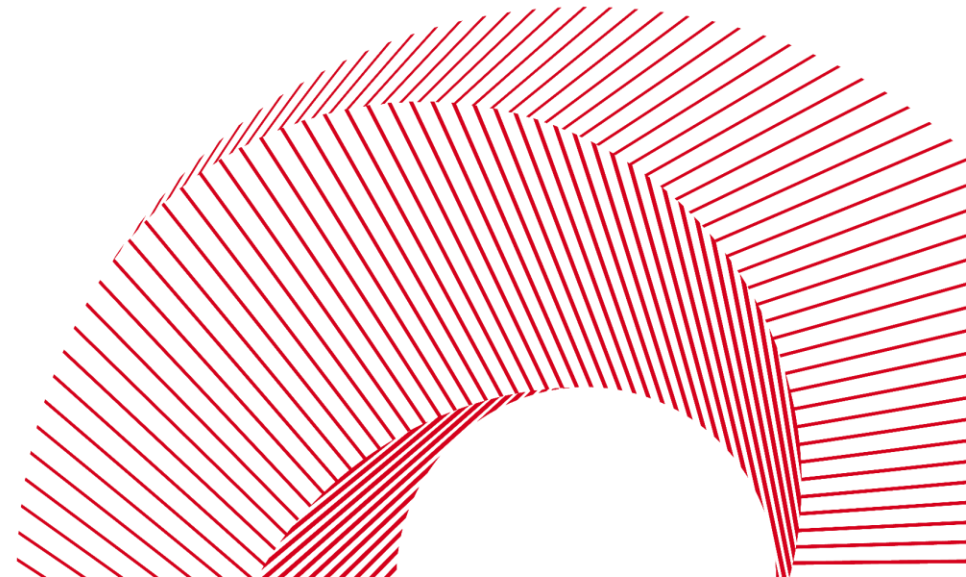


FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS

2023 Annual Report



1. About This Report

This report, has been prepared by Mobis Parts Canada Corporation (referred to as "**Mobis Parts Canada**," "**the Corporation**," "**Our**," "**We**", or "**MPCA**").

This report outlines our proactive measures undertaken during the fiscal year concluding on December 31, 2023, (the "**Reporting Period**"). For certainty, Mobis Parts Canada is the reporting entity pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**").

These measures aim to mitigate and curtail the risk of employing forced or child labour at any stage of goods distribution within Canada, in foreign countries and for goods imported into Canada by the Corporation.

This report will be published annually to document our dedication to upholding the Act, to combat forced labour and child labour within Mobis Parts Canada's operations and supply chains.



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2. Corporate Structure

Founded in 2015, Mobis Parts Canada emerged from the consolidation of Hyundai Canada and Kia Canada's aftersales parts divisions. This strategic move was designed to harness synergies and establish market leadership in the procurement and distribution of automotive parts, servicing over 450 automotive dealers across Canada.

As a fully integrated subsidiary of Hyundai Mobis, we are committed to sustainability and excellence in our aftersales automotive parts sales and distribution operations within Canada.

In 2023, our dedicated workforce of 200 employees across two locations in Canada demonstrated our commitment to economic, social, and environmental stewardship.

Our parent company, Hyundai Mobis, is the foundation of our global reach. Headquartered in South Korea, it boasts a global workforce of 33,125 employees across 95 international sites, reinforcing our shared values of innovation, sustainability, and community engagement. Together, we are pioneering sustainable practices in the automotive industry, driving forward with a commitment to our planet and its people.



Headquarters in
South Korea

Mobis
Parts
Canada
Founded in 2015

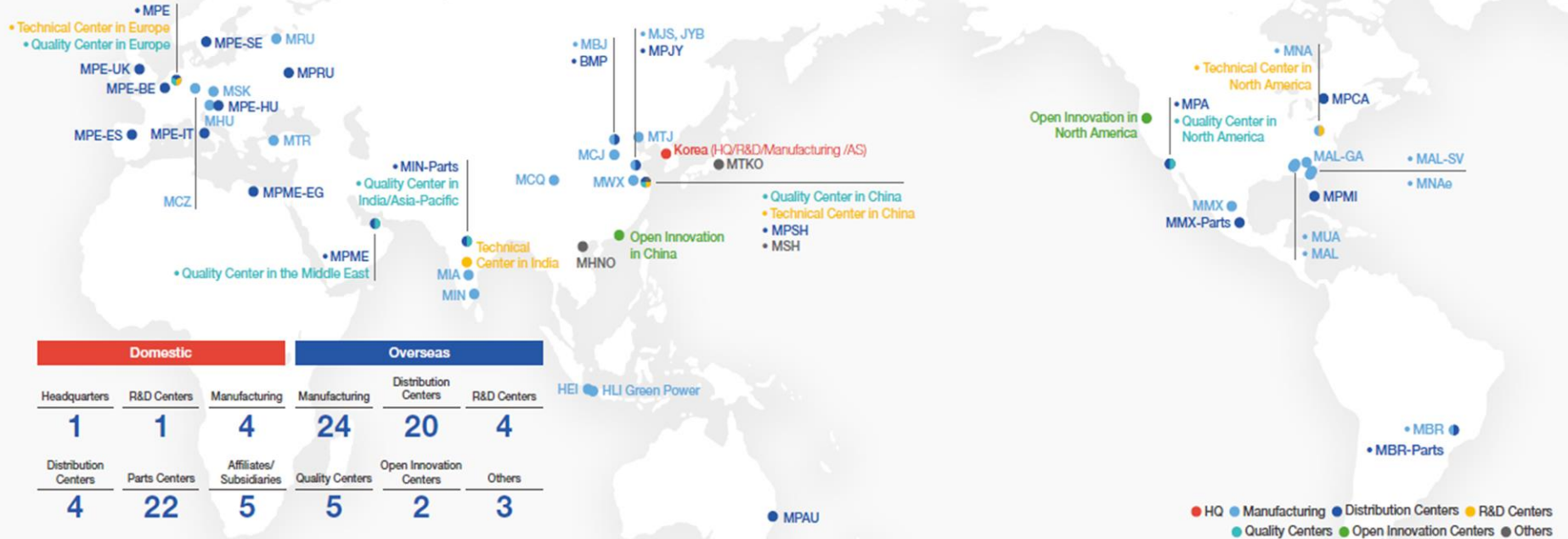
95
International
Sites

200 Employees
in Canada

33,125 Employees
Globally

2. Corporate Structure – Our Global Reach

Hyundai Mobis is maximizing customer satisfaction and strengthening competitiveness by establishing a worldwide network.



Domestic			Overseas		
Headquarters	R&D Centers	Manufacturing	Manufacturing	Distribution Centers	R&D Centers
1	1	4	24	20	4
Distribution Centers	Parts Centers	Affiliates/ Subsidiaries	Quality Centers	Open Innovation Centers	Others
4	22	5	5	2	3

Domestic	
Headquarters	1 Yeoksam, Seoul
R&D Centers	1 Mabuk
Manufacturing	4 Jincheon, Changwon, Daegu (Electrification), Ulsan (Electrification)
Distribution Centers	4 Ulsan Distribution Center, Asan Distribution Center, Gyeongju Distribution Center, Naengcheon Distribution Center
Parts Centers	22 Bukbu Parts Center, Seobu Parts Center, Gangwon Parts Center, Gangneung Parts Center, Chuncheon Parts Center, Dongbu Parts Center, Incheon Parts Center, Nambu Parts Center, Chungcheong Parts Center, Jeonbuk Parts Center, Jeonnam Parts Center, Seosan Parts Center, Suncheon Parts Center, Mokpo Parts Center, Jeju Parts Center, Gyeongbuk Parts Center, Gyeongnam Parts Center, Busan Parts Center, Pohang Parts Center, Gimcheon Parts Center, Andong Parts Center, Jinju Parts Center
Affiliates/ Subsidiaries	5 Mottas – Asan, Unitus – Cheonan, HGP-Chungju, IHL-Gyeongju, GIT- Songpa, Seoul

Overseas	
Manufacturing ¹⁾	24 Americas: MAL, MAL-GA, MAL-SV, MNA-OH/MI, MNAe, MUA, MMX, MBR Europe: MSK, MCZ, MHU, MRU, MTR China: MBJ, MJS, JYB, MWX, MTJ, MCJ, MCQ Asia Pacific: MIN, MIA, HEI, HLI Green Power
Distribution Centers ¹⁾	20 Americas: MPA, MPMI, MPCA, MMX-Parts, MBR-Parts Europe: MPE-DE/BE/UK/SE/ES/IT/HU, MPRU China: BMP, MPSH, MPJY Asia-Pacific/Middle East: MPAU, MPME, MPME-EG, MIN-Parts
R&D Centers	4 R&D Center in North American – Michigan, the US, R&D Centers in India – Hyderabad, Hyderabad Center 2, India R&D Center in Europe – Eschborn, Germany, R&D Centers in China – Shanghai, Yantai, Shenzhen, China
Quality Centers	5 Quality Center in North America – California, the US, Quality Center in Europe – Eschborn, Germany, Quality Center in China – Shanghai, China, Quality Center in India/Asia-Pacific – Delhi, India Quality Center in the Middle East – Dubai, UAE
Open Innovation Centers	2 Open Innovation Center in North America – Silicon Valley, the US, Open Innovation Center in China – Shenzhen, China
Others	3 MSH – Shanghai, China, MTKO – Tokyo, Japan, MHNO – Hanoi, Vietnam

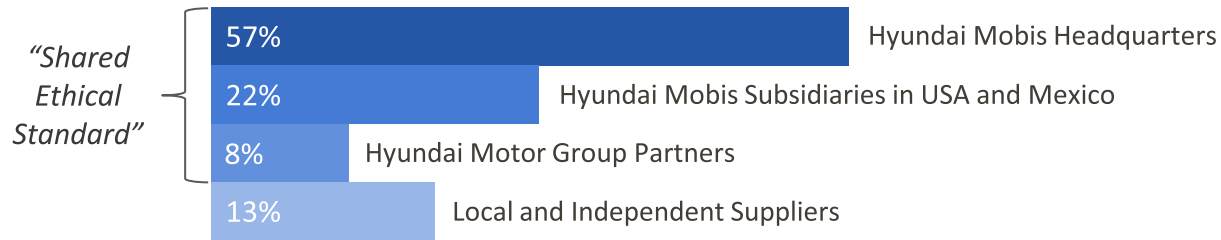
1) Including Joint ventures (JYB, BMP, MPJY, HLI Green Power, HEI)

* Adjusted in line with classification modifications made to reflect changes in operational site management standards and overall business structure (Based on May 2023)

2. Corporate Structure – Our Supply Chain

Parts Procurement Breakdown

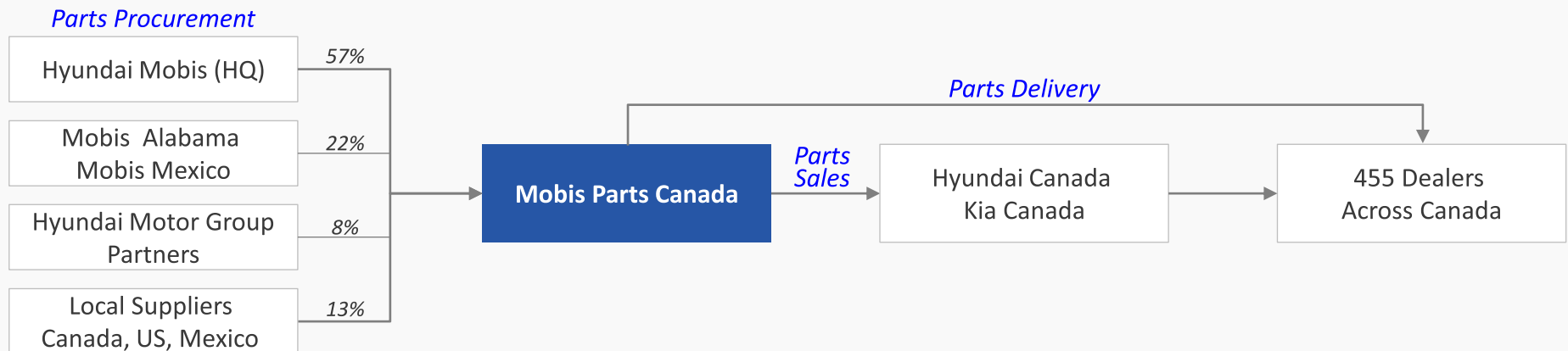
Our company's procurement strategy ensures diversification and ethical sourcing. Currently, our parts procurement is allocated as follows:



This procurement structure is designed to optimize reliability and maintain adherence to our corporate ethical standards.

Nationwide Distribution and Sales Structure

Our sales operations exclusively serve Hyundai Canada and Kia Canada, starting from the parts distribution centres in Markham and Calgary and ending with deliveries to their exclusive dealer networks.



HUMAN RIGHTS POLICY ¹⁾

Established: 2020

Revised: 2023

Objective and Scope:

Established by Hyundai Mobis headquarters to prevent violations, mitigate risks, and align with global standards (UDHR, UN Guiding Principles), easily accessible via the website by all global employees, including those in subsidiaries and joint ventures.

Compliance:

Encourages stakeholders, including suppliers.

Forced and Child Labour-Related Policy (Art. 2)

- Zero tolerance for child labour
- Safeguarding educational opportunities
- Commitment to prevent forced labour
- Respect for personal identity

¹⁾ https://www.mobis.co.kr/resources/pdf/Hyundai_Mobis_Human_Right_Policy_Eng_23.pdf

CODE OF CONDUCT FOR BUSINESS PARTNERS ²⁾

Established: 2019

2nd Revised: 2023

Objective and Scope:

Established by Hyundai Mobis headquarters to embed compliance management as a core philosophy for ethical, sustainable company operations, aiming for mutual growth and respect in society.

Applicable to Hyundai Mobis and all business partners, including suppliers, within the supply chain.

Compliance:

Aligns with international laws and trends, prioritizes local regulations over the Code of Conduct, and remains adaptable to future industry changes.

Forced and Child Labour Related Policy (4A, 4B)

- Zero tolerance for child labour, unless allowed under child labour laws
- Definition of forced labour, adherence to the laws and regulation of each country where stakeholders carry on their business (UN, Canada, South Korea, US, EU)
- Due diligence approach for our business partners

²⁾ https://www.mobis.co.kr/resources/pdf/Hyundai_Mobis_Code_of_Conduct_for_Business_Partners_EN_23.pdf

In alignment with HQ's Human Rights Policy, HQ's Code of Conduct, provincial Human Rights Codes, and applicable Health & Safety and Employment Standards legislation, Mobis Parts Canada has implemented Violence and Harassment & Respectful Workplace policies. These policies ensure compliance with all employment-related laws across jurisdictions where the Corporation operates.

3. Uyghur Forced Labour Prevention Act

Hyundai Mobis is participating in the Uyghur Forced Labour Prevention Act (UFLPA) risk assessment process and related data in connection with Hyundai Motor Company and Kia. This includes:

1. Hyundai Motor Group held a UFLPA response briefing session and established a supply chain risk response plan for each affiliate
2. Supply Chain Mapping (to monitor raw materials to end products) is under review
3. Supplier risk diagnosis via risk screening and detailed review of high-risk suppliers is in progress
4. Our human rights/code of conduct and our purchase contracts were revised to reflect UFLPA risk

4. Measures Undertaken in 2023

In addition to the measures noted above, Mobis Parts Canada has implemented several preventative measures to address the risks of forced and child labour in its operations throughout 2023. This included a comprehensive review and distribution of the Corporation's Code of Conduct, conducting an internal ESG (Environmental, Social, and Governance) survey, updates to our compliance policies, and the establishment of a dedicated Compliance Department.

These proactive steps demonstrate Mobis Parts Canada's commitment to ensuring ethical practices throughout its business activities.

Initiated by	Activities in 2023	Detail
Hyundai Mobis	Review of Code of Conduct for Business Partners	Revised Code of Conduct for Business Partners in 2023
Hyundai Mobis	Responsible Business Alliance Validated Assessment Program Toolkit ESG Self-assessment by using Responsible Business Alliance code	Self-assessment of compliance control standards 3rd party auditor conducted ESG assessment in 9 global manufacturing facilities Further assessment to occur in 2024-2025
Hyundai Mobis	Human Rights Policy	Global Revision during 2023 Article 2: Prohibition of Child Labour and Forced Labour
Mobis Parts Canada	Cultural and ESG Survey	Anonymous survey performed annually to review employee morale and whistle blowing, including forced and child labour abuse in 2023
Mobis Parts Canada	Compliance Department	Chief Security Officer, and Compliance Manager assigned during 2023

Global Supplier Compliance Evaluations and Toolkit Development by Hyundai Mobis

Our headquarters, Hyundai Mobis, developed an ESG evaluation toolkit, to ensure own and supplier adherence to ethical labour standards. In 2023, Hyundai Mobis conducted a self-assessment with 3rd party auditor by RBA VAP¹ code, on 9 global sites, focusing on eliminating 'Forced Labour and Child Labour Abuse' and developing an internal assessment toolkit.

- Inspected entities supplying parts to Mobis Parts Canada: Hyundai Mobis (South Korea), Mobis Alabama, and Mobis Mexico.

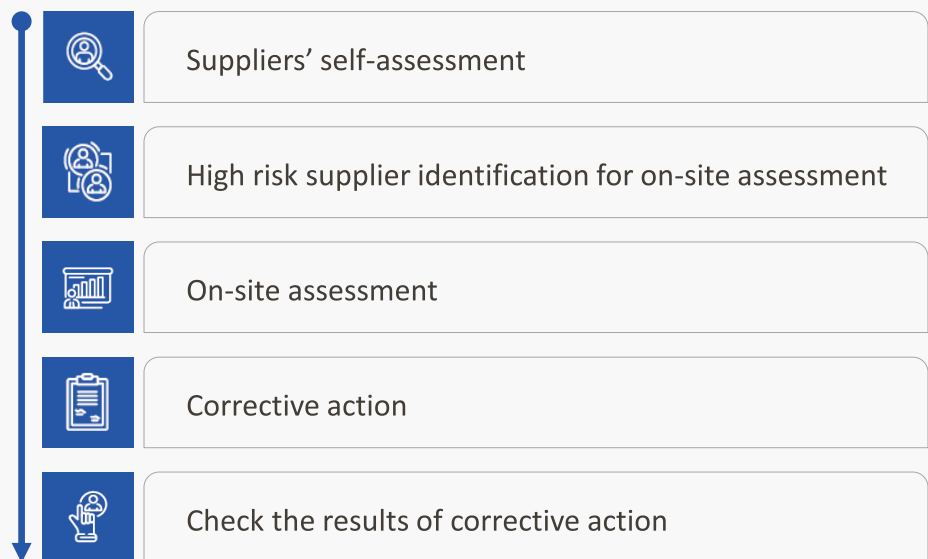
As set out on slide 6, Hyundai Mobis is preparing to conduct the UFLPA risk assessment.

Supplier Compliance required by Mobis Parts Canada during contract process

Value chain suppliers must comply with all relevant laws and regulations through clauses similar to: *“Seller guarantees compliance with all applicable federal, provincial, and local laws, rules, orders, regulations, and standards for both themselves and their products.”*

¹ RBA VAP: Responsible Business Alliance Validated Assessment Program

Hyundai Mobis Risk Assessment Process



Hyundai Mobis Supplier ESG Assessments

On-site assessment period: Aug. 2, 2022 - Jan. 10, 2023

Category	Tier-1 Supplier		Tier-2 Supplier	
	Suppliers	Ratio(%)	Suppliers	Ratio(%)
Self-assessment ^A	342/373	91.7	25/26	96.2
High-risk suppliers	10	2.9	2	8
On-site assessment on high-risk suppliers	10 ^B	100	2	100

^A Number of suppliers subject to ESG assessment: (tier-1) 373 suppliers out of 395 suppliers involved in the operating structure as of the start of the year, excluding those which did not have any transactions and distributors, (tier-2) suppliers out of a total of 44 tier-2 suppliers who are involved in core business groups, direct development worth KRW 1 billion or more, or individual contract, excluding those which had no transactions or discontinued their business

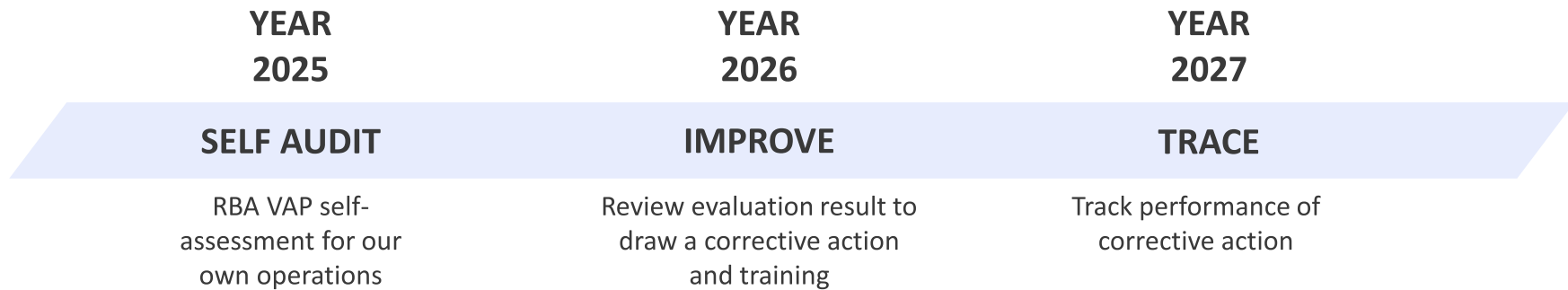
^B On-site assessments were made on two suppliers in January 2023

6. Remediation Strategy

Mobis Parts Canada's Response to Potential Ethical Labour Standards Violation

In the event that Mobis Parts Canada identifies any violations of its ethical labour standards, we are prepared to take swift and decisive action. This includes thoroughly investigating and documenting the issues, implementing appropriate remediation measures, and, if necessary, terminating relationships with non-compliant suppliers. Mobis Parts Canada's commitment to addressing these challenges head-on is a key part of its broader efforts to ensure no forced and child labour exists within its supply chains.

Throughout 2023, the Hyundai Motor Group conducted diligence on certain US partners based on allegations of child labour. No instances of child labour were found. To our knowledge, these partners do not sell or distribute parts to Mobis Parts Canada and are not Mobis suppliers.



Education to Improve Ethical Labour Standards and Awareness

We are dedicated to addressing forced and child labour abuse by enhancing and sharing our ethical standards through ongoing workforce training and strengthening the whistleblowing process.

7. Training and Capacity Building

Since 2017, Hyundai Mobis has provided standard compliance training annually for all executives and employees (including contracted/dispatched/overseas personnel). Additionally, each overseas subsidiary is required to implement its own compliance training.

Mobis Parts Canada recognizes the importance of educating and empowering its employees to uphold the Corporation's ethical labour practices including with respect to human rights management. In 2023, the Corporation's employees participated in a series of comprehensive HR and legal compliance training sessions, equipping them with the knowledge and tools necessary to identify and report any potential violations of the Corporation's ethical standards. Training on forced / child labour is done at HQ and overseas subsidiaries.

Workforce Training offered during 2023

1. Occupational Health and Safety Awareness Training
2. Workforce Violence and Harassment Training
3. Violence and Harassment Policy Training
4. Right to Disconnect Policy Training
5. Training for Hours of Work and Overtime Pay

Organization Restructuring during 2023

1. Assignment of Chief Security Officer and Compliance Manager
2. Regulatory and Compliance TFT Launch with Headquarters

Employee Satisfaction Survey

Mobis Parts Canada conducts an annual employee satisfaction survey to gather feedback on the Corporation's performance, including its efforts to address forced and child labour risks. This valuable input helps the Corporation to continuously improve its policies and practices.

ESG Assessments

Mobis Parts Canada also undertakes regular ESG assessments to measure the effectiveness of its sustainability and ethical initiatives. These assessments provide the Corporation with data-driven insights to guide its decision-making and ensure its actions have the intended impact.

Whistleblowing Protection and Reporting Violations

Mobis Parts Canada has implemented a robust whistleblower feedback mechanism to encourage employees, suppliers, and other stakeholders to report concerns or violations through its renowned Respectful Workplace Policy implementation.

This direct input helps the Corporation identify and address issues promptly, further strengthening its ethical supply chain practices. MPCA undertakes to ensure the anonymity of the whistleblower and maintain strict confidentiality of the content of the report. The company has a zero tolerance policy for retaliating against Employees who report misconduct in good faith.

Employees have an obligation to promptly report any violations of the Code of Conduct, related guidelines, and/or any other unethical or illegal acts to the Compliance Department. MPCA has established various reporting channels that employees are encouraged to use for reporting illegal or unethical conduct. Employees who are uncertain about whether or not there has been misconduct can seek guidance from the Compliance Department.

9. Approval and Attestation

This report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of Mobis Parts Canada Corp.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purpose of the Act, for the reporting year listed above.

I have the authority to bind Mobis Parts Canada Corp.

Per:



Full Name: Yongsung Park

Title: President and Chief Executive Officer

Director of Mobis Parts Canada Corp.

Date: May 23, 2024