company has established the management policy, prioritizing the environment, safety, and health in all business activities, to create a 'safe and healthy workplace.' Through such efforts, we have built an advanced corporate culture free of environmental and safety accidents.

- Greenhouse gas emissions: Reduced by **24,975** tCO₂eq
- Energy use: Reduced by **511** TJ
- Waste recycling rate: **89.6%**
- VOCs emissions: Reduced by **26%**
- Number of safety risks improved: **Over 300** cases

Climate Change

Mando sets up company-wide greenhouse gas reduction goals and establishes core strategic tasks to contribute to the global efforts to respond to climate change under Post-2020. Meanwhile, Mando promotes and manages outcomes of the climate change response system, greenhouse gas management, and energy-saving activities at each worksite.

Tackling Climate Change

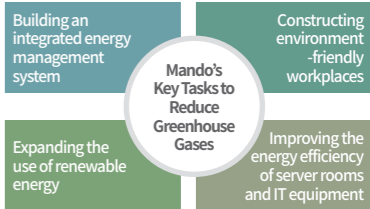
Greenhouse Gas Reduction Goals of Mando

Mando has established specific greenhouse gas reduction goals for the short-term (2025), mid-term (2040), and long-term (2050). Mando plans to manage greenhouse gases to make all business places carbon-neutral.

(Unit: tCO₂-eq)

Year	Reduction Rate	Emission Goal
2025	30% from 2015*	86,481
2040	50% from 2015	61,772
2050	Carbon-neutrality achieved by Mando	

* Baseline year: 2015, when the Emissions Trading System was first implemented in Korea



Implementation of the Greenhouse Gas Emissions Trading System

Mando conducts comprehensive inspections on its utility facilities and regulatory checks on compliances of greenhouse gas regulations such as the Greenhouse and Energy Target Management System and Emissions Trading System. After building the company-wide energy target management system in 2011, Mando monitors greenhouse gas emissions regularly and shares measurement data transparently with stakeholders through disclosing information on the website.

Physical Impact of Climate Change

Climate change brings about physical impacts that damage production facilities or hinder corporate management activities by adverse events such as typhoons and cold weather. Mando implements simulated training on disaster scenarios to reinforce its response capabilities and maintains a global-level crisis response-capability by operating the BCMS¹⁾.

Increase of Renewable Energy

Mando has been expanding renewable energy to attain a carbon-neutral goal. The Iksan site leads low-carbon power supply by leasing the business site for external institutions to install and operate the solar photovoltaic system.



3,000kW photovoltaic generation facility at Iksan site

1) BCMS : Business Continuity Management System

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Energy Management

Energy Reduction at Worksites

Mando strives to achieve 'Zero Waste Factories' with reduction of power waste during non-operating hours through the 'Activities to Stop Five Wastes' including shutoff of air valve in the production waiting line, turning off the lighting, and prevention of idling of air conditioning devices.

In detail, the Iksan site cuts off the sources of energy loss irrelevant to work by subdividing the air and steam shutoff facilities into each process and line, saving energy wasted during the non-operating hours. The Pyeongtaek site promoted standby power reduction activities during non-operating hours, accounting for 28% of total power consumption. Company-wide, Mando regularly operates the energy reduction council for each worksite and reports the achievement rate of each team for energy reduction targets and plans.

Improvement of Energy Efficiency at Each Worksite

The Wonju site saved annual power expenses by KRW 30 million by reducing the operating hours of air compressors with improving air leak factors in the production process. This site also reduced the loss of utility energy through long-distance pipelines management through optimizing air supply pressure during producing hours and switching the method of manufacturing hot water from central supply to individual supply.

The Iksan site reduced 140tCO₂ of greenhouse gas emissions annually and saved 288MWh of energy by investing KRW 15 million to implement an auxiliary heating system based on waste heat.

The Pyeongtaek site reduced 1,062tCO₂ of greenhouse gases emissions by managing and monitoring assigned energy targets for each department, installing high-efficiency equipment, optimizing air conditioner temperatures, and reducing the operation of elevators.

Energy Consumption (Unit : TJ)

Category	2018	2019	2020
Fuel	170.5	149.0	122
Electricity	2,059.2	1,958.5	1,475
Steam	28.7	26.3	23
Total	2,258.4	2,133.8	1,620

Energy and greenhouse gas emissions reduction (Unit : TJ, tCO₂-eq)

Site	Energy Reduction	Reduction of Greenhouse Gases
Pyeongtaek	23	1,120
Wonju	464	22,607
Iksan	23	1,146
Pangyo	1	102

Management of Greenhouse Gas Emissions

Management of greenhouse gas emissions: Direct emissions (Scope 1 and 2)

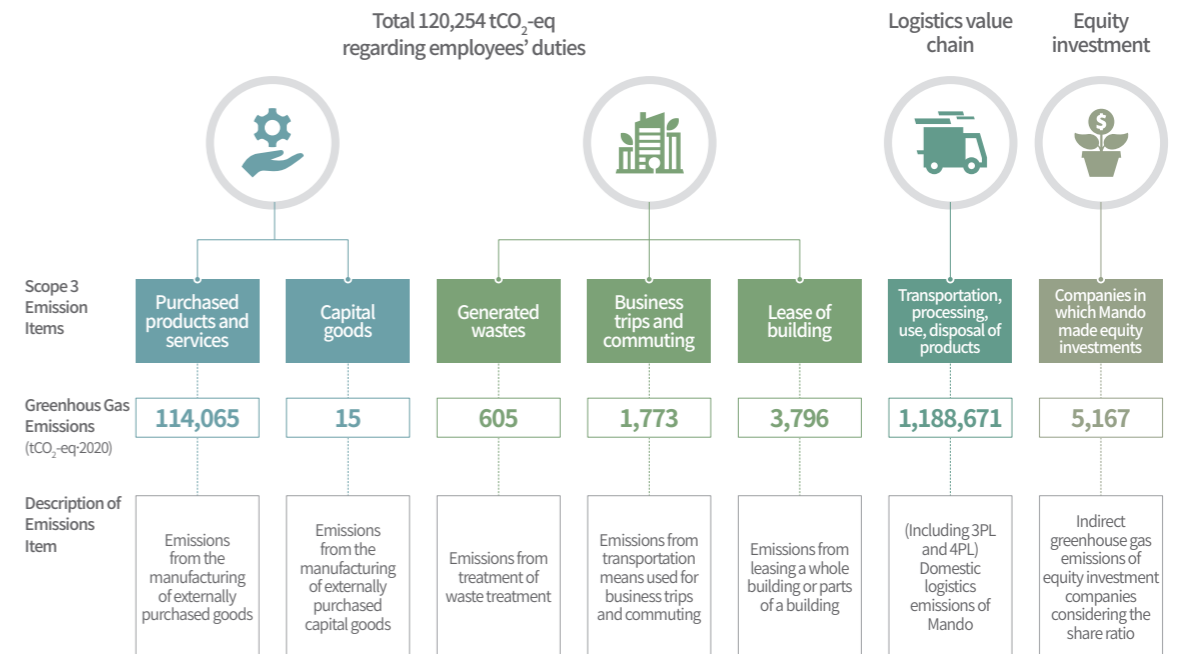
Mando's direct greenhouse gas emissions (Scope 1) are generated by boilers, business vehicles, and emergency power generators at worksites. Indirect emissions (Scope 2) are mainly related to the power and steam consumption or hot water supplied from outside. In 2020, Greenhouse gas emissions are reduced by about 24% compared to the previous year. Among greenhouse gas emissions, direct emissions account for 8.3% and indirect emissions account for 91.7%. The Pyeongtaek site is responsible for 48% (38,009tCO₂-eq) of Mando's total greenhouse gas emissions.

Greenhouse gas emissions of Mando (Unit : TJ, tCO₂-eq)

Category	2018	2019	2020
Total emissions	110,202	103,541	78,569
Scope 1 (Direct emissions)	9,007	7,911	6,508
Scope 2 (Indirect emissions)	101,195	95,631	72,061
Scope 3 (Other indirect emissions)	-	-	1,314,092

Advanced management of greenhouse gases: Management of Scope 3 emissions

Mando checks 15 items indirectly associated with greenhouse gas emissions from its business activities, aggregates and manages all computable greenhouse gas emissions.



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Circulation of Resources

Environmental damages from wastes and greenhouse gas emissions in the treatment process are increasing globally. In response, Mando makes efforts to manage raw materials systematically and build a system for resource cycling through waste minimization.

Raw Materials

Monitoring of Purchased Raw Materials

Mando strictly manages raw materials used in each process according to the Occupational Safety and Health Act and the Chemicals Control Act. The company periodically identifies and posts information on new chemicals and abides by the legal quantity and regulations when using hazardous substances. In addition, the company devotes efforts to minimize the environmental impact of the production process by changing hazardous chemicals into unregulated substances.

Hazardous Chemical Control System

Mando regularly records and manages information related to the manufacturing, importation, use, transportation, and storage of chemicals or materials that contain chemicals. For hazardous chemicals management, the company engages in comprehensive management activities, such as self-inspection of facilities handling chemicals, training of persons in charge, preparation and furnishing of MSDS¹⁾, and operation of a response process against leaks of hazardous chemicals. Such efforts help to prevent environmental accidents and pollutions by reinforcing safety control.

Usage of Raw Materials

(Unit : ton)

Category	2018	2019	2020
Quantity of Non-Renewable (Raw) Materials Related to Production and Packaging	67,284	58,134	27,560
Quantity of Renewable (Raw) Materials Related to Production and Packaging	41,390	39,398	60,240
Quantity of Recycled (Raw) Materials	8,020	7,719	6,660

Usage of Hazardous Chemicals

(Unit : kg)

Site	2018	2019	2020
Pyeongtaek	9,055	75	75
Wonju	5,005	3,475	4,000
Iksan	0	0	0
Total	14,060	3,550	4,075

Wastes

Minimization of Waste Generation

When designing products, Mando actively promotes methods that reduce wastes in the manufacturing process, such as the development of environment-friendly materials considering resource efficiency. In addition, Mando regularly inspects the amount of waste generated and recycled at each worksite, sharing the information company-wide for facilitating the recycling of resources.

Operation of Separate Waste Collection Facilities

Each worksite operates separate collection facilities to increase the recycling of wastes. In addition, responsible officers record the outcomes of recycling and waste reduction regularly. The Wonju site installed 44 separate collection facilities in the Factory Building and 25 facilities in the Office Building to treat wastes generated in each area by dividing them into general, specified, and recyclable wastes. The Pyeongtaek site implements an efficient system for separate collection by arranging waste collection bins in different places.

Reduction of Incinerated Wastes

The Pyeongtaek site reduces the incinerated wastes by recycling wastes that burned the previous year. The Wonju site reduced the ratio of incinerated wastes by 21% compared to last year by recycling 78% of 100 tons of 'waste synthetic resins' into solid fuels.

Amount and Rate of Recycled Wastes at each Business Site

(Unit : kg, %)

Site	2018		2019		2020	
	Amount	Rate	Amount	Rate	Amount	Rate
Pyeongtaek	797,560	74.39	839,180	84.57	781,270	80.66
Wonju	14,979,000	94.80	14,387,430	96.97	5,354,640	95.24
Iksan	438,660	63.38	316,140	43.00	263,920	47.82
Pangyo	52,000	9.33	70,500	12.50	52,000	10.01
Total	16,267,220	89.76	15,613,250	91.15	6,451,830	84.20

1) MSDS : Material Safety Data Sheet, sheet that contains information necessary to use and manage chemicals safety

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Management of Environmental Impact

Water is an essential resource for human beings, animals, and plants, but there is no substitute for water, and water shortage is one of the serious issues faced by humankind. In addition, water and air pollution problems should be managed systematically as they have direct impacts on human survival. Mando implements continual management for water resources and air pollution prevention, building a company-wide green management system by conducting environmental training for employees.

Water Resources

Management of Water Resources and Quality

Mando strives to protect water resources by managing the water quality environment of wastewater and performing activities for water use reduction. Each worksite manages the quantity of water intake and reuses by classifying items for water management. Further, the company safely treats effluent water through water treatment facilities, applying stricter criteria than the legal standards when discharging water with internal treatment facilities.

Water Consumption (Unit : m³)

Category	2018	2019	2020
Waterworks	360,891	354,778	299,441
Ground Water	156,503	161,182	119,025
Industrial Water	148,840	92,178	72,677
Total	666,234	608,138	491,144

Management of Water Pollutants

Mando furnishes operation manuals and essential items for inspection at each worksite so that all sites abide by the work standards and prevent water pollution. Highly concentrated wastewater is treated by evaporating and concentrating lawfully. The company discharges wastewater into the public wastewater disposal plant after primary treatment in the internal wastewater treatment facility while implementing periodic analyses of wastewater quality to manage water quality above the legally permitted level.

Status of Wastewater and Water Pollutants (Unit : m³, kg)

Category	2018	2019	2020
Wastewater emissions	272,198	240,857	221,427
Water pollutants emissions	4,760	4,388	4,086

The Wonju site performs primary treatment of process wastewater using physical and chemical measures and manages wastewater emissions within 10% of the permitted level by operating a biological treatment facility that uses microbes.

Prevention of Air Pollution

Reduction of Wet Scrubber Pollutants

Mando manages and monitors air pollutant concentration based on strict internal criteria within 20% of the permitted air emissions level to manage wet scrubbers systematically. Mando reduced the concentration of general pollutants by 20% and VOCs¹⁾ by 26% by replacing inner filling materials to improve the efficiency of facility operations.

Air pollutant emissions (Unit : kg)

Category	2018	2019	2020
NOx	206.9	0	3,292
SOx	80.5	0	0
Dust	12,507.2	11,503.6	5,005
VOCs	8,456.5	4,824.2	4,850.02

Certifications and Training

Maintenance of Environment Safety Management

The Pyeongtaek, Wonju, and Iksan sites have maintained the ISO 14001 certification, managing the environmental impacts systematically. In 2020, Mando implemented improvement recommendations for ISO 14001 by building a company-wide monitoring process for waste treatment and supplementing internal risk assessment standards. The company ensures safety control at worksites according to domestic and international standards for the safety and health management system. In addition, we strive to improve the safety control level by introducing KOSHA-MS and ISO 45001.

Environmental and Safety Management Systems Certification

Site	ISO 14001	ISO 45001	Green Company
Pyeongtaek	○	○	○
Wonju	○	○	○
Iksan	○	○	○



ISO 45001 certificate

Environmental Training for Green Management

Mando establishes a systematic master plan for green management and conducts environmental training for all employees. Persons in charge of the environment, safety, and health take compulsory training such as expert-level courses on water and air quality, waste manager course, and hazardous chemical control. In addition, Mando enhances employees' capability for green management by providing online training (e-campus). The Pyeongtaek site implements periodic education to prevent environmental pollution from leakage of chemicals.

1) VOCs : Volatile Organic Compounds

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Safety and Health

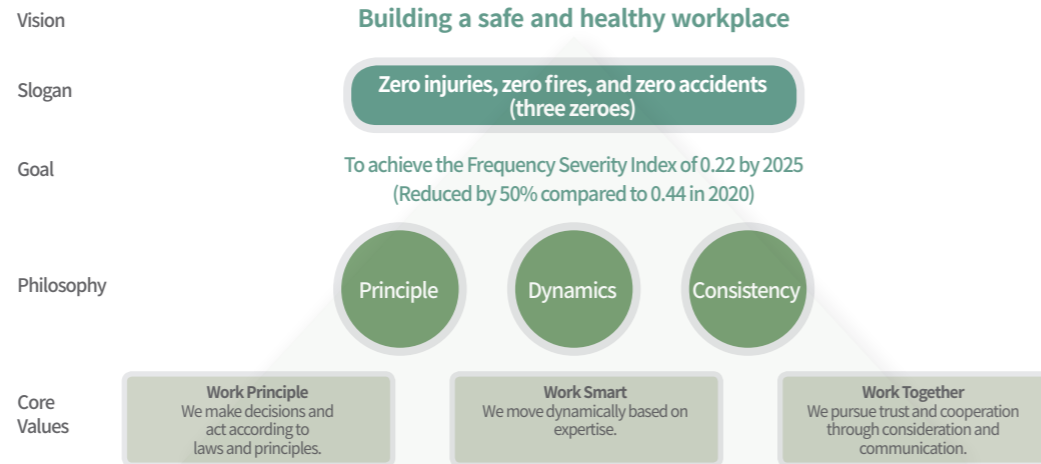
Mando strives to prevent industrial accidents by promoting proactive safety and health activities under the vision of creating a safe and healthy workplace. Moreover, Mando engages in activities including safety inspections in order that the employees are able to establish a safe workplace culture themselves.

Workplace Safety and Health

Safety and Health Management System

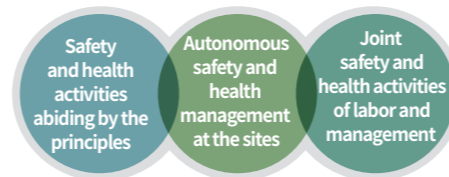
Mando promotes proactive safety and health activities under the vision of creating a safe and healthy workplace, striving to prevent industrial accidents. Moreover, Mando engages in activities like safety inspections so that employees can form a safe culture.

Framework for Safety and Health



Core Safety Management Policies in 2020

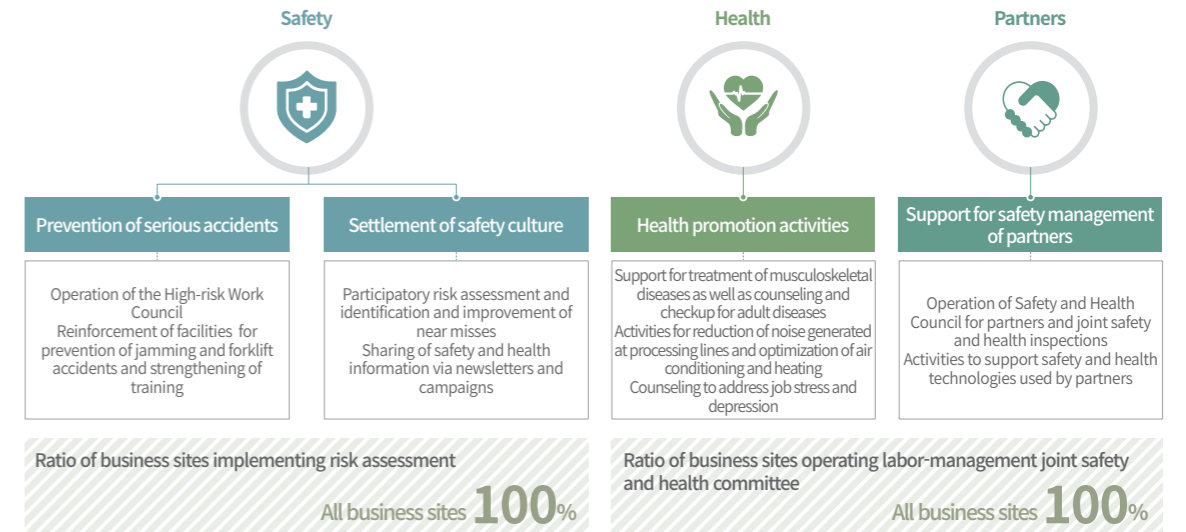
Mando shares the values of abiding by the principle, respecting the autonomy of the worksites, and promoting labor-management cooperation. Each business site of Mando plans and executes safety and health activities. In 2020, Mando showed an agile response to COVID-19 from the early stage and derived measures to improve the working environment like noise reduction by operating a labor-management TFT. In addition, Mando reinvigorated the safety and health culture by revising the safety and health regulations and the safety management system and improving the safety of internal transport vehicles.



- Occupational Safety and Health Act
- ISO45001, BCMS¹⁾
- Revision and operation of company rules
- Support for partners' safety and health management
- Reinforcement of the safety of in-house transportation system
- Promotion activities for safety and health
- Operation of Safety and Health Council
- Operation of safety and health patrol
- Identifying and preventing potential disasters
- Agile response to COVID-19
- Operation of labor-management TFT to improve the working environment
- Safety inspection conducted in every business site
- Prevention of musculoskeletal diseases

Safety and Health Management Activities

Major Safety Management Activities of Mando Conducted in 2020



Safety Inspections at Business Sites

Mando performs safety inspection activities to check and eliminate potential safety risks. The Pyeongtaek site implemented ten on-site safety inspections supervised by the safety management officer in 2020, discovering 45 potential safety risk factors. Improvement measures were taken according to the results to improve the Critical Disaster Manual, checking compliance status, and inspecting dangerous machines. In addition, Mando inspected the status of compliance regarding the Safety and Health Law and found 122 improvement points. In the area of jamming accidents, Mando has configured a special inspection period to analyze 129 risk factors to be improved.

Operation of the Safety Patrol System

Mando operates a daily patrol system to prevent safety accidents and establish a safety culture within the entire organization. The safety patrol system has an autonomous patrol group patrol the site during the vulnerable hours of 7-9 AM and 4-6 PM to remove risk factors at the right time. Each business site was able to reinforce the safety of employees by increasing the number of potential safety risk factors discovered after implementing the patrol system.

1) BMCS : Business Continuity Management System

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Safety Management for Partners

Mando organized a council with partners stationed at its business sites in 2020 according to the Occupational Safety and Health Act. The council hosts regular meetings and conducts joint walk-around inspections at the business sites. Mando promotes mutual growth by improving safety control in various sectors, such as safety devices for vehicle transport, safety protective equipment, prevention of safety accidents, COVID-19 response, and prevention of fire.

Safety and Health Empowerment

Mando implements risk assessment at each business site by building a global safety and health management system and operating company-wide management indicators. Mando also strives to create an advanced safety culture by conducting training on safety compliances and accident response methods and empowering the safety and health capabilities of all employees.

Reinforcement of the Fire Control System

Mando reinforced firefighting equipment in 2020 to contain any fire accidents, replacing all aged fire pumps and installing automatic fire extinguishing systems for ABS¹⁾ equipment and long-operated research and testing equipment. In addition, Mando inspected and improved fire safety facilities to prepare for emergencies, installed fire emergency evacuation guidelines, and conducted virtual fire training in collaboration with local fire stations. Mando evaluates the practical effects of fire-prevention training on a regular basis and provides fire training for core facilities that involve high fire risk in the winter.



Fire drill for ESS²⁾ located at the Iksan site

Creation of Safety Culture

Labor-management Joint Safety and Health Committee

Mando listens to employees' opinions and runs a labor-management joint safety and health committee in each sector (brake, steering, suspension) to manage the safety and health of employees and prevent safety accidents.

Safety Training

Mando conducts training to help employees imbibe safety culture focused on safety knowledge and experiential activities, and thereby become aware of safety and pay attention. Persons supervising compulsory safety training as well as each department perform company-wide TPM³⁾ activities before starting work. The director of OP Center conducts highly effective on-site safety inspections so that safety culture becomes a part of the organization.

Talk-talk Academy

Mando runs the 'Talk-talk Academy' for managers and supervisors by inviting professional safety instructors to provide training in response systems and allows trainees to test what they learned in simulations of various emergency scenarios.

One-stop Safety Reporting System

Mando publishes various safety and health letters to improve the on-site safety culture. Mando also shares real-time reports and improvements regarding on-site risk factors via NAVER BAND by enforcing a one-stop safety reporting system. Moreover, Mando promotes 'making safe lines' to help sites improve risk factors. 'Making safe model lines' demonstrated excellence of training at four production sites in 2020 by working together with the Korea Industrial Safety Association.

Employee Health Care

Operation of Health Promotion Programs

Mando monitors basic data like blood sugar, blood pressure, and cholesterol of high-risk employees with hypertension, diabetes, and hyperlipidemia, and offers professional counseling. Mando also improves the working environment to prevent musculoskeletal diseases, supports persons with basic diseases in following personalized exercise programs to improve muscular strength and flexibility, and reassigns duties if necessary.

General Health Care

Mando executes annual health checkups for all employees to create a healthy workplace. High-risk groups are managed through intense observation and professional counseling. In addition, Mando runs various programs to prevent musculoskeletal diseases, such as the KEMA exercise program and physical therapies. In particular, the Wonju site conducted training on self-exercise and posture correction methods for patients with chronic lumbar disease in 2020 to improve workers' satisfaction.

1) ABS : Anti-lock Brake System 2) ESS : Energy Storage System 3) TPM : Total Productive Maintenance

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SOCIETY

Mando grows along with its stakeholders by taking not only the quality and performance of automotive parts but also the impact Mando has on the overall value chain into consideration. Mando strives to become the best company to work for by enhancing economic and social values and creating a happy and safe working environment. Also, Mando maintains fair and transparent relationships with partner companies to build a stable supply chain and carries out community-friendly, participatory contribution activities according to the independent characteristics of each site. As a global company, Mando will continue its efforts to fulfill social responsibilities.

Work Smart Program

1,087 persons

Number of participants engaged in social contribution efforts

1,274 persons

Rate of satisfaction with the working environment

73%

Support for low-income groups

Increased by **15%**

Number of employees who participated in the training

11,593 persons



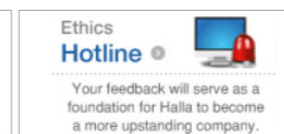
Human Rights

Mando complies with international standards and guidelines for human rights and labor, such as the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights, placing the highest priority on the human rights of all stakeholders.

Human Rights Management

Human Rights Management System of Halla Group

The Halla Group aims to contribute to the welfare of both customers and humankind under the vision of ‘becoming a beloved, outstanding, and solid global company’. The Halla Group believes that the foundation of sustainable management is in seeking co-prosperity with the stakeholders and fulfilling social responsibilities through ethical management. Based on this conviction, the Halla Group respects the rights of all stakeholders to pursue human dignity, value, and happiness, and seeks to grow mutually with customers, employees, shareholders, investors, partners, and communities. Accordingly, the Halla Group makes continuous efforts to abide by national and regional labor laws as well as customer requirements, and to accord with all labor principles ratified by the nation and recommended by UDHR¹⁾ and UNGPs²⁾.



Integrity Management Report System and Ethics Hotline

Halla Group Sexual Harassment Reporting Center

Human Rights Management Process

Process	Detailed Procedure	Executing Organization				
		Group ESG Plan	HR	Integrity Management Office	Legal Affairs Office	Human Resource Institute
1. Enactment of the human rights charter	Enactment of the human rights declaration	●				
	Enactment and revision of the human rights charter	●	●		●	●
2. Assessment of human rights impact risk	Development of assessment indicators	●	●	●	●	
	Risk assessment	●	●			
3. Execution of human rights management	Establishment of operating plans based on the results of assessment		●	●		
	Prevention of risks in vulnerable areas and business sites		●	●		
4. Communication	Disclosure of activity outcomes	●				
	Internal training and reporting to major decision-makers		●	●		
5. Operation of ombudsman channels	Institutionalization of the relief procedure		●	●	●	●
	Execution of relief procedure after receiving and investigating the report			●	●	●

1) UDHR : Universal Declaration of Human Rights 2) UNGPs : UN Guiding Principles on Business and Human Right

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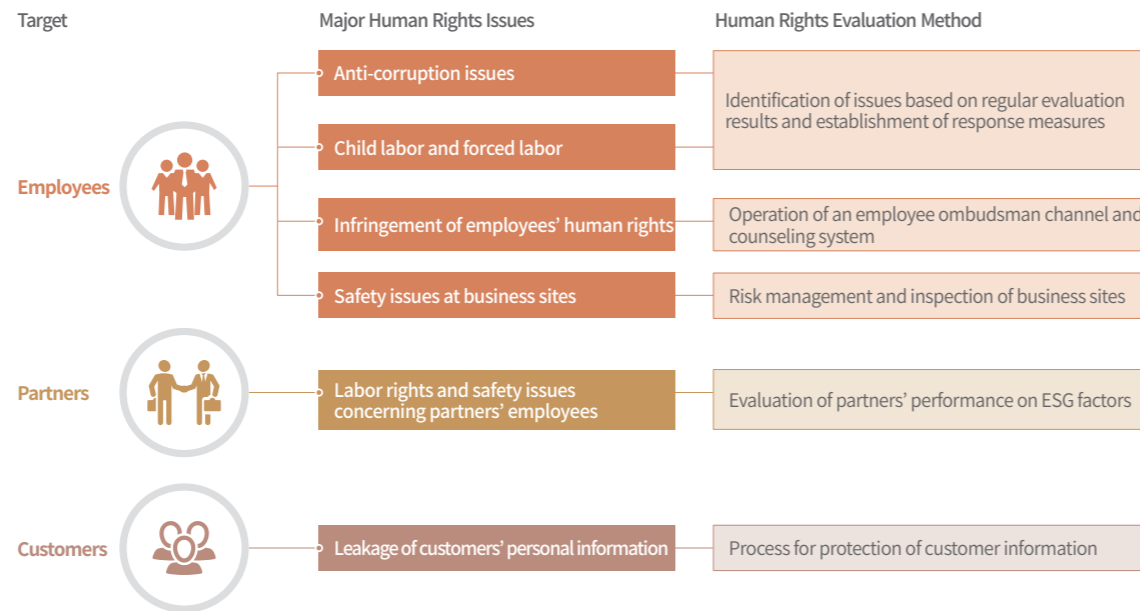
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Management of Major Human Rights Issues by Each Stakeholder

The Halla Group has established a group-wide human rights evaluation process and plans to carry out evaluation activities at each business site starting from 2021. The Halla Group is planning out specific activities to improve, guarantee, and expand adherence to human rights values based on the results of evaluation.



Human Rights Evaluation Process of Halla Group



Human Rights Management Principles of Mando

Mando Corporation contributes to the welfare of both customers and humankind by creating products and services with human resources and technologies utilized in an ethical manner, under the vision of making a safer, greener, and easier tomorrow. Based on such belief, Mando respects the rights of all stakeholders to pursue human dignity, value, and happiness, and seeks mutual growth with customers, employees, shareholders, investors, partners, and communities. This Human Rights Declaration serves as the values guiding Mando's to prosper with stakeholders and pursue sustainable development based on its respect for human rights. Mando continuously strives to abide by national and regional labor laws as well as customer requirements and to comply with all labor principles ratified by the nation and recommended by the UDHR¹⁾, UNGPs²⁾, and ILO³⁾.

1. Respect for Human Rights

Mando respects all stakeholders as human beings and actively endeavors to prevent inhumane treatment, both mentally and physically. If inhumane acts such as sexual harassment, abuse, physical punishment, and verbal abuse are found, Mando takes strict measures according to its disciplinary regulations.

2. Anti-discrimination

Mando respects diversity and prohibits discrimination against employees based on gender, age, race, skin color, nationality, hometown, disability, religion, and political orientation, in HR (Human Resources) processes such as recruitment, wages, and promotions.

3. Prohibition of Forced Labor and Child Labor

Mando does not forcibly recruit or maintain laborers in ways that restrict mental or physical freedom, by means such as assault, threat, confinement, fee, cost, slavery, and human trafficking. Mando does not require to handover of ID cards, passports, or work permits issued by the government as a labor condition. Mando abides by the minimum employment age levels of each nation and region where the business site is located.

4. Responsible Supply Chain Management

Mando expects and supports all of its subsidiaries and partners to practice 'human rights management' by operating in accordance with this Human Rights Declaration, as well as in compliance with all applicable laws of the regions in which they operate. In addition, Mando pursues win-win relationships with partners to reinforce their competitiveness by actively participating in the activities to minimize adverse impacts on human rights and the environment that can occur during mineral mining processes in high-risk areas (conflict areas).

5. Compliance with Labor Conditions and Labor Laws

Mando abides by regulations regarding regular and overtime work hours, holidays, and wages defined in the national and regional labor laws. Mando also provides sufficient communication opportunities to all employees.

6. Health and Safety

Mando abides by health and safety standards required by the national or regional laws, conducts regular trainings and education based on applicable legal requirements, and systematically manages facilities to provide a safe and clean working environment to all employees.

7. Protection of Stakeholders' Information

Mando pays close oversight over its products and services so that they do not hinder the life, health, and safety of its stakeholders, and takes reasonable measures to secure the personal information of customers collected during its business activities.

8. Guarantee of Environmental Rights

Mando establishes and maintains an environmental management system to adhere to the principle of preventive approach to environmental issues. Mando establishes an emergency action plan to prevent serious environmental destructions and disasters, and discloses information related to the environment.

9. Human Rights of Community

As a member of the community, Mando recognizes its social responsibility of regional development, and thus, actively participates in social contribution activities. Mando also protects the freedom of residence and ensures that the human rights of residents are not violated by its business operations.

1) UDHR : Universal Declaration of Human Rights 2) UNGPs : UN Guiding Principles on Business and Human Right 3) ILO : International Labour Organization

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Employees

Employees are the most important resources of a company, and the company thus needs to promote various support activities in order to make its employees sustainable. Mando empowers its employees and creates a sound labor-management culture by running diverse empowerment training and communication programs. In addition, Mando offers welfare benefits to employees for a happy working environment, allowing employees to manage stable lives.

Employee Empowerment

Human Resource Fostering System

The Halla Human Resource Institute strives to foster employees with a vision that the Halla Group and Mando become an 'Active Learning Experience Coordinator for Growth.' The Halla Human Resource Institute supports diverse training and learning activities, such as training on values and culture, basic training, core human resource training, and job training, to help employees internalize the Halla spirit and grow into experts who pursue excellence for sustainable growth.

Our Policy

Halla Spirit



We provide employees with a sense of accomplishment, pride and energy based on the **Halla Spirit**.

Organizational Growth



We foster core competencies in line with our future strategies to achieve **sustainable growth**.

Individual Growth

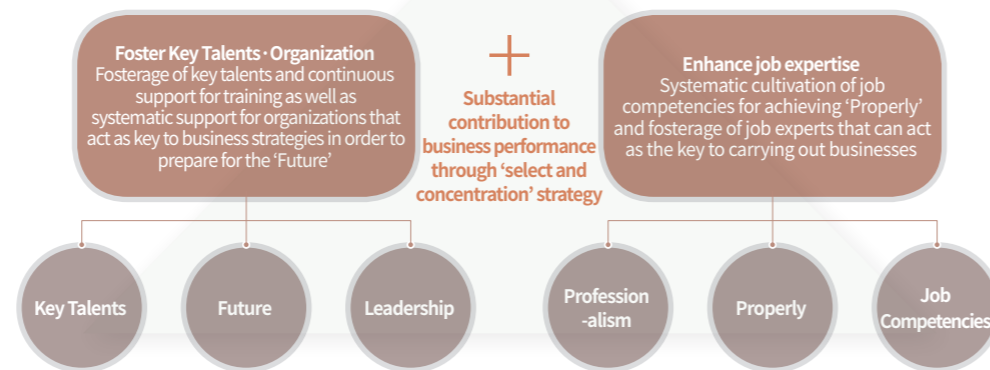


We nurture professionals with outstanding capabilities aiming **for the First Class**.

Our Goal

ACTIVE Learning Experience Coordinator for Growth

Our Strategy



Core Tasks

Mando promotes three themes and eight core tasks to build an autonomous and responsible learning ecosystem for a young and healthy organization.

Reinforced support for learning tailored to core talents and organizations



Consistent intervention of core talents

Development of leadership suited to a young organization

Support for learning aligned with key business strategies

Improvement of job expertise centered on R&D and digital transformation



Renewal of Mando's R&D technical training

Securement of basic digital transformation capabilities and fosterage of core talents

Reinforcement of job training reflecting the requirements proposed by the worksites

Establishment of a learner-oriented, agile learning system (institutions, systems, environments, etc.)



Preparation of an autonomous and responsible learning system

Construction of educational infrastructures appropriate for the no-contact era

Operation Method for Training

In 2020, Mando conducted various no-contact, real-time, online training programs in response to COVID-19, including training for new employees, special lectures for the executives, and courses offered by Halla Business School. In accordance with the need for continuous social distancing, Mando is currently reviewing the installation of an exclusive online training studio and preparation of individual learning spaces in order to provide educational contents and learning environment appropriate for today's no-contact era.

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Training Programs for Employees

Operation of a Customized Curriculum

The growth of employees is crucial to attaining Mando's goal to become 'A Mobility Freedom Creator'. Mando offers customized curriculum for the employees by dividing programs into four areas (value, global, future, job competency) so that employees can grow into talented employees individuals.

Value	Global	Future	Job Competency
<ul style="list-style-type: none"> • Work Smart Program • Leadership training for team leaders • Team setup program • Courses for new and experienced employees 	<ul style="list-style-type: none"> • Course for the employees scheduled to be dispatched to overseas • Refresher course for the sojourning employees 	<ul style="list-style-type: none"> • Halla Business School • Life map design course for Centenarians • Future leader coaching 	<ul style="list-style-type: none"> • Improvement of job expertise centered on R&D and digital transformation

Work Smart Program

In 2020, Mando operated Work Smart Program for empowering employees with core digital transformation competencies in order to work 'Properly' in today's accelerated digital transformation and COVID-19 era and to achieve 'Future' innovation. The Halla Human Resource Institute operated 30 sessions of 14 programs in the first half of 2020, and 821 employees completed the course. In the second half of 2020, 266 employees completed six online programs due to COVID-19.

Work Smart Curriculum

Creativity (Frontier) <ul style="list-style-type: none"> • Information gathering management • Organizing thinking skills • Negotiation skills • PT (planning) 	Compliance with Principles (Integrity) <ul style="list-style-type: none"> • Excel practice (Basic) • Excel practice (Advanced) • Understanding and analysis of financial statements • Cost management and analysis of profitability • Understanding of economic terms and indicators
Collaboration (Work Together) <ul style="list-style-type: none"> • Efficient time management • Document creation skills • Psychology and communication 	Digital Transformation <ul style="list-style-type: none"> • Big data analysis • Task automation (RPA)

Operation of Halla Business School

Mando trains future leaders expected to drive Mando's sustainable management at the Halla Business School. The Halla Business School offers curricula for senior associates, team leaders, and executive directors to conduct intense MBA course on strategy, financing, accounting, marketing, and HR for about 8 months. From 2020 to 2021, 37 individuals have been graduated at the Halla Business School.

Education Curriculum of Halla Business School (HBS)

Halla Business School <ul style="list-style-type: none"> • Training of next-generation leaders • Senior associates • Acquisition of basic business knowledge and leadership as future leaders
Halla Business School PLUS <ul style="list-style-type: none"> • Training of CEOs • Executives • Cultivation of business insight and capabilities for strategic execution

Improvement of Job Expertise through R&D and Digital Transformation

Mando strives to improve employees' job expertise through R&D and digital transformation based on the principles of 'First Class', Agility, and Freedom. Mando reorganized R&D training and reinforced job training as demanded by the employees. In addition, Mando operates online basic competency courses such as programming language course and data analysis course to secure basic digital transformation competencies and foster core talents. Moreover, Mando conducts training on project-based RPA¹⁾ for the employees who engage in collaborative tasks related to digital transformation and software.

Refresher Training for the Foreign Service Employees

Mando provides practical training and helps the foreign service employees to effectively communicate with each other by utilizing an exclusive platform called i:MOOC²⁾. Mando strives to help local managers working overseas develop leadership capabilities related to sustainable growth by using this platform. On top of uploading in-house educational video and data consisting information regarding foreign culture and language, business management, science, and technology, Mando also operates a communication bulletin board to increase accessibility for communication between the foreign service employees.

Contents of i:MOOC Platform

 <p>A total of 27 countries including China, Vietnam, etc.</p>	 <p>Renowned global MOOC contents</p>
 <p>English course, second foreign language course</p>	 <p>Mental care</p>

Human Rights Training for Employees

Mando conducts human rights training to reinvigorate the human rights awareness of employees and prevent risks of infringement. In 2020, 2,235 employees received training in areas such as prevention of sexual harassment, improvement of awareness about the disability, and prevention of bullying at the workplace. Moreover, 82 employees completed 'education on human rights of partners to prevent the risk of infringement among the partner companies. As shown, Mando consistently promotes a culture of respect for human rights through various activities.

Life Map Design Course for Centenarians

Mando offers opportunities for the employees about to retire to develop job abilities and design their life after retirement through a program called the Life Map Design Course for Centenarians. This program is a personalized training program encompassing health, relationships, guidance on later days of life, establishing startups, as well as financing. Although this course was not operated in 2020 due to COVID-19, online training will be provided for each age group in 2021. Mando provides unsparing support for the employees to prepare for both their present and future.

1) RPA: Robotic Process Automation 2) MOOC : Massive Open Online Course

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Employee Management

Creation of a Fair Recruitment Culture

Mando does not ask applicants to provide information such as gender, hometown, and family relations, which are irrelevant to jobs, on their CV. This is done in order to provide an equal opportunity to all applicants pursuant to the human rights policy of the UNGC¹⁾. In addition, interviewers must submit a pledge to abide by the Act on the Fairness of the Recruitment Procedures and receive interview training so that no unfair actions are taken in the recruitment process.

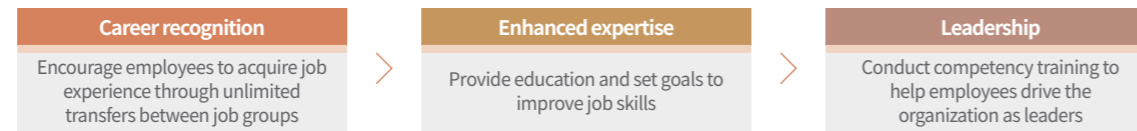
Human Resources Evaluation System

Human Resources Evaluation System (MBO²⁾) Mando operates a goal-oriented performance management system to motivate the employees to perform well. Employees can set up personal work goals based on the understanding of the company's vision, short- and long-term strategies, and the annual business plan and measure achievement levels by giving and receiving periodic feedback to and from evaluators. Mando reflects the final evaluation results on rewards, promotions, and training in a fair and consistent manner.

Personal Career Development Plan (CDP)

Mando supports employees to develop job capabilities and plan for future career goals. The CDP comprises career recognition, enhancement of expertise, and leadership stages. Through the CDP, Mando will continue to pay attention and support employees in growing into talented individuals.

Steps of career development



Job Posting System

When a new organization is formed or personnel supplements are necessary, Mando offers an opportunity for members to choose the department and apply through the job posting system. This system is kept totally confidential throughout the entire process, and members can freely expand their careers. Mando creates an environment for members to fully exhibit their capabilities through this system.

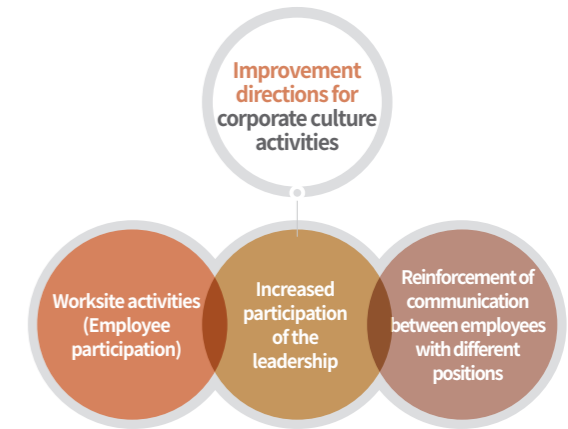
Diversification of Recruitment Channels to Secure Talents

Mando expands its talent recruitment channels by sharing public recruitment announcements on the website in addition to the regularly held large-scale open recruitment. Mando places various efforts to secure outstanding talents, such as the new internal recommendation system implemented in 2021 that has allowed the employees to officially recommend talented individuals.

Employee Communication

Mando's Continuous Efforts to Build a Healthy Organization

Mando endeavors to help employees work in a healthy organizational environment. Mando intends to engage in practical improvement activities by adding involvement of leaders to the existing method of autonomous operation centered on VB-OC. Furthermore, Mando plans to support employees to work in a healthier environment by reinforcing the roles of the HR Department with regard to organizational issues.

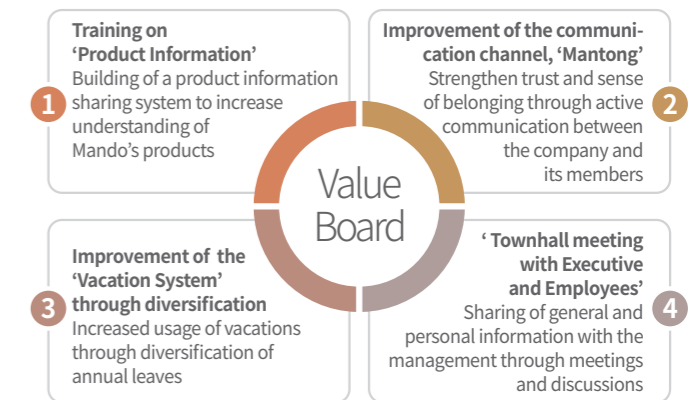


'Open Committee' for Generating Changes in Mando's Organizational Culture

Mando implements company-wide OC activities to create a corporate culture of innovation and growth, allowing employees to find and propose tasks for changes. In 2020, 171 members were selected for the sixth OC, and the committee's activities were promoted under the theme of forming a corporate culture (Vitality Mando) and intensive work culture. The OC performed various activities related to the new corporate culture that involves coping with COVID-19 and adopting the smart work culture. Mando will continue to assist employees in introducing positive changes to the corporate culture.

'Value Board' for Two-way Communication

Mando runs the VB to deliver creative ideas of young and competent individuals to the management and reflect such ideas in organizational operations. The VB comprises exemplary employees who set an example for following Halla Group's core value code of conduct. Members of the VB derive company-wide improvement measures based on their passionate and creative ideas, gather opinions at different sites, and deliver them to the management. In 2020, the 12th VB voiced opinions on managing changes and improving organizational culture under the themes of training, communication, and job diversification.



1) UNGC : UN Global Compact 2) MBO : Management By Objective

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‘Team David’ Guiding Corporate Culture

Team David, launched in 2016, is an organization of the Halla Group that leads cultural changes based on ‘innovative and fast actions that are challenging and free from formalities.’ Team David operates communication meetings every other month, aiming to create a new culture that fulfills Mando’s human resources philosophy of ‘Spirit, Team, First Class.’ About 50 employees have participated in Team David to form a new corporate culture.

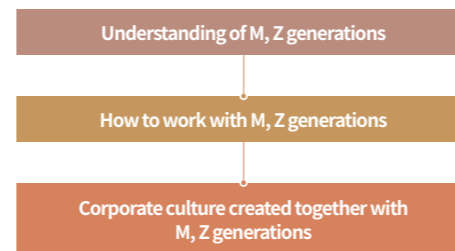
Communication and Empathy Among Generations, Embodying New Leadership

The millennial and Z generations account for about 66% of Mando’s manpower. Mando runs a new leadership empowerment program in order that these generations can play a key role within the organization. Biweekly newsletters create a horizontal work atmosphere by providing a means for communication between the millennials and older generations.

Mando’s Employees by Generation (Unit: Persons, %)

Category	Number of Persons	Ratio
Baby Boom Generation (1950~1964)	47	2
X-generation (1965~1979)	769	32
Millennial Generation (1980~1994)	1,488	62
Z-generation (1995~)	84	4

Three topics of new leadership empowerment



Creation of Communicating Labor-management Culture

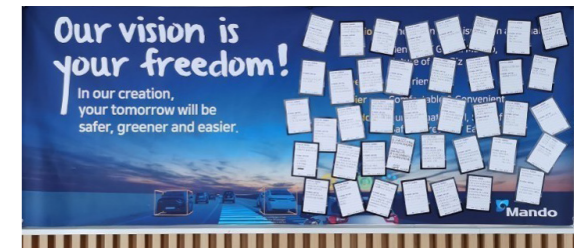
Mando negotiates with the labor union every year to improve labor conditions. Mando endeavors to improve employees’ wages and welfare by holding quarterly labor-management councils with the employee representatives. As of 2020, Mando has been hosting two business presentations a year and one labor-management meeting once every quarter for the labor union. In 2020, Mando accomplished zero labor disputes for the eighth year in a row. In particular, the labor union and management agreed to freeze wages, in consideration of the difficult internal and external circumstances caused by the COVID-19 pandemic. The labor union and management of Mando will continue to cooperate with mutual respect to improve the labor conditions for employees and promote sustainable management.

‘Thank You Day’ to Build Empathy and Trust among Employees

Employees physically practice social distancing amid COVID-19, but they say thank you to one another on the last day of each month through an online communication channel known as ‘With Mando.’ Best thank you messages are added to internal PR videos and shared to strengthen empathy and trust among employees. Mando aims to create a warm corporate culture using methods suitable for the no-contact era.

Status of Online Participation in Thank You Day

Participating Countries	Number of Business Sites	Total
Korea, China, U.S., India, Europe	Nine business sites	Korea: 4,838 persons Overseas: 3,559 persons



‘Thank You Day’ activity done by Mando’s Chinese site

‘Team Thanking Relay’ to Enhance Communication and Solidarity

Mando runs a program titled Thanking Relay to promote cultural solidarity and communication among teams. The team that receives a thank you story each month designates another team to thank. Snacks are delivered to the designated team. A photo of the team is taken and shared on the internal communication channel to encourage employees to thank and compliment one another.



Snacks delivered through Team Thanking Relay

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Creation of a Happy Working Environment

Work Anytime, Anywhere

Mando offers a flexible working environment in order that members can maintain a stable work-life balance. Mando allows employees to work flexibly by selecting the time they start and end work according to their own job characteristics. Mando has a guaranteed minimum rest system that allows employees who leave work after 21:00 to come to work after at least 12 hours. In principle, Mando avoids working after 22:00. Moreover, Mando helps employees to maintain work-life balance through half-day and annual leaves, long weekends, and summer vacations. Instead of limiting the workplace to the office, Mando also allows employees to work in other places, including home, where they can concentrate better.

Ratio of employees satisfied with the working environment in 2020 **73%** Total number of employees using the flexible working hours system in 2020 **2,215 Persons**



Presidential Citation Awarded on Labor Day

Mando received a presidential citation at the 'Government Award Ceremony on 2020 Labor Day' in recognition of its efforts to create an organizational culture based on trust and mutual growth and to improve the working environment with flexible working hours and a daytime double-shift system. Mando will take the lead in building a society that respects the lives of employees and labor in general as well.

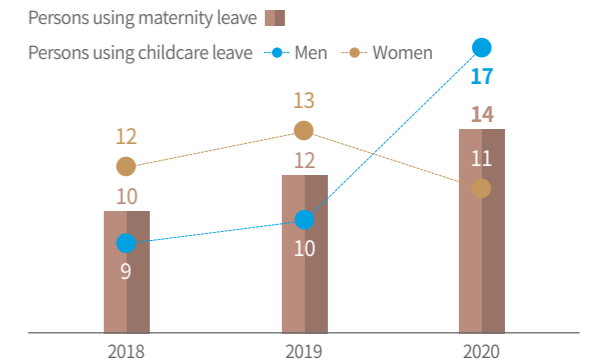


Government award ceremony on Labor Day

Childbirth and Childcare Retention Programs

Mando operates various childbirth and childcare retention programs to support employees in reducing the burden related to childbirth and childcare as well as maintaining work-life balance. Both female and male employees can freely use maternity leaves and shortened working hours for childcare. Mando strives to create a happy working environment where both genders can maintain a stable work-life balance.

Status of Maternity and Childcare Leaves (Unit: Persons)



Operation of In-house Daycare Center

Mando operates in-house daycare centers at the Pangyo R&D Center, Pyeongtaek site, and Wonju site to help the employees feel secure and enable them to focus on work after coming back from childcare leaves. In-house daycare centers of Mando provide diverse experiences and joyful learning opportunities to children through specialized 3C (Critical thinking, Creativity, Collaboration) programs demanded by the future society.

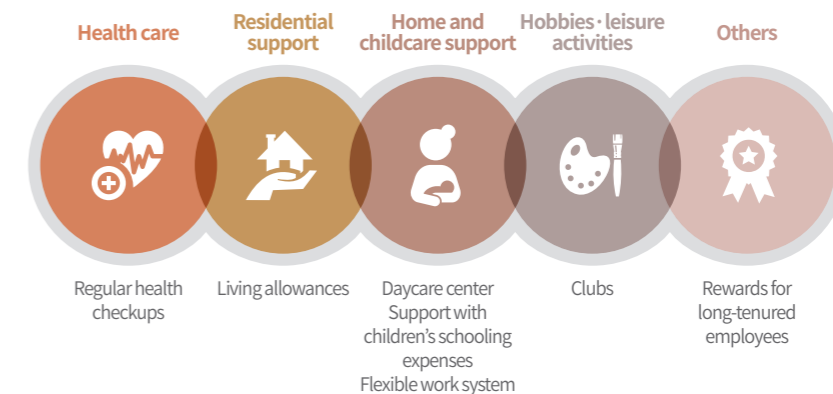


Graduation ceremony of the internal daycare center

Welfare Systems to Promote the Happiness of Employees

Mando has various welfare systems in place to support employees' health, residence, and hobbies, allowing them to work happily and lead stable lives.

Mando's welfare benefit systems



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Social Contribution

Mando continues its sincere social contribution activities, recognizing that mutual growth with the community is crucial for businesses.

Social Contribution Activities

Social Contribution Goal

Mando's social contribution goal is to bring about positive changes in global resources and make a better world through mutual growth and innovation. To achieve this goal, Mando designs and invests in effective social contribution programs. Mando identifies the demand for specific programs by investigating the regional environment and demand of each business site in order to design effective social contribution programs. Programs are designed based on Mando's professional knowledge, technologies, experience, and resources. Mando will contribute to making a better world by carrying out consistent advancement of these programs.

Major Social Contribution Activities in 2020

In 2020, companies had to downscale social contribution activities due to COVID-19. However, Mando continued with its social contribution activities by altering the methods. Contact-based activities were replaced with contact-free programs. Mando will promote effective social contribution activities by setting and modifying directions in ways that are appropriate for the social situation. The number of participants and hours of social contribution activities in 2020 reduced drastically compared to the previous year due to COVID-19. However, the amount of social contribution was increased by over 3.6 times compared to 2019 thanks to the increase in contact-free social contributions.

Number of Employees who Participated in Social Contribution

(Unit: Persons, hours, KRW million)

Category	2018	2019	2020
Number of Participants	1,625	1,607	1,274
Hours of Social Contribution	11,062.0	9,952.2	5,883
Amount of Social Contribution	727	688	725

Support for Low-income Household Children

Mando sponsors children both in Korea and overseas under the auspices of the Green Umbrella Child Fund. In addition to one-on-one support held between employees and children, Mando donates money for children in urgent need as well.

Category	Description	Number of Persons	Total Amount
One-on-one Child Sponsorship	Donation for children connected on a one-on-one basis with the employees	130 in Korea 6 overseas	KRW 80 million
Child Sponsorship Other Than One-on-one Support	One-time support to children who are not connected on a one-on-one basis but in urgent need of help	8 for residential support 12 for medical support	KRW 45 million

Mando's Social Volunteer Group

Despite the hardships caused by COVID-19, Mando operated a social volunteer group to deliver mutual trust and warm assistance. Most programs run by the social volunteer group involved contact-less briquette sharing, support for low-income elders, and provision of sanitary masks.

Especially, the Wonju site has been carrying out volunteer activities like monthly silver parties, Kimchi making in winters, and briquette sharing at local welfare facilities since 2008. In 2014, the Wonju site started a scholarship program for students from low-income families by providing KRW 40 million every year. In 2018, nine students at Munmak Elementary, Middle, and High Schools were selected to provide a scholarship of KRW 2 million each year. The Wonju site won the 8th Wonju City Social Contribution Award for its social contribution to the community.

Social Volunteer Group Activities

Category	Description of Activity	
Contact	Kalguksu of love	130 servings of lunch to local elders
	Sharing briquettes of love	3,000 briquettes to ten households
	Sanitary masks	1,000 masks to related organizations
Contact-free	Rice, instant noodles, and coffee	100 sets to low-income elders
	Delivery of briquettes	300 briquettes each to ten low-income families
	Winter Kimchi delivery	KRW 2 million to 100 homes
	Heating mats	KRW 2.2 million

Roly-poly Wheelchair of Love

The program 'Roly-poly Wheelchair of Love,' supporting families of persons severely disabled by traffic accidents, was started in 2012 and held for the 9th time this year. This regular social contribution activity inherits the volunteer spirit of the former chairman of Mando, providing support and consideration to the socially weak. Mando received stories on its website from June to August 2019, and 38 applicants were selected to receive wheelchairs worth of KRW 100 million in total. Starting with 37 recipients in 2012, a total of 419 persons have received wheelchairs worth of KRW 640 million until 2019.

Furthermore, Mando collaborated with the Korea Transportation Safety Authority in 2019 to participate in an event demonstrating cars with a wheelchair-mounting system. This event was held with an aim to expand the right to mobility for the socially disadvantaged.



Wonju City Social Contribution Award



Roly-poly Wheelchair of Love

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Scholarship for Vulnerable Youths

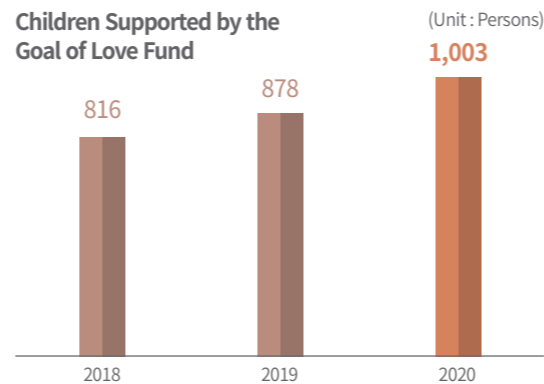
As a part of joint labor-management social contribution activities for the community, Mando has been awarding scholarships to vulnerable youths of low-income families residing in Pyeongtaek, Wonju, and Iksan since 2014. In 2020, Mando provided scholarship of KRW 120 million to 120 students, 40 in each area. Mando plays the role of a stepping stone for youths to find dreams and hopes, actively joining the cause to create a bright and healthy community.



Scholarship Fund delivery ceremony for vulnerable youths

Ice Hockey Sponsorship and 'Goal of Love Fund'

In 2016, Mando started the 'Goal of Love Fund' to donate money based on the number of goals recorded by the Anyang Halla Ice Hockey Club. This fund is donated to children of low-income families in Anyang. Mando helps children become socially and economically independent by opening bank accounts for them. In 2020, the Goal of Love Fund supported 1,003 children from low-income families, including the Bank Book of Seed provided to 753 children, which recorded an increase of 15% compared to 2019. Mando will further diversify the means to support children.



'Seed School' to Design Hope for Youths

Mando participates in the 'Seed School,' a career education program for youths. The term 'Seed School' means that the school nourishes the 'seeds of unlimited dreams pursued by youths.' It has a one-on-one mentor system operated in cooperation with undergraduates to help youths in the welfare blind spots explore careers and develop talents. In 2020, Mando sponsored the Seed School for eight students at a middle school located near the Wonju site. Mando has been continuing its social contribution activities such as carrying them out through video programs despite the COVID-19 situation.

Walk Together

Mando executes various donation activities such as apps and funds to support the health and livelihood of vulnerable groups in the community. 'Walk Together' is a leading social contribution program of Mando that raises funds based on the number of steps walked by employees.

The number of participants in the Walk Together campaign increases every year, recording 1,062 employees in the sixth year, viz. 2020. Mando also donated KRW 30 million, combining donations from the employees and an additional contribution from the company, to the Senior Healthcare Sharing Foundation, which finances knee replacement surgeries for elders suffering from degenerative arthritis.

Global Social Contribution Activities

- Periodic support for training of teachers' council from Auburn, U.S., in Korea
- Donation of masks and hand sanitizers for COVID-19 to cancer treatment centers
- 'Sow the Seed' program : Support for future dreams of youths
- Donation of goods to institutions for children with leukemia : Donation of 160kg of plastic hats and 60 pantries
- Support for victims of traffic accidents
- Support to Walbrzych Hospital
- COVID-19 donations : Donation of RMB 1 million
- Donations related to university scholarships : Donation provided 510 students (cumulative) for nine years
- Donation of helmets and books
- Visits to special schools : Support for students' dreams by visiting the Beijing Special School
- Support for vulnerable children residing in impoverished areas : Support to help children dream of a happy future
- SNS foundation activity (Member of Anand Group) : Educational support
- Voluntary Health Services Blood Bank

Mando Selected as an 'Exemplary Korean CSR Company' in China for Five Years in a Row

Mando China Holdings, a subsidiary of Mando in China, won the Excellence Award for Eradicating Poverty at the '2020 Exemplary Korean CSR Company Awards.' Mando was selected as an 'Exemplary CSR Company' for five years in a row based on its efforts to practice social responsibility. This year, Mando was highly evaluated for its regional social contribution activities such as the scholarship program and efforts to overcome COVID-19. Mando promises to continue its social contribution activities in the respective communities by following the core value of 'cooperation.'



Exemplary CSR Company Award received by Mando China Holdings

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Financial Statement

Category	Unit	2018	2019	2020
Assets	KRW 1 billion	4,437	4,596	4,938
Cash and cash equivalents	KRW 1 billion	118	205	561
Liabilities	KRW 1 billion	2,956	3,010	3,229
Debt	KRW 1 billion	1,385	1,562	1,678
Net debt	KRW 1 billion	1,268	1,356	1,117
Equities	KRW 1 billion	1,482	1,586	1,710
Capital	KRW 1 billion	47	47	47
Debt ratio	%	200	190	189
Net debt-to-equity ratio	%	86	86	65

Profit and Loss Statement

Category	Unit	2018	2019	2020
Sales	KRW 1 billion	5,665	5,982	5,564
Cost of sales	KRW 1 billion	4,940	5,148	4,894
Operating profits	KRW 1 billion	197	219	89
	%	3.5	3.7	1.6
EBITDA	KRW 1 billion	469	519	394
	%	8.3	8.7	7.1
Net profit	KRW 1 billion	113	118	14
	%	2.0	2.0	0.2
Net profit of governance	KRW 1 billion	106	111	6
Net profit of governance	KRW 1 billion	2,257	2,360	124
Total dividend	KRW 1 billion	23	26	-
Dividend payout ratio	%	22.2	23.3	-

Sales by Region

Category	Unit	2018	2019	2020
Korea	KRW 1 billion	3,108	3,323	3,010
China	KRW 1 billion	1,496	1,331	1,293
Americas	KRW 1 billion	769	921	882
India	KRW 1 billion	457	529	440
Others*	KRW 1 billion	452	594	527
Total sales	KRW 1 billion	6,282	6,698	6,151
Consolidated adjustments	KRW 1 billion	618	717	588
Consolidated sales	KRW 1 billion	5,665	5,982	5,564

*Europe, Mexico, Brazil

Percentage of Sales

Category	Unit	2018	2019	2020	
By Customer	HKMC	%	58.1	59.3	57.5
	North America OEM	%	17.3	18.7	20.1
	Chinese local OEM	%	14	10.6	11.5
	Europe, others	%	10.6	11.6	10.9
By Component	Brake	%	42.6	40.3	38.7
	Steering	%	29.4	30.4	30.1
	Suspension	%	18.6	17.3	17.3
	ADAS	%	9.2	12.1	13.9
	Others	%	0.2	0	0

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Board of Directors Activities

Category	Unit	2018	2019	2020
Number of Meetings	Sessions	6	5	7
Number of Voted Decisions	Cases	21	40	29
Average Attendance Rate of External Directors	%	92	93	97

Remuneration of the Board of Directors

Category	Number of persons	Unit	Total remuneration	Average remuneration per person
Internal Directors	2	KRW 1 million	4,484	2,242
External Directors	1	KRW 1 million	107	107
Audit Committee Members	3	KRW 1 million	215	72

Diversity of Board of Directors

Category	Unit (Persons)	
Age group of Registered and External Directors of the BOD	Under 30	0
	Over 30 and under 50	1
	Over 50	6
Gender of Registered and External Directors of the BOD	Female	0
	Male	7

R&D Status

Category	Unit	2018	2019	2020
R&D head count	Persons	2,115	2,319	2,266
R&D investment	KRW 1 million	315	361	331.8
Percentage of sales	%	5.6	6	6

Intellectual Property Rights (Applied and Registered)

Category	Unit	2018	2019	2020
Registered	Cases	326	372	408
Applied	Cases	807	695	450

Mutual Growth Index

Category	Unit	2018	2019	2020
Mutual Growth Index	Level	Excellent	Excellent	Good

Number of Cases and Amount of Patent Support for Partners

Category	Number of support cases	Unit	Amount of support
Royalty-Free Patents	273 cases	KRW 1 million	123.8
Non-Exclusive License	20 cases	KRW 1 million	6.3
National assignments	6 cases	KRW 1 million	1,150.4
Total	293 cases	KRW 1 million	1,280.5

Status of Financial Support for Partners

Category	Unit	Support amount
Direct support	KRW 1 million	41,135
Mutual Cooperation Fund	KRW 1 million	33,924
Guarantee Fund	KRW 1 million	15,525

Training Program for Partners

Category	Unit	2018	2019	2020
Number of Partners that Completed Training	Partners	475	975	191
Number of Employees in Partner Companies who Completed Training	Persons	1,026	1,131	261

Socio-environmental Evaluation Ratio of New and Existing Suppliers

Category	Unit	2018	2019	2020
Socio-environmental evaluation ratio of new suppliers	%	100	100	100
Socio-environmental evaluation ratio of existing suppliers	%	-	-	-

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2. Environmental·Safety Data

GHG Emissions and Emission Trading Scheme (ETS)

Category	Unit	2018	2019	2020
Total emissions	tCO ₂ -eq	110,202	103,541	78,569
Scope 1 (Direct emissions)	tCO ₂ -eq	9,007	7,911	6,508
Scope 2 (Indirect emissions)	tCO ₂ -eq	101,195	95,631	72,061
Scope 3 (Other indirect emissions)	tCO ₂ -eq	-	-	1,314,092
Surplus ETS	tCO ₂ -eq	37,563	46,350	36,857
ETS Sales	tCO ₂ -eq	-	20,000	11,912

Emission of Air Pollutants

Category	Site	Unit	2018	2019	2020
NOx	Pyeongtaek	kg	31.00	-	3,035.00
	Wonju	kg	175.89	-	257.00
	Iksan	kg	-	-	-
	Total	kg	206.89	-	3,292.00
SOx	Pyeongtaek	kg	-	-	-
	Wonju	kg	80.53	-	-
	Iksan	kg	-	-	-
	Total	kg	80.53	-	-
Dust	Pyeongtaek	kg	-	-	33.47
	Wonju	kg	11,587.00	10,395.00	3,662.00
	Iksan	kg	920.24	1,086.64	1,309.53
	Total	kg	12,507.24	11,481.64	5,005.00
VOCs	Pyeongtaek	kg	-	-	-
	Wonju	kg	6,178.00	2,945.00	2,177.00
	Iksan	kg	2,278.51	1,879.18	2,673.02
	Total	kg	8,456.51	4,824.18	4,850.02

Raw Materials

Category	Unit	2018	2019	2020
Quantity of Non-Renewable (Raw) Materials Related to Production and Packaging	ton	67,284	58,134	27,560
Quantity of Renewable (Raw) Materials Related to Production and Packaging	ton	41,390	39,398	60,240
Quantity of Recycled (Raw) Materials	ton	8,020	7,719	6,660

Energy Consumption

Category	Unit	2018	2019	2020
Fuel	TJ	170	149	122
Electricity	TJ	2,059	1,958	1,475
Steam	TJ	29	26	23
Renewable Energy	TJ	0	0	0
Total	TJ	2,258	2,134	1,620

Hazardous Chemicals*

Category	Establishment	Unit	2018	2019	2020
Hazardous Chemicals Used	Pyeongtaek	kg	9,055	75	75
	Wonju	kg	5,005	3,475	4,000
	Iksan	kg	0	0	0
	Total	kg	14,060	3,550	4,075

*Chemical for wastewater treatment (sodium hydroxide); laboratory reagents (sulfuric acid, hydrochloric acid, nitric acid, picric acid, sodium hydroxide)

Waste Generation

Category	Establishment	Unit	2018	2019	2020
Designated Waste	Pyeongtaek	kg	904,200	805,500	724,450
	Wonju	kg	706,000	573,310	405,090
	Iksan	kg	149,690	135,450	104,140
	Pangyo	kg	5,610	4,900	4,070
	Subtotal	kg	1,765,500	1,519,160	1,237,750
General Waste*	Pyeongtaek	kg	167,970	186,840	244,200
	Wonju	kg	15,095,000	14,264,310	5,216,890
	Iksan	kg	542,450	599,700	447,710
	Pangyo	kg	552,000	555,500	512,000
	Subtotal	kg	16,357,420	15,606,350	6,420,800
Building Waste	Pangyo	kg	-	3,500	3,550
	Subtotal	kg	-	3,500	3,550
Total	kg	18,122,920	17,129,010	7,662,100	

*Waste included in general waste from Korea

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Waste Treatment

Category	Establishment	Unit	2018	2019	2020
Recycling	Pyeongtaek	kg	797,560	839,180	781,270
	Wonju	kg	14,979,000	14,387,430	5,354,640
	Iksan	kg	438,660	316,140	263,920
	Pangyo	kg	52,000	70,500	52,000
Landfill	Pyeongtaek	kg	25,160	16,420	39,450
	Wonju	kg	39,000	36,000	12,820
	Iksan	kg	180,870	337,920	215,080
	Pangyo	kg	-	0	-
Incineration	Pyeongtaek	kg	177,840	111,100	74,320
	Wonju	kg	746,000	378,500	235,330
	Iksan	kg	72,610	81,090	72,850
	Pangyo	kg	-	0	-
Others	Pyeongtaek	kg	71,610	25,640	73,610
	Wonju	kg	37,000	35,690	19,190
	Iksan	kg	-	0	-
	Pangyo	kg	505,610	493,400	467,620
Total	kg	18,122,920	17,129,010	7,662,100	

Amount and Percentage of Recycled Waste

Category	Unit	2018	2019	2020
Recycled waste	kg	16,267,220	15,681,680	6,451,830
Percentage of waste recycled	%	89.76	91.15	84.20

Water Consumption

Category	Unit	2018	2019	2020
Waterworks	m ³	360,891	354,778	299,441
Ground Water	m ³	156,503	161,182	119,025
Surface Water (Lake, river, etc.)	m ³	0	0	0
Rainwater Collected and Stored Directly by the Organization	m ³	0	0	0
Wastewater from Other Organizations	m ³	0	0	0
Industrial Water	m ³	148,840	92,178	72,677
Total	m³	666,234	608,138	491,144

Wastewater Discharge

Site	Unit	2018	2019	2020
Pyeongtaek	m ³	141,510	113,234	109,801
Wonju	m ³	28,583	26,687	22,623
Iksan	m ³	102,105	100,936	89,003
Total	m³	272,198	240,857	221,427

Water Pollutants

Category	Establishment	Unit	2018	2019	2020
COD	Pyeongtaek	kg	910	665	657
	Wonju	kg	286	135	84
	Iksan	kg	1,531	1,514	1,380
	Total	kg	2,727	2,314	2,121
BOD	Pyeongtaek	kg	504	442	489
	Wonju	kg	49	36	36
	Iksan	kg	510	504	490
	Total	kg	1,063	982	1,015
SS	Pyeongtaek	kg	260	193	251
	Wonju	kg	200	395	201
	Iksan	kg	510	504	498
	Total	kg	970	1,092	950
Total	kg	4,760	4,388	4,086	

Violations of Environmental Regulations

Category	Unit	2018	2019	2020
Number of Violations of Environmental Regulations	Cases	0	0	0

Amount of Green Purchasing

Category	Unit	2018	2019	2020
Purchase Value of Green Products and Services	KRW 1 million	1,585	203	860.7

Occupational Safety and Health*

Category	Unit	2018	2019	2020
Accident Rate	%	0.09	0.18	0.18
Disease Rate	%	0	0	0
Severity Rate	-	0.12	0.17	0.18
Fatalities	Persons	0	1	0
Factor of Safety Index (FSI)	-	0.3	0.45	0.45
Number of Safety Trainees	Persons	2,690	2,594	3,088
Number of Violations Regarding Industrial Safety Regulations and Amount of Fines Incurred	Cases / KRW 1,000	0	0	1 / 2,000

*Type of accidents: Collision, stenosis, etc.

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3. Social Data

Employee Status by Region

Category	Unit	2020
Total Number of Employees	Persons	11,764
Regular Employees	Pangyo	1,478
	Pyeongtaek	1,005
	Wonju	933
	Iksan	432
	Others in Korea	112
	China	2,270
	USA	1,127
	India	2,767
	Germany	128
	Turkey	2
	Poland	600
	Japan	2
	Indonesia	4
	Brazil	132
	Mexico	410
Non-Regular Employees	Pangyo	38
	Pyeongtaek	7
	Wonju	9
	Iksan	4
	Others in Korea	3
	China	31
	USA	107
	India	8
	Germany	2
	Turkey	-
	Poland	49
	Japan	1
	Indonesia	1
	Brazil	6
	Mexico	41
Dispatched Employees	Domestic	55
	Overseas	0

Employee Status by Gender

Category	Unit	2020
Total Number of Employees	Persons	11,764
Regular Employees	Female	225
	Male	3,735
	Female	1,441
	Male	6,001
Non-Regular Employees	Female	33
	Male	28
	Female	71
	Male	175
Dispatched Employees	Female	38
	Male	17
	Female	-
	Male	-

Employment and Retirement*

Category	Unit	2018	2019	2020
Number of New Hires	Persons	204	115	98
Number of Turnover and Retirement	Female	16	5	6
	Male	80	68	65

*Based on Korea worksites

Employee Diversity

Category	Unit	2018	2019	2020
Female and Disabled Employees*	Persons	384	386	354
	%	9	9	9
Female Managers by Position	Number of Female Managers**	45	56	80
	Number of Female Executives	0	0	1
	Ratio of Female Managers	3	4	2

* Base: Total employees as of December 31st by year (excluding non-executive advisers, external directors, trainees, industrial-academic scholarship holders)

** Position higher than part leader (part leader, team leader, department head, etc.)

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Target of Performance Assessment

Category	Unit	2018	2019	2020
Target of Performance Assessment	Persons	2,238	2,197	2,212
Ratio of Target Females for Performance Assessment	%	7	7	7

Employee Remuneration

Category	Unit	2020
Average Base Pay for Females	KRW 1 million	3
Average Base Pay for Males	KRW 1 million	4
Average Base Pay for Females Against Average Base Pay for Males	%	75

※ Company-wide average base pay as of December 2020 (Excluding executives, employees dispatched to Korea)

Employee Welfare*

Category	Unit	2018	2019	2020
Number of Employees on Maternity Leave	Persons	121	121	101
Number of Employees Entitled to Parental Leave	Male	1,087	1,004	1,116
	Female	40	34	31
Number of Employees on Parental Leaves	Male	9	10	17
	Female	12	13	11
Number of Return after Taking Leave**(Ratio)	Male	6(86)	5(71)	14(93)
	Female	9(82)	9(90)	9(90)
Number of Employees Using Flexible Work Hour System	Persons	2,336	2,231	2,215

*Regular employees (However, the support system mentioned in this table has no difference according to the type of employment.)

**Number of employees who returned to work after parental leave for the year ((Employees who returned · employees to be returning)*100)

Operating Status of In-house Daycare Centers

Category	Unit	Pangyo	Pyeongtaek	Wonju
Quota	Persons	80	16	15
Number of Children	Persons	63	1	12
Number of Teachers	Persons	19	3	6

Status of Employee Training

Category	Unit	2018	2019	2020
Training Hours Per Employee	Hours	40	43	26
Total Training Expenses	KRW 1 million	6,013	5,258	6,199
Number of Training Course Participants	Persons	15,033	16,166	11,593

Human Right Training

Category	Unit	2018	2019	2020
Number of Human Right Training Participants	Persons	2,311	2,282	2,235
Ratio of Human Right Training Participants	%	100	100	100

Status of Labor Union Registration

Category	Unit	2019	2020
Labor Union Members	Persons	1,978	1,713
Ratio of Labor Union Membership	%	46.4	42.0

Social Contribution Performance

Category	Unit	2018	2019	2020
Number of participants	Persons	1,652	1,607	1,274
Volunteer Hours	Hours	11,062	9,952.2	5,883
Expenditure for Social Contribution	KRW 1 million	727	688	725

Status of Information Security Training

Category	Unit	2018	2019	2020
Number of Training on Information Security	Session	13	8	10
Number of Information Security Training Participants	Persons	2,592	2,550	2,290

Number of Complaints against Violation of Personal Information Protection

Category	Unit	2018	2019	2020
Complaints Posted by Outsiders and Verified Internally	Cases	0	0	0
Cases of Verified Data Leakage, Theft, and Loss	Cases	0	0	0

Compliance with Social and Economic Regulations

Category	Unit	2019	2020
Violations of Information Protection	Cases	0	0
	KRW	0	0
Violations of the Act on Fair Trade	Cases	0	0
	KRW	0	0

Occurrence of Corruption

Category	Unit	2018	2019	2020
Number of Corruption Cases	Cases	0	0	0
Number of Disciplinary Actions or Dismissals due to Corruption	Cases	0	0	0
Number of Contracts Cancelled or Discontinued from Renewal due to Corruption	Cases	0	0	0

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	102-2	Activities, brands, products, and services	5-6 ●
	102-3	Location of headquarters	4 ●
	102-4	Location of operations	4,7 ●
	102-5	Ownership and legal form	25 ●
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	102-7	Scale of the organization	7 ●
	102-8	Information on employees and other workers	58 ●
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	102-13	Membership of associations	63 ●
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	102-40	List of stakeholder groups	30 ●
	102-41	Collective bargaining agreements	49 ●
	102-42	Identifying and selecting stakeholders	30 ●
	102-43	Approach to stakeholder engagement	30 ●
	102-44	Key topics and concerns raised	30 ●
	102-45	Entities included in the consolidated financial statements	2 ●
Reporting Practices	102-46	Defining report content and topic boundaries	2 ●
	102-47	List of material topics	31 ●
	102-47	Restatements of information	2 ●
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Topic 1 : Product Innovation and Customer Safety · Health			
GRI 103: Management Approach	103-1, 2, 3	Explanation of the material topic and its boundary; the management approach and its components; evaluation of the management approach	13-15 ●
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	203-2	Significant indirect economic impacts	15 ●
Topic 2 : Composition of Board of Directors and Transparency of Operation			
GRI 103: Management Approach	103-1, 2, 3	Explanation of the material topic and its boundary; the management approach and its components; evaluation of the management approach	55 ●
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Topic 3 : Responsible Management of Wastewater and Waste			
GRI 103: Management Approach	103-1, 2, 3	Explanation of the material topic and its boundary; the management approach and its components; evaluation of the management approach	40~41 ●
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	303-2	Management of water discharge-related impacts	41 ●
	303-3	Water withdrawal	57 ●
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Waste	306-1	Waste generation and significant waste-related impacts	40 ●
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	306-3	Waste generated	56 ●
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Energy	302-1	Energy consumption within the organization	56	●
	302-4	Reduction of energy consumption	39	●
Reduction	305-1	Direct (Scope 1) GHG emissions	39,56	●
	305-2	Energy indirect (Scope 2) GHG emissions	39,56	●
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	305-5	Reduction of GHG emissions	39	●
Topic: 7 : Safe Work Environment and Management of Employee Health				
GRI 103: Management Approach	103-1, 2, 3	Explanation of the material topic and its boundary; the management approach and its components; evaluation of the management approach	42	●
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	403-2	Identification of hazards, risk assessment, and incident investigation	42	●
	403-3	Occupational health services	43	●
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Topic: 10 : Responsible Procurement of Raw Materials				
GRI 103: Management Approach	103-1, 2, 3	Explanation of the material topic and its boundary; the management approach and its components; evaluation of the management approach	35	●
Environmental Assessment for Suppliers	308-1	New suppliers that were screened using environmental criteria	35	●
Social Assessment for Suppliers	414-1	New suppliers that were screened using social criteria	35,36	●
Customer Health and Safety	416-1	Assessment of the health and safety impacts of products and service categories	17,18	●
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	59	●
Compliance	419-1	Non-compliance with laws and regulations in the social and economic areas	59	●

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Sustainability Accounting Standards Board (Auto Parts Industry)

Topic	Code	Item	Reference Page
Energy management	TR-AP-130a.1	(1) Total energy consumed, (2) percentage of grid electricity, (3) percentage of renewables	56
waste management	TR-AP-150a.1	(1) Amount of total waste from manufacturing, (2) percentage of hazardous waste, (3) percentage of recycled waste	40
Competition behavior	TR-AP-520a.1	Amount of legal and regulatory fines and settlements associated with anti-competitive practices	59
Resource procurement	TR-AP-440a.1	Discussion of the management of risks associated with the use of critical materials and conflict minerals	36

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History

Category	Year	Details
The beginning of Korean automobile part company (1962 - 1999)	1962	Founded Hyundai International Inc.
	1989	Established Sweden Winter Test Center
	1996	Established MCA (Mando America Corporation)
	1997	Established MAIL (Mando India Limited)
	1999	Established MMT (Maysan Mando Turkey)
Expansion of new investments and Mando's stepping out into the world beyond Korea (2000 - 2007)	1999	Renamed as Mando Corporation
	2002	Established MSC (Mando Suzhou China)
	2003	Established MBC (Mando Beijing China)
	2003	Established MRC (Mando R&D center China)
	2004	Established MTC (Mando Tianjin China)
	2005	Established MSI (Mando Softtech India)
	2007	Established Mando (Beijing) Trading Co., Ltd.
	2008	Established the joint-venture company 'Mando Hella Electronics' with Hella
	2010	Established MCE (Mando Corporation Europe)
	2010	Established MCB (Mando Corporation Brazil)
	2010	Named one of the top 100 Korean technologies for its 'ABS · TCS'
	2010	Won the 2010 National Green Tech Award – Eco-friendly motor drive steering
Takeoff as a sustainable company (2008 - Present)	2011	Established MCP (Mando Corporation Poland)
	2011	Established a joint venture for automobile parts with Germany's Brose
	2012	Completed construction of the Pangyo Global R&D Center
	2012	Established Mando China Holdings Co., Ltd.
	2012	Established MNC (Mando Ningbo Automotive Parts)
	2013	Established Halla Mechatronics (US Research Center)
	2014	Developed the world's first ARC (Active Retraction Caliper)
	2015	Established MCM (Mando Corporation Mexico)
	2015	Established MCC (Mando Chongqing China)
	2016	Won the grand prize at the 2016 Korean Labor and Management Cooperation Award for conglomerates
	2017	Established MISV (Mando Innovations Silicon Valley) office
2018		Started its first mass production of Integrated Dynamic Brake (IDB)
		Started Mando Mobility Tech UP+ (Startup fostering program)
	2019	Established the new business development organization (WG Campus)
		Conducted Hockey, Level 4 autonomous driving test driving
2020		Began its first mass production of steering by wire (SBW)
		Opened the data-based platform MMSP for creating new value
2021		Acquired Mando Hella Electronics (MHE) specializing in autonomous driving and electric parts
		Launched SW Campus organization, accelerated the growth of digital transformation innovation

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Awards (January 2020 – January 2021)

Date	Award
2020.01.	Won the grand prize of the '2019 A.N.D. Award' and was finalist of the '2019 Seoul Creative Award for Film Advertising' for the autonomous driving video
2020.06.	Received 'Presidential Commendation' on the 2020 Labor's Day
2020.09.	Selected for the Wonju-si Social Contribution Prize
2020.10.	Won the Ford Brand Pillars for STO (Steering Torque Overlay)
2020.12.	Received Prime Minister's Commendation of the 2020 Sustainable Management Merit
2020.12.	Won the best prize at the 2020 ICT IP Awards
2021.01.	Won the Innovation Prize at the 'CES 2021', the world's largest electronics expo
2021.01.	Won the grand prize at the 2020 National Brand Award for automotive parts (for 10 consecutive years)

Associations

Name of Institute	Purpose of Joining
AUTOSAR Association Partnership	Acquiring information on new technology trends in automobile and responding to competitors
The Korean Society of Automotive Engineers	Personal interchange related to automobile and technological development through academic conferences
Korea Industrial Technology Association (KOITA)	Acquiring information for planning technology development and establishing strategy
IWPC (The International Wireless Industry Consortium)	Acquiring knowledge on radar technology and academic activities
Korea International Trade Association (KITA)	Acquiring trade information related to export and tariff and proposing policies
Korea Enterprises Federation	Discussion for establishing a cooperative system between labor and management and proposing policies
Korean Auto-vehicle Safety Association (KASA)	Reviewing and responding to risks in advance according to automobile safety policies (System)
Korea Intellectual Property Association (KINPA)	Responding to changes in the IP environment and conflict risks by obtaining information related to IP between businesses
Korea Electronics Association (KEA)	Promoting IP competitiveness in new technology fields by acquiring patent information related to electronic · ICT technology
UNGC Network Korea	Compliance with the UN Global Compact 10 principles

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Independent Assurance Statement

Independent Assurance Statement

This Assurance Statement has been prepared for Mando Corporation in accordance with our contract but is intended for the readers of this Report.

Terms of engagement

Lloyd's Register Quality Assurance Limited (LR) was commissioned by Mando Corporation ("Mando") to provide independent assurance on its '2020 Mando Sustainability Report' ("the report") against the assurance criteria below to a "moderate level of materiality" using "accountability's AA1000AS v3" where the scope was a Type 2 engagement.

Our assurance engagement covered Mando's operations and activities in Korea and specifically the following requirements:

- Evaluating adherence to the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact
- Confirming that the report is in accordance with GRI Standards and core option
- Evaluating the accuracy and reliability of data and information for only the selected indicators listed below:
 - GRI 200 (Economic): GRI 201-2, GRI 203-1, GRI 203-2, GRI 205-2
 - GRI 300 (Environmental): GRI 302-1, GRI 302-4, GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-4, GRI 303-5, GRI 305-1, GRI 305-2, GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5, GRI 308-1
 - GRI 400 (Social): GRI 401-2, GRI 401-3, GRI 402-1, GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-9, GRI 404-1, GRI 404-2, GRI 405-1, GRI 408-1, GRI 414-1, GRI 416-1, GRI 418-1, GRI 419-1

Our assurance engagement excluded the data and information of Mando's suppliers, contractors and any third-parties mentioned in the report.

LR's responsibility is only to Mando. LR disclaims any liability or responsibility to others as explained in the end footnote. Mando's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of Mando.

LR's Opinion

Based on LR's approach nothing has come to our attention that would cause us to believe that Mando has not, in all material respects:

- Met the requirements above
- Disclosed accurate and reliable performance data and information as all errors or omissions identified during the assurance engagement were corrected
- Covered all the issues that are important to the stakeholders and readers of this report.

The opinion expressed is formed on the basis of a moderate level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a moderate assurance engagement is less than for a high assurance engagement. Moderate assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a moderate assurance engagement is substantially lower than the assurance that would have been obtained had a high assurance engagement been performed.

LR's approach

LR's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Assessing Mando's approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this through reviewing documents and associated records.
- Reviewing Mando's process for identifying and determining material issues to confirm that the right issues were included in their Report. We did this by benchmarking reports written by Mando and its peers to ensure that sector specific issues were included for comparability. We also tested the filters used in determining material issues to evaluate whether Mando makes informed business decisions that may create opportunities that contribute towards sustainable development.
- Auditing Mando's data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification. We also spoke with those key people responsible for compiling the data and drafting the report.

- Reviewing supporting evidence made available by visiting their Sustainable Value & Relations Team at 21, Pangyo-ro 255beon-gil, Bundang-gu, Seongnam-si, Gyeonggi-do, Republic of Korea.
- Checking that the GRI Content Index allows stakeholders to access sustainability indicators.

Observations

Further observations and findings, made during the assurance engagement, are:

Stakeholder inclusivity:

We are not aware of any key stakeholder groups that have been excluded from Mando's stakeholder engagement process.

Materiality:

We are not aware of any material issues concerning Mando's sustainability performance that have been excluded from the report. It should be noted that Mando has established extensive criteria for determining which issue/aspect is material and that these criteria are not biased to the company's management.

Responsiveness:

Mando reported not only the interested issues from its stakeholders but also by reported the related UN Sustainable Development Goals. Also, Mando has the response system to correspond with queries of its stakeholders.

Impact:

In consideration of business field, Mando established social contribution strategies which focus on tackling social challenges and implemented various and innovative social contribution programs. In addition, Mando is striving to assess the impact of social contribution programs on the society by measuring the outcomes of programs.

Reliability:

Mando has reliable data management systems for the indicators related to this assurance scope in the Report.

LR's standards, competence and independence

LR implements and maintains a comprehensive management system that meets accreditation requirements for ISO/IEC 17021 Conformity assessment – Requirements for bodies providing audit and certification of management systems that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LR ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This verification engagement is the only work undertaken by LR for Mando and as such does not compromise our independence or impartiality.

Dated: 4 June 2021

Hee-Jeong Yim

LR Lead Verifier

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LR reference: SE000000437



