

Human Rights & Supply Chain Transparency Statement

Hyundai Rotem Company

May 2026

HYUNDAI
Rotem



Introduction

This Human Rights & Supply Chain Transparency Statement (this “Statement”) is made pursuant to the Canadian ‘Fighting Against Forced Labour and Child Labour in Supply Chains Act’, and the Australian ‘Modern Slavery Act 2018’ (together “the Acts”). This statement is made on behalf of applicable reporting entities¹ covered by the respective Acts.

This Statement covers the period from 1 January 2025 to 31 December 2025 (“Reporting Period”) and outlines the practices and approach of Hyundai Rotem (together with its subsidiaries, “the Company”) to identify, assess and address the risks of modern slavery, including forced labour and human trafficking, and child labour (“Modern Slavery”) in the Company’s own operations and supply chain.

Unless the context indicates otherwise, in this Statement, “Hyundai Rotem”, “the Company”, “it”, and “our” refer to Hyundai Rotem entities within the scope of reporting.

About Hyundai Rotem

Established in 1977 as Hyundai Precision and Industries Corporation, the Company became Hyundai Rotem in 1999 following a merger. Hyundai Rotem has been a leading global integrated enterprise, contributing to the development of the national infrastructure industry, including defense, railroads, and eco plants.

The Company is strengthening its global footprint through its Defense Solutions, which includes the mass production of K-series tanks and wheeled armored vehicles, as well as its Rail Solutions, which provides comprehensive railroad systems encompassing E&M (Electrical & Mechanical), O&M (Operation & Maintenance) services, and the manufacturing of rolling stock. In addition, the Company is actively diversifying its portfolio by developing eco-friendly infrastructure such as hydrogen, and by introducing smart logistics solutions based on automation and unmanned systems—including AGVs (automated guided vehicles), AMRs (autonomous mobile robots), automated warehouses, automated unloading equipment, etc. Across all business sectors, the Company is presenting new paradigms, continuously driving innovation and growth to build a sustainable future.

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¹ Hyundai Rotem Co., Ltd (Korean BRN: 194211-0036336); Hyundai Rotem Australia PTY LTD (ABN: 81 615 545 492); Hyundai Rotem Canada (BN: 766329510)

Our structure, operations and supply chain

Structure

As of December 31, 2025, Hyundai Rotem employed 5,702 people, consisting of 4,562 people based in or expatriated from the head office in Korea, while 1,140 were locally hired personnel.

The Company's primary manufacturing facilities are located in the cities of Changwon and Dangjin in Korea, and its principal research centre is located in Uiwang, Korea. As of December 31, 2025, Hyundai Rotem operated 21 branch offices worldwide, and owned or controlled 4 other corporations in Korea as well as 10 corporations abroad as follows:

| Entity Name | Date of Incorporation | Registered Address | Main Business |
|--|-----------------------|--|---|
| Hyundai Rotem USA Corporation | January 22, 2004 | 12750 Center Court Drive, Suite 150 Cerritos, CA 90703 | Railway production and sales |
| Hyundai Rotem Smart Electric America | March 15, 2024 | 2078 Rustin Ave Riverside, CA 92507 | Production and sales of railway electrical systems and components |
| Rotem Equipments (Beijing) Co., Ltd | June 30, 2006 | No. 806, ACLP International Building, Building 2, No.8, North Airport Street, Shunyi District, BEIJING CHINA. 101300 | Automobile equipment sales and maintenance |
| Hyundai EURotem Demiryolu Araclari Sanayi ve Ticaret A.S | July 4, 2006 | Ahi Evran Cad. Polaris Plaza No.1 K.4 D.23 34398 Maslak, Sariyer, Istanbul | Railway production and sales |
| MAINtrans | June 24, 2008 | 38 Gaehwadong-ro 8-gil, Banghwa2-dong, Gangseo-gu, Seoul, Korea | Railway maintenance |
| Rotem SRS | January 5, 2021 | 20 Gukjegeumyung-ro, Yeongdeungpo-gu, Seoul, Korea | Railway operations and maintenance |
| S-Trans | August 23, 2023 | 66 Yeouidae-ro, Yeongdeungpo-gu, Seoul, Korea | Railway operations and maintenance |
| Gimpo Gold Line SRS | March 8, 2024 | Yangchon-yeok-gil 139, Gimpo-si, Gyeonggi-do, Korea | Railway operations and maintenance |
| Hyundai Rotem Brasil Industria E Comercio De Trens Ltda. | April 3, 2013 | AV MARGINAL 26-036, No 3400, FAZENDA BOM RETIRO, CEP 14.801-970-ARARAQUARA/SP | Railway production and sales |
| HYUNDAI ROTEM EUROPE SP. Z O.O. | May 12, 2023 | WFC Building, 19th Floor. Emilii Plater 53, 00-113 Warszawa, Poland | Defense maintenance |
| HYUNDAI ROTEM AUSTRALIA PTY LTD | March 26, 2024 | Level 3, Suite 3.02, 1 Epping Rd | Railway sales and business development |
| HR Mechanical Services Limited | December 14, 2016 | 16E, Shakespeare Avenue, Trentham, Upper Hutt, New Zealand, 5018 | Railway maintenance |
| Rotem SRS Egypt LLC. | February 2, 2021 | 66 El.Shazly Street, Agoza, Giza, Egypt | Railway maintenance |
| Rotem SRS Ukraine LLC. | April 6, 2021 | Kyiv City, Zvirynetska Str., House 63, Office 1, Ukraine | Railway maintenance |

* During the reporting period, the Company completed the liquidation of HYUNDAI ROTEM COMPANY - HYUNDAI EUROTEM Demiryolu Araclari SAN. VE TIC. A.S ORTAK GIRISIMI, and HYUNDAI ROTEM-HYUNDAI EUROTEM Mahmutbey Projesi ORTAK GIRISIMI

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Operations

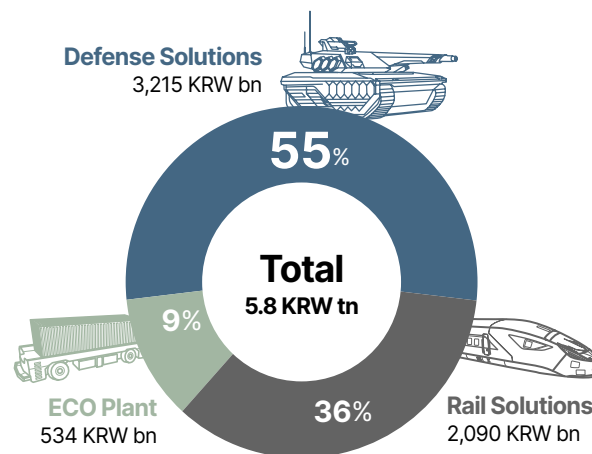
The Company's operations encompass corporate management and administrative support services, manufacturing, maintenance, field services, and project site-based activities. Its businesses are primarily organized around Rail Solutions, Defense Solutions, and ECO Plant.

The Rail Solutions Business Division manufactures and supplies a wide range of railway vehicles including electrical multiple units, high speed trains, and light rail vehicles, locomotives and double deck passenger cars. It also has strengthened its technological competitiveness by independently developing and localizing key electrical components of railway vehicles, such as train control and management system, traction motors, propulsion control system, and auxiliary power supply units. The Rail Solutions Business Division is actively expanding into rail systems and services, including operations and maintenance, while accelerating the development of next-generation vehicles such as catenary-free trams, double-decker electric vehicles, and hydrogen-electric trams to meet future market demands.

The Defense Solutions Business Division is responsible for core national security capabilities through the research, development, and production of advanced ground weapon systems, including main battle tanks, wheeled armored vehicles, and multi-purpose unmanned ground vehicles, etc. The Company has earned global recognition for its competitiveness in ground systems, particularly with the K2 tank following the K1A1 tank. In response to evolving global defense needs, the Defense Solutions Business Division has advanced the technological maturity in unmanned systems, artificial intelligence, and autonomous driving, while actively bolstering its expertise and capabilities in engine technology and related projects to expand into the aerospace sector.

The ECO Plant Business Division has secured its distinctive competitiveness in the field of industrial infrastructure through successful establishment of steel and automotive production infrastructure. Also it is leading the core technologies of the Fourth Industrial Revolution era by expanding its business into smart factories and logistics. Leveraging its technological expertise, Hyundai Rotem also building hydrogen infrastructure-including hydrogen charging stations and hydrogen extractors-positioning itself as a leader in the transition toward a global hydrogen economy and the realization of a hydrogen society.

Volumes of Goods/Services by Divisions



Governance

Hyundai Rotem's Board of Directors (BOD) provides overall strategic direction and oversight of the Company's policies, programs, and disclosures related to sustainability, inclusive growth, and responsible practices. This includes risk management of ethics and compliance, and human rights.

To strengthen the expertise and efficiency of the BOD's operations, the Company has established the Transparency Management Committee. This Committee supports the BOD in overseeing:

- The Company's culture and commitment to ethical business, integrity, and sustainability;
- The ethics and compliance program, including its organization and framework; and
- The sustainability strategy and governance mechanisms, ensuring that sustainability related topics are integrated into the Company's objectives and long term strategy.

The Committee is composed entirely of independent directors to safeguard independence and transparency. Its activities are disclosed through multiple channels, including the corporate governance report.

Given the cross-cutting nature of human rights, multiple functions within the Company share responsibility for ensuring compliance with the commitments outlined in the Human Rights Policy(see '3. Our policies' section). These functions develop measures to support implementation, assign roles and responsibilities within their respective organizations, and allocate resources to conduct risk-based due diligence.

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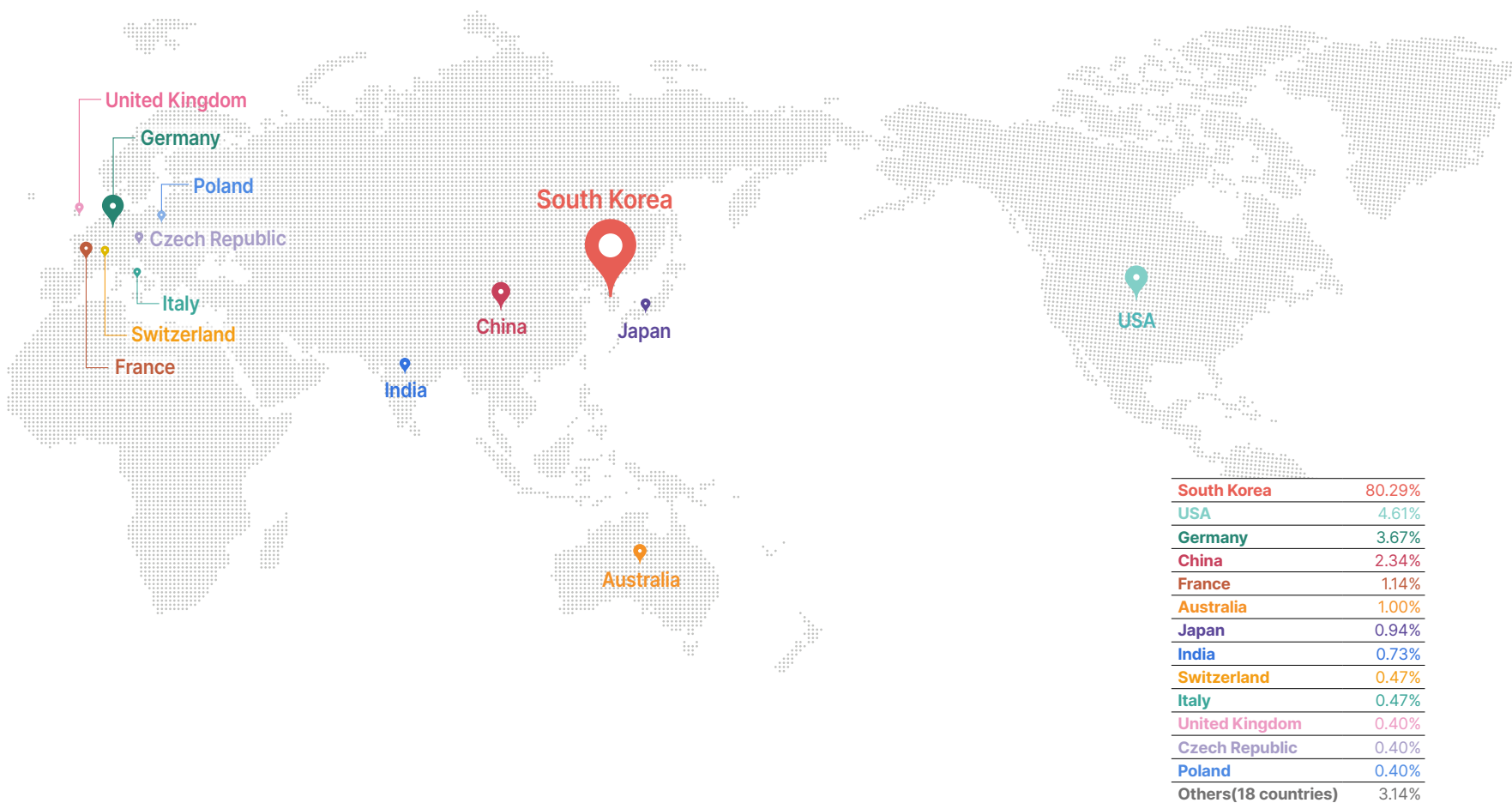
Supply chain

Hyundai Rotem operates through a global supply chain encompassing Tier-1 suppliers, with whom the Company maintains direct contractual agreements, as well as the suppliers of these Tier-1s (subtier suppliers). The Company sources a wide range of products and services from thousands of suppliers worldwide.

In 2025, the Company engaged with 1,497 suppliers from 31 different countries (1,202 domestic suppliers and 295 international suppliers). The following is a geographical and operational breakdown of its supply chain across all three of business divisions.

Geographical breakdown

Across all three business divisions, 96.13% of the Company's suppliers are concentrated in 13 countries, with South Korea(80.29%) representing the largest share.



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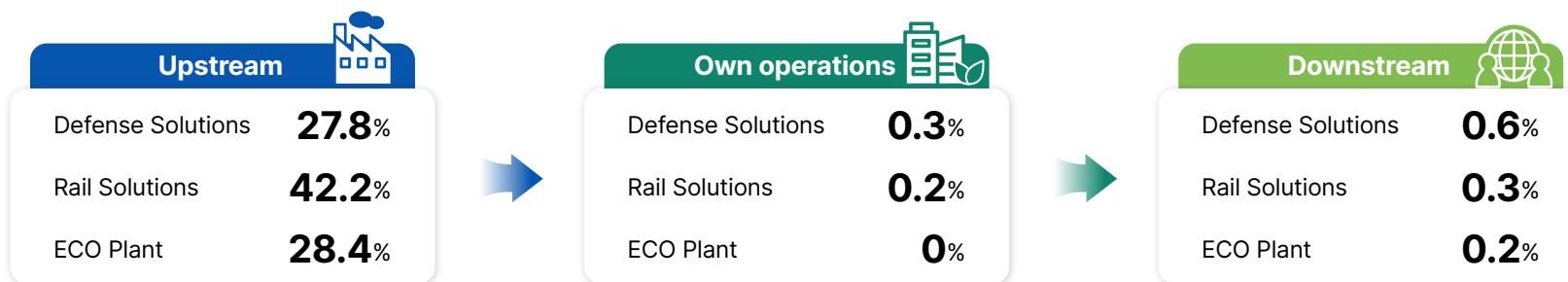
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Operational breakdown

The supplier's operational distribution across business divisions is categorized into three areas: Upstream, Own operations, and Downstream.

The upstream value chain includes raw materials exporter, component and manufacturing corporates, product design and service developers, and logistics and storage providers. Our own operations refer to companies directly related to Hyundai Rotem and its subsidiaries. And the downstream value chain encompasses suppliers engaged in product distribution as well as logistics and storage. The detailed operational distribution by division is outlined below.



Supply chain roadmap

In 2025, Hyundai Rotem partnered with a non profit organization (NPO) to strengthen its supply chain due diligence and establish the foundation for a long term roadmap. Leveraging its interactive digital platform for the first time, the Company enhanced supplier engagement by systematically assessing and analyzing risks, developing comprehensive improvement plans, and closely monitoring implementation progress.

Despite continuous engagement and due diligence efforts, persistent challenges such as regional variations, data gaps, and traceability limitations hinder the full identification and integration of actual and potential risks. Different labour laws, enforcement levels, and cultural practices across countries complicate standardization. Additionally lack of reliable supplier data, especially at sub-tier levels, hinders accurate risk mapping. And without traceability, the Company may struggle to identify potential risks such as raw material origins.

To address these challenges, Hyundai Rotem is setting its Sustainable Supply Chain Roadmap, guided by relevant legal instruments mandating ESG management, as well as the Company's sustainability policies and engagement plans. The roadmap follows a structured three step approach—supplier engagement, supplier assessment, and implementation of improvement plans—aligned with the Company's due diligence framework. This framework encompasses supply base risk mapping, contractual requirements, supplier audits, and transparent reporting.

By fully utilizing supplier databases and expanding the scope of engagement, Hyundai Rotem aims to progressively reduce blind spots in supply chain management. This continuous improvement underscores the Company's commitment to transparency and responsible sourcing, even in the face of ongoing challenges.

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Our policies

Hyundai Rotem believes that ethical management is fundamental to becoming a global company that contributes to sustainable development. To reinforce this commitment, the Company has adopted its Human Rights Charter, Ethics Charter, and Supplier Code of Conduct, applying them across Hyundai Rotem and its affiliates, including domestic and overseas production and sales entities, subsidiaries, second-tier subsidiaries, and joint ventures. These internal policies underscore its dedication to integrity in all business relationships and establish robust systems designed to prevent modern slavery throughout its operations and supply chain.

Hyundai Rotem's Human Rights Charter is founded on internationally recognized standards, including the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, International Labour Organization conventions, the OECD Due Diligence Guidance for Responsible Business Conduct, the OECD Guidelines for Multinational Enterprises, the National Human Rights Commission of Korea's Manual of Human Rights Management for Public Institutions and its Checklist for Human Rights Impact Assessment for Corporate Enterprises, as well as the Korean Ministry of Justice's Guideline for Human Rights Management Standards for Corporate Enterprises. The Charter sets out the Company's basic principles, governance framework, and operation of its human rights risk management system, together with education and awareness raising initiatives. These principles are codified in Articles 1 through 10:

- Article 1: Prohibition of Child Labour and Forced Labour
- Article 2: Prohibition of Discrimination and Workplace Harassment
- Article 3: Compliance with Working Conditions
- Article 4: Humane Treatment
- Article 5: Guarantee of the Freedom of Association and Collective Bargaining
- Article 6: Guarantee of Industrial Safety
- Article 7: Protection of the Human Rights of Local Residents
- Article 8: Protection of the Human Rights for Customers
- Article 9: Responsible Supply Chain Management
- Article 10: Guarantee of Environmental Rights

For further information, see the **Human Rights Management page** on hyundai-rotem.co.kr [here](#)



In addition to its Human Rights Charter, the Company has established a **Diversity & Inclusion (D&I) Policy** to foster an inclusive workplace culture where individuals of all backgrounds can thrive. The Company's D&I Policy prohibits any discrimination on the basis of gender, race, nationality, cultural background, religion, age, disability, or any other status protected by law. Through this Policy, Hyundai Rotem promotes respect, fairness, and innovation across its global operations and supply chain.

Hyundai Rotem's **Diversity & Inclusion (D&I) Policy** can be found on hyundai-rotem.co.kr [here](#)



Hyundai Rotem's **Ethics Charter** sets out the values and conduct standards expected from our executives and employees, affiliates, subsidiaries, joint ventures in South Korea and abroad. It requires operations to be conducted in line with internationally recognized standards and provides guidance on using the Company's online reporting channel, Cyber Journal. Together with the **Code of Ethics**, the Charter covers essential areas such as human rights, labour practices, non-discrimination and equal opportunity, workplace conduct, health and safety, work-life balance, stakeholder engagement, governance, due diligence, internal controls, and whistleblower protection.

For further information, see the **Ethical Management page** on hyundai-rotem.co.kr [here](#)



As part of its commitment to building a sustainable supply chain, the Company's **Supplier Code of Conduct** requires all suppliers to comply with applicable regulations on corporate management and implement best practices in the areas of ethics, environment, labour, human rights, safety, health and management systems. The Supplier Code of Conduct is based on Drive Sustainability's Global Automotive Sustainability Practical Guidance and refers to the Responsible Business Alliance's Code of Conduct. It also reflects evolving global legislation on human rights and environmental responsibilities, including the EU Corporate Sustainability Due Diligence Directive and other relevant laws. The Code sets clear expectations on key labour and human rights issues, including:

- Prohibition of Child Labour
- Prohibition of Forced Labour
- Non-Discrimination and prevention of harassment
- Fair wages and benefits
- Reasonable working hours
- Humane treatment
- Freedom of association
- Ethical recruitment

Hyundai Rotem's **Supplier Code of Conduct** can be found on hyundai-rotem.co.kr [here](#)



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Risk management processes

Risk management framework

In our own operations

As part of its commitment to human rights management, Hyundai Rotem has conducted annual human rights impact assessments since 2021 using a survey tool. Through these assessments, the Company proactively identifies potential human rights risks and implements improvement measures, thereby continuously strengthening its human rights management practices.

The assessment indicators are structured based on the fundamental principles of the Company's Human Rights Charter. They comprehensively examine the human rights management system and potential risk occurrences across all stakeholders—including internal employees, local communities, and the supply chain—covering both domestic and overseas operations. If the negative response rate (the proportion of responses marked as 'inadequate' or 'very inadequate') exceeds 10%, the issue is classified as a high-risk factor, and remedial actions are implemented.

In our supply chain

Hyundai Rotem conducts supplier screening both prior to engagement and throughout ongoing transactions as part of its risk based approach. These processes enable the Company to evaluate suppliers' ability to meet requirements, identify irregularities, and assess reliability.

- **Assessment:** Supplier evaluations are carried out by the Procurement, EHS, and Quality Management teams through annual documentation reviews and site visits as required.
- **Supplier Classification:** Based on annual evaluation results, suppliers are classified according to their performance. Top performers receive advantages including exemption from contract performance security.
- **Recognition and Corrective Actions:** Following annual supply chain ESG due diligence, Hyundai Rotem recognizes outstanding partners with the "Best Supplier" designation. Conversely, suppliers demonstrating lower performance may face corrective measures, including a 2-point deduction in the regular supplier evaluation.

This balanced approach is expected to reinforce supplier accountability while ensuring continuous improvement across the supply chain through a performance-based recognition and corrective framework.

In October 2025, the Procurement Division enacted Responsible Raw Materials Sourcing Policy and Supply Chain Sustainability Management Policy, reinforcing its Supplier Code of Conduct. These policies require suppliers to uphold robust ESG practices, conduct due diligence, and align with international standards. They define clear responsibilities in environmental stewardship, labour rights, and ethical conduct, embed sustainability expectations into procurement, and mandate continuous monitoring to address risks such as human rights, modern slavery, and environmental impact. And as part of our ongoing promotion of sustainable supply chain practices, the Company plans to expand the benefits of its due diligence results-based incentive policy from 2026 designed to encourage suppliers' proactive efforts in preventing child labour and forced labour, thereby strengthening accountability and fostering responsible business conduct across the value chain.



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Verification and Audits

In our own operations

Hyundai Rotem conducts on-site audits including workplace inspections and Focus Group Interviews (FGIs) to identify additional areas for strengthening the practical implementation of human rights policies.

- **Scope of assessment:** Indicators based on negative survey responses (including indicators requiring workplace inspections even if no negative responses are recorded).
- **Methodology:** On-site audits (workplace inspections and stakeholder interviews)
- **Improvement measures:** Inspections are carried out with comprehensive consideration of the characteristics of both domestic and overseas business sites (such as workforce composition and the social impact of the site's location). Based on the overall evaluation, remedial actions are implemented.

The verification and audit framework for human rights impact assessments will be further advanced through the 'Group Human Rights Management System Project', thereby enhancing regulatory responsiveness and strengthening governance.

In our supply chain

To strengthen the management of sustainability risks, including modern slavery, Hyundai Rotem partners with an independent consulting firm and the non-profit organization to conduct sustainability assessments in supply chain.

- **Scope of Assessment:** The annual process combines written evaluations and on-site audits, focusing on key trading partners. In 2025, 150 companies conducted written evaluations by utilizing the digital platform, with 56 undergoing on-site audits.
- **Methodology**
 - Written Evaluations:** These reviews assess supplier policies, actions, and compliance with Hyundai Rotem's Supplier Code of Conduct and international standards. The questionnaire reflects global ESG initiatives and industry-specific issues across five categories: human rights/labour, business ethics/compliance, supply chain, safety/health, and environment. In 2025, to enhance the effectiveness of due diligence and alleviate the burden on suppliers, the Company streamlined the evaluation criteria from 134 to 88 indicators.
 - On-site Audits:** Suppliers selected for audits are identified based on past evaluation scores, media screening, and any history of legal violations. Audits are conducted jointly by third party sustainability experts and

Hyundai Rotem staff, and include document reviews, facility inspections, and issue identification. Suppliers are notified in advance to ensure participation of relevant personnel, including those responsible for human rights management.

- **Improvement measures:** Following audits, Hyundai Rotem provides detailed guidance to suppliers to support improvements in sustainability practices. The above verification process ensures that risks are identified, corrective actions are implemented, and supplier performance is continuously enhanced.



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Supplier and worker engagement

To cultivate a shared understanding of supply chain due diligence, Hyundai Rotem offers suppliers training that detail regulatory requirements and addresses sustainability issues comprehensively. This prepares suppliers to respond accurately and effectively to our written evaluations and related requests. Furthermore, following the annual due diligence process, the Company hold feedback sessions to review findings and establish clear expectations for the future based on the outcomes. By annually updating the training modules to reflect regulatory and operational developments, Hyundai Rotem aims to ensure that both its staff and suppliers remain well-prepared to meet evolving standards.

As part of our ongoing promotion of sustainable supply chain practices, the Company plans to expand benefits of its results-based incentive policy since 2026. This policy links supplier rewards to the outcomes of ESG due diligence assessments, encouraging suppliers to strengthen their environmental, social, and governance performance. By aligning incentives with verified ESG results, Hyundai Rotem aims to foster continuous improvement, enhance transparency, and build long-term resilience across its supply chain.

Also, Hyundai Rotem conducts an annual Human Rights Impact Assessment to actively engage employees in identifying and addressing human rights risks within the Company operations. This process is grounded in the principles of the Company's Human Rights Charter and involves employees across all functions and levels, ensuring broad participation and representation.

Our due diligence

Hyundai Rotem has established processes to conduct sustainability due diligence across its operations, and supply chain. This approach is designed to identify and address both direct and indirect adverse impacts of business activities, with a particular focus on human rights risks, including modern slavery.

The Company's due diligence framework is aligned with the OECD Due Diligence Guidance for Responsible Business Conduct and UN Guiding Principles on Business and Human Rights (UNGPs). In line with these standards, Hyundai Rotem's approach encompasses six key steps:

1. **Embedding responsible business conduct** : Integrating sustainability and human rights principles into governance structures, policies, and contracts.
2. **Identifying and assessing impacts** : Conducting risk based assessments to identify potential and actual adverse impacts across operations and supply chains.

3. **Acting to address risks** : Taking measures to cease, prevent, mitigate, or avoid adverse impacts, including corrective actions with suppliers.
4. **Tracking performance** : Monitoring progress through Key Performance Indicators (KPIs) and measurable targets to ensure continuous improvement.
5. **Communicating and reporting** : Disclosing findings and performance outcomes transparently through sustainability reports and stakeholder engagement.
6. **Cooperating in remedies** : Supporting appropriate remediation processes where adverse impacts are identified, ensuring accountability and redress.

In our own operations

Hyundai Rotem conducts an annual Human Rights Impact Assessment to identify and address human rights risks within its operations. This process is grounded in the core principles outlined in the Company's Human Rights Charter and applies to employees across all functions and levels.

The assessment is conducted through an online survey designed to capture employees' perceptions of the Company's human rights management practices. Survey questions are structured to identify potential risks and evaluate the effectiveness of existing controls. Results are analyzed to determine areas requiring improvement and to guide the development of targeted action plans.

The 2025 human rights impact assessment was refined based on the fundamental principles of Hyundai Rotem's Human Rights Charter, while also reflecting the company's characteristics, and broader social and ESG trends. The assessment indicators were enhanced and structured into 10 key areas with 21 indicators, and those 10 key areas include (1) introduction of human rights management policies and system operation, (2) fundamental rights of employees, (3) non-discrimination in employment and work practices, (4) prohibition of forced and (5) child labour, (6) responsible supply chain management, (7) assurance of occupational safety, (8) protection of human rights for local communities and vulnerable groups, (9) protection of customer rights, and (10) guarantee of environmental rights.

Oversight of the assessment lies with the Company's ESG Taskforce, supported by the Sustainability Team. Findings are reviewed annually and integrated into the Company's human rights management system. Outcomes are reported to senior management, ensuring accountability and alignment with Hyundai Rotem's sustainability governance framework.

In our supply chain

Hyundai Rotem's supplier due diligence process is part of a risk based approach designed to identify, prevent, mitigate, account for, and, where

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applicable, support remediation of adverse human rights impacts, including but not limited to modern slavery within the supply chain.

New suppliers undergo risk based screening to confirm compliance with applicable laws and Hyundai Rotem's standards. During onboarding, suppliers are required to agree to Hyundai Rotem's Supplier Code of Conduct. The Code mandates compliance with anti slavery, forced and child labour laws, and requires suppliers to implement practices ensuring adherence to these standards.

Furthermore, the Company supplements its due diligence process with an independent, evidence based supplier assessment platform provided by a third party organization.

- **Target:** Current practices primarily apply to tier-1 suppliers. While oversight of tier-2 suppliers and beyond remains limited, the evidence based assessments require tier-1 suppliers to document their own policies and practices with respect to their suppliers, thereby extending influence deeper into the supply chain.
- **Assessment Scope:** Assessments cover environment, human rights, business ethics, and supply chain
- **Verification:** Suppliers must provide documentation to substantiate policies, practices, and performance claims. The independent organization reviews these documents against globally recognized standards and frameworks, including those for human rights.
- **Corrective Actions:** Based on assessment results, Hyundai Rotem may request corrective actions through the platform or via direct engagement with suppliers, and progress is monitored to ensure improvements are implemented.

Grievance mechanisms

Hyundai Rotem recognizes that reliable reporting channels are essential to identifying, investigating, and addressing potential misconduct. To facilitate this, the Company provides a range of publicly available reporting options that foster transparent and open engagement with all stakeholders.

One such channel is the [Cyber Journal whistle-blowing hotline](#), an online platform where individuals can report irregularities, misconduct, legal violations, or breaches of business conduct guidelines. This channel is available 24/7 via online and telephone access and is open to all stakeholders. Cyber Journal guarantees anonymity and confidentiality for all users. Reports are typically processed within one to two weeks, and users can track the progress of their submissions.

Moreover, to enhance the accessibility and effectiveness of human rights grievance channels, Hyundai Rotem provides an internal "e-HR counseling window". The Company has also introduced a mobile "Happy Mint Counseling Service" that is accessible 24 hours a day so employees can safely receive counseling at any time.

To address supplier concerns, Hyundai Rotem holds annual supplier representative seminars and regional subgroup meetings, where suppliers can make suggestions or report misconduct. Internal investigations are conducted based on clear, enforceable criteria to ensure consistency and fairness. Hyundai Rotem's Reporting Protocols include safeguards such as exemption from responsibility, protection against retaliation, and the safeguarding of whistleblowers. In line with the Charter for Human Rights, executives and employees are prohibited from disclosing personally identifiable information that could reveal the identity of a reporter, and are required to protect employees from any adverse consequences arising from reporting human rights violations. The Company regularly reviews the frequency of grievances reported and resolved, and discloses the results in its annual Sustainability Report.

Should issues such as child labour or forced labour be reported, Hyundai Rotem policy is to search for the appropriate remedial solutions based on court precedent, regulations of the competent authority, and past internal and external industry practices. In cases of serious infringement of human rights that require higher level decisions, committee or upper management meetings (in which the CEO is present) may be opened in order to properly address the grievances.

Remediation

Hyundai Rotem employs a continuous improvement strategy to effectively address the complexities of modern slavery risks. As global regulations on the prevention of modern slavery continue to strengthen, Hyundai Rotem plans to expand the scope of audits conducted at business sites and suppliers overseas. One of our key objectives for the coming year is to enhance monitoring of our overseas business sites, as these locations tend to be smaller in size and operate under varying legal frameworks. This requires us to maintain a working understanding of local laws and regulations, as well as remain agile in keeping up with any changes. Given that each country's legal landscape differs, the Company seeks to continuously enhance our understanding of these jurisdictional differences and improve our management system accordingly.

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Internal evaluations

Governance and Accountability

Hyundai Rotem's ESG Taskforce oversees the effectiveness of the Company's human rights management system through Key Performance Indicators (KPIs). The Taskforce is composed of designated departments and staff responsible for each sustainability area, including human rights management and supply chain due diligence. Each year, the Sustainability Team, together with departmental representatives, reviews sustainability issues and establishes KPIs.

Responsibility for setting goals and KPIs, as well as tracking their implementation, rests with the ESG Taskforce. Performance outcomes are directly reflected in the evaluation of senior management within each business division, and results are reported annually to the CEO, ensuring accountability at the highest level.

Operational framework

To ensure year-on-year progress in identifying, preventing, and responding to modern slavery risks, Hyundai Rotem sets clear goals across its operations and supply chain. These goals include:

- Strengthening human rights management systems in line with the Company's Human Rights Charter.
- Enhancing supply chain due diligence through written assessments and on site inspections.
- Establishing measurable KPIs to track improvements in risk management and supplier performance.

Also the Company employs outcome-focused KPIs to measure progress toward these goals. Those details include:

- **Human rights impact Assessments:** conducted annually to confirm the absence of forced labour and child labour incidents.
- **Negative response monitoring:** tracking the percentage of negative responses in assessments to evaluate management effectiveness.
- **Supply chain targets:** identifying improvement areas from assessments and site visits, setting measurable targets, and monitoring implementation.

External evaluations

The Company conducted media screening and on-site inspections to identify any controversies related to sustainability issues, including modern slavery, and other legal breaches, and further advanced its follow-up monitoring framework by defining 21 targeted improvement tasks and regular review of suppliers' implementation status, with completion scheduled by Q1 2026.

Business model

Hyundai Rotem's business model, which relies on a complex global chain of activities, is inherently exposed to modern slavery risks across upstream procurement, operations, and downstream logistics. Such risks may arise in the procurement of energy, raw materials, and intermediate goods, as well as in subcontracted operations and logistics. In response, the Company embeds human rights management and due diligence throughout its operations and supply chain, integrating these practices into its sustainability governance framework.

The Company's ESG Taskforce monitors the effectiveness of the human rights management system through Key Performance Indicators (KPIs). These KPIs are designed to identify, prevent, and mitigate risks of forced labour and child labour across the value chain (see 'Assessing effectiveness' section). By embedding these KPIs into governance structures and linking them to senior management accountability and supplier incentives, Hyundai Rotem ensures that its business model not only acknowledges the complexity of modern slavery risks but actively contributes to their prevention and eradication.

Based on the Company's current due diligence processes, no incidents of modern slavery were identified within the Company's operations or supply chain. Consequently, Hyundai Rotem has not observed any cases of income loss among vulnerable families associated with its initiatives to eliminate forced labour and child labour. As mentioned above, Hyundai Rotem affirms that it has carefully considered whether its business model and business-related KPIs could cause, contribute to, or directly result in modern slavery within its operations and supply chains, and has found no such evidence.

The effectiveness of these due diligence and remediation processes is assessed through internal monitoring including Key Performance Indicators (KPIs) and periodic reviews.



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Training

In 2025, due diligence confirmed that **no incidents of modern slavery were identified within Hyundai Rotem's operations or supply chain**. As a result, the Company has not observed any cases of income loss among vulnerable families linked to its initiatives to eradicate forced labour and child labour.

Upon closer examination, Hyundai Rotem's 2025 due diligence outcomes in supply chain confirmed measurable improvements in overall performance, as outlined below:

- The proportion of companies positioned in the **mid-tier of the score distribution** increased by **4.3 percentage points** compared to the previous year.
- The proportion of companies in the **top-tier** rose by **0.8 percentage points** year-on-year.

These metrics provide clear evidence of progress across the value chain and demonstrate the impact of Hyundai Rotem's monitoring and evaluation framework. Category-specific analysis further demonstrates significant advancements:

- **Human Rights Management** scores advanced by **10.3 points**.
- **Ethical Management** scores improved by **13.2 points**.

These improvements reflect the effectiveness of targeted interventions and gradual expansion of management scope, ensuring accountability and improvement across the supply chain. Furthermore, the Company conducts regular reviews of its practices, to evaluate the effectiveness of the procedures in place to prevent modern slavery within its operations and supply chain. This includes analyzing results from third-party assessments, monitoring training completion rates, implementing remediation measures, and tracking both verified modern slavery incidents and complaints received through [Cyber Journal whistle-blowing hotline](#) and other internal reporting mechanisms such as the internal "e-HR counseling window"

Looking forward, Hyundai Rotem remains committed to enhancing these measures, developing effective metrics, and processes to strengthen the assessment of our actions, in line with our commitment to continuous improvement and responsible business conduct.

Hyundai Rotem considers training a vital component of risk management and adopts a multi tiered approach to ensure effectiveness across the organization and supply chain.

- **Procurement staff training:** Specialized programs equip procurement staff with up to date knowledge of corporate sustainability regulations and legislation, with particular emphasis on supply chain due diligence requirements across multiple jurisdictions.
- **Foundational training for all employees:** Mandatory human rights education ensures that all employees understand their legal, regulatory, and compliance obligations. Training covers prevention of sexual harassment, workplace abuse, and other human rights issues in line with legal standards.
- **Targeted and refreshed sessions:** Beyond foundational education, the Company delivers targeted training tailored to regulatory updates and business priorities. These sessions are refreshed annually to remain relevant and responsive to evolving risks.

In 2025, Hyundai Rotem provided ESG-focused training to 243 supplier employees, emphasizing emerging regulatory trends and practical compliance methods consistent with the due diligence framework. This initiative was designed to strengthen supplier awareness and capacity in managing human rights and sustainability risks within the supply chain. Building on this foundation, the Company has set a clear objective to expand the program to 290 supplier employees by 2026, thereby reinforcing supply chain resilience and advancing responsible business practices. Furthermore, the Company plans to provide annual ESG capacity-building training for suppliers tailored to different target groups such as executives and employees.

To strengthen expertise and align with evolving international standards, managers from the Supplier Cooperation Planning and Sustainability Teams attended external training on the EU Forced Labour Regulation. Hyundai Rotem remains committed to staying ahead of global regulatory developments by regularly updating its standards and embedding best practices into its governance framework.

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Other relevant information

External recognition from independent third parties

Hyundai Rotem undergoes an annual evaluation by the Korea Institute of Corporate Governance and Sustainability (KCGS), one of South Korea's leading ESG assessment organizations. KCGS evaluates companies listed on the KOSPI market, South Korea's primary stock exchange for publicly traded firms. The KCGS rating system spans seven tiers: S, A+, A, B+, B, C, and D. Aligned with international standards, the assessment evaluates a company's ESG governance effectiveness, risk management practices, overall performance, and transparency in engaging with stakeholders on sustainability issues. In 2025, Hyundai Rotem achieved a consolidated A+ rating for two consecutive years since it first received an A+ rating in 2024.

Additionally, the Company's Compliance Program (CP) has been recognized for its excellence, receiving an AA (Excellent) rating in 2025 from the Korea Fair Trade Commission (KFTC) for the second consecutive year, South Korea's regulatory authority for economic competition. This evaluation measures the effectiveness of a company's compliance practices, particularly in promoting fair trade between businesses and suppliers. The AA rating highlights Hyundai Rotem's commitment to fostering cooperative and ethical relationships with its suppliers.

- **(Due Diligence)** Advanced its follow-up monitoring framework by defining 21 targeted improvement tasks and regular review of suppliers' implementation status, with completion scheduled by Q1 2026.
- **(Reporting Channel)** Ensured ongoing availability of "Cyber Journal whistleblowing hotline"-Hyundai Rotem's online reporting channel-for all stakeholders including suppliers.
- **(Supplier Capacity Building)** Hosted supplier seminars where the Company shared topic-specific training such as ESG management, human rights, quality management, etc.
- **(Stakeholder Interaction)** Conducted an educational support program in Aswan, Egypt, to promote the rights of refugee and displaced children. School kits were provided to 1,400 children from vulnerable households, and awareness campaigns in addressing educational disparities were conducted for a total of 600 families.

Ongoing steps

Hyundai Rotem maintains a strict zero-tolerance stance toward all forms of modern slavery and requires its suppliers to uphold the same principles and standards. Since the previous statement (FY2024 Hyundai Rotem Human Rights and Supply Chain Transparency Statement), the Company has implemented the following measures:

- **(Supply Chain Mapping by Divisions)** Enhanced its supply chain mapping by divisions through a double materiality assessment to improve visibility and effective management of the supply chain.
- **(Policies Improvement)** Enacted 'Supply Chain Sustainability Management Policy' and 'Responsible Raw Materials Sourcing Policy' in October 2025.
- **(Risk Management)** Improved the risk management process by adopting the digital tool, enabling more robust identification and verification of modern slavery risks.

Process of consultation

All entities both in relation to our suppliers and in our own operations (as listed in 'Our structure, operations, and supply chain' section of this Statement) ultimately report to the head office of Hyundai Rotem in Korea, where the Corporate Planning Group, Management Support Division and the Procurement Division are based.

In relation to the Charter for Human Rights and the Ethics Charter, the entities report to the Management Support Division in the head office of Hyundai Rotem in Korea. In relation to the Supplier Code of Conduct, the entities report to the Procurement Division based in the head office of Hyundai Rotem in Korea. Ultimately, both the Management Support Division and the Procurement Division report to the Corporate Planning Group, which is in charge of sustainable development and corporate social responsibility planning and directly reports to the Chief Executive Officer (CEO) of Hyundai Rotem.

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Approval and attestation

This Statement has been approved by Hyundai Rotem's Board of Directors on 24 April 2026, and satisfies the requirements of the Canadian 'Fighting Against Forced Labour and Child Labour in Supply Chains Act', and the Australian 'Modern Slavery Act 2018': It has been signed by Hyundai Rotem's CEO who is a member of the Board of Directors.

In accordance with the requirements of the 'Fighting Against Forced Labour and Child Labour in Supply Chains Act', and specifically section 11(5) thereof, I hereby attest that I have reviewed the information contained in the report for the entity or entities disclosed. Based on my authority, knowledge and having exercised reasonable diligence, I confirm that the information provided in the report is true, accurate, and complete in all material respects for the purposes of the Act and for the reporting year indicated.



Lee, Yong-Bae

CEO and Chair of the Board of Directors
24 April 2026
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How Hyundai Rotem Has Addressed Reporting Criteria

The table below outlines where in this Statement the Company has addressed the mandatory reporting requirements of the Australian 'Modern Slavery Act 2018', the Canadian 'Fighting Against Forced Labour and Child Labour in Supply Chains Act', and the 'California Transparency in Supply Chains Act'.

(Note: Hyundai Rotem Company and its U.S.-based subsidiary, Hyundai Rotem USA, are not currently subject to mandatory reporting under the California Transparency in Supply Chains Act, but have chosen to provide voluntary disclosure in line with responsible business practices.)

| Hyundai Rotem Company Statement | Disclosure Requirements | | |
|--|--|--|--|
| |  Modern Slavery Act 2018 |  Fighting Against Forced Labour and Child Labour in Supply Chains Act |  California Transparency in Supply Chains Act |
| 1. Reporting entity (p. 1) | <ul style="list-style-type: none"> • Section 5 - Reporting entity covered by the statement | <ul style="list-style-type: none"> • Section 2 - Reporting entity definition | <ul style="list-style-type: none"> • Section 1714.43(a) - Reporting entity element and scope |
| 2. Our structure, operations, and supply chain (p. 2-5) - Structure: p. 2 - Operations: p. 3 - Governance: p. 3 - Supply Chain: p. 4-5 | <ul style="list-style-type: none"> • Section 16(1)(a),(b),(f)(i),(f)(ii) - Entity's structure, operations and supply chains | <ul style="list-style-type: none"> • Part 2(3)(a) - Reporting entity's structure, activities and supply chains | Not required |
| 3. Our policies (p. 6-7) | <ul style="list-style-type: none"> • Section 16(1)(d) - Actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes | <ul style="list-style-type: none"> • Part 2(3)(b) - Policies and its due diligence processes in relation to forced labour and child labour | Not required |
| 4. Risk management processes (p. 7-8) | <ul style="list-style-type: none"> • Section 16(1)(c) - Risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls | <ul style="list-style-type: none"> • Part 2(3)(c) - Parts of its business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk | <ul style="list-style-type: none"> • Section 1714.43(c)(1) - Engages in verification of product supply chains to evaluate and address risks of human trafficking and slavery. The disclosure shall specify if the verification was not conducted by a third party • Section 1714.43(c)(2) - Conducts audits of suppliers to evaluate supplier compliance with company standards for trafficking and slavery in supply chains. The disclosure shall specify if the verification was not an independent, unannounced audit |

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Modern Slavery Act 2018



Fighting Against Forced Labour and Child
Labour in Supply Chains Act



California Transparency in Supply Chains Act

| | | | |
|---|--|---|---|
| <p>5. Our due diligence and remediation (p. 9-11)</p> <ul style="list-style-type: none"> - Supplier and worker engagement: p. 9 - Our due diligence: p. 9-10 - Grievance mechanisms: p.10 - Remediation: p. 10 - Business model: p. 11 | <ul style="list-style-type: none"> • Section 16(1)(d) - Actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes | <ul style="list-style-type: none"> • Part 2(3)(d), and (e) - Any measures taken to remediate any forced labour or child labour - Any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains | <ul style="list-style-type: none"> • Section 1714.43(c)(3) - Requires direct suppliers to certify that materials incorporated into the product comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business • Section 1714.43(c)(4) - Parts of its business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk. |
| <p>6. Assessing effectiveness (p. 11-12)</p> | <ul style="list-style-type: none"> • Section 16(1)(e) - Describe how the reporting entity assesses the effectiveness of such actions | <ul style="list-style-type: none"> • Part 2(3)(g) - How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains | <p>Not required</p> |
| <p>7. Training (p. 12)</p> | <ul style="list-style-type: none"> • Section 16(1)(d) - Actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes | <ul style="list-style-type: none"> • Part 2(3)(f) - Training provided to employees on forced labour and child labour | <ul style="list-style-type: none"> • Section 1714.43(c)(5) - Provides company employees and management, who have direct responsibility for supply chain management, training on human trafficking and slavery, particularly with respect to mitigating risks within the supply chains of products |
| <p>8. Other relevant information (p. 13)</p> | <ul style="list-style-type: none"> • Section 16(1)(f) - Any other information that the reporting entity, or the entity giving the statement, considers relevant | <p>Not required</p> | <p>Not required</p> |
| <p>Approval and attestation (p. 14)</p> | <ul style="list-style-type: none"> • Section 13 - Approval by the principal governing body - Signed by a responsible member of the entity | <ul style="list-style-type: none"> • Section 11(4) - Approval by its governing body • Section 11(5) - Approval must be evidenced by the signature of member(s) of the governing body that approved the report | <p>Not required</p> |

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