

Overview of selected law and regulations applicable to Suppliers and/or Goods (hereinafter „Regulatory Overview “)

1. Introduction

1.1 Purpose. Company Hyundai Motor Manufacturing Czech s.r.o., with its registered seat at Industrial Zone Nošovice, Hyundai 700/1, 739 51 Nižní Lhoty, ID: 27773035, registered in commercial register kept by the Regional Court in Ostrava, section C, insert 41484 (hereinafter referred to as „HMMC“) presents this Regulatory overview to the (potential) Supplier to increase awareness of the laws and regulations applicable to the Supplier and/or the requested/ordered Goods.

1.2 Scope. This Regulatory overview provides basic information about selected European Union legislation that imposes obligations or prohibitions on Supplier and/or Goods in relation to the supply of Goods to HMMC. This Regulatory overview is not complete list of applicable laws and regulations that the Supplier is expected to know and to comply with.

2. Sanction laws and regulations

2.1 Supplier shall not violate any national, European or International sanction laws and regulations when supplying Goods/services to HMMC. In this context, attention is drawn especially to Regulation EU No. 833/2014 on restrictive measures in view of Russia's activities destabilizing the situation in Ukraine, as amended, and, in particular, the restrictions on imports of **steel** and steel products.

3. CBAM – Carbon Border Adjustment Mechanism

3.1 Regulation (EU) 2023/956, establishing a carbon border adjustment mechanism (CBAM), implemented a quarterly reporting obligation for importers of selected **iron and steel products, aluminum, cement, selected fertilizers and electricity**.

3.2 The purpose of CBAM Regulation is to address the greenhouse gas emissions contained in Goods listed in Annex I of the Regulation when imported into the customs territory of the European Union, to avoid the risk of carbon leakage, and thereby reduce global carbon emissions.

3.3 Suppliers of selected products are required to provide HMMC with information on the direct or indirect CO2 emissions per ton of each individual commodity, relevant information on their supply chain and other information specified in CBAM Regulation.

4. EUDR – Deforestation Regulation

4.1 Regulation (EU) 2023/1115, on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation (EUDR) effective from 30 December 2026, prohibits the import, distribution and export of relevant products listed in Annex to the EUDR that contain **cattle, cocoa, coffee, palm oil, rubber, soya or wood**, unless they meet the requirements of the EUDR.

4.2 Relevant products may only be placed on the EU market if they do not cause deforestation, have been produced in accordance with the relevant legislation of the country of production and are covered by a due diligence statement.

4.3 Suppliers of selected products from non-EU countries are required to provide HMMC with all information required by the EUDR to enable HMMC to issue due diligence statement, such as material composition, supply chain information, geolocation and time of production, arrangement conferring the right to use of land, conclusive and verifiable information on compliance with local legislation, etc.

4.4 EU Suppliers of relevant products are required to provide HMMC with due diligence statements and evidence of compliance with EUDR obligations upon request.

5. EUBR - Battery Regulation

5.1 Regulation (EU) 2023/1542, concerning batteries and waste batteries, affects **all batteries**, from portable to industrial, starting and electric vehicle batteries, etc.

5.2 As of 18 February 2024, the Regulation progressively introduces new requirements for material composition, labelling, sustainability, durability, performance, safety, collection, recycling and reuse of batteries.

5.3 The Regulation imposes new obligations on manufacturers, importers into the EU, and distributors of batteries, regardless of whether the batteries are integrated into a larger functional unit or not. It also introduces extended producer responsibility in relation to the take-back of waste batteries.

5.4 Suppliers of batteries or products containing batteries with nickel, natural graphite, lithium or cobalt content from non-EU countries will, from 18 August 2027, be obliged to provide HMMC with all information concerning the supply chain of the relevant batteries for the purposes of complying with due diligence obligations.

6. PPWR – Packaging and Packaging Waste Regulation

6.1 Regulation (EU) 2025/40 on packaging and packaging waste (PPWR) **applies to all packaging placed on the EU market**. From 12 August 2026, it gradually introduces new rules for placing packaging on the EU market (material composition, labelling and documentation) and for the prevention of packaging waste, its reuse and recycling.

6.2 The supplier shall ensure full compliance with all obligations laid down in the PPWR, implement all necessary measures and provide HMMC with the required data (e.g. on material composition, recyclability, weight, etc.) and documents.

6.3 From 12 August 2026, only packaging that is duly marked may be supplied: type/serial number/batch, packaging manufacturer, importer; that does not contain Pb, Cd, Hg or Cr in concentrations exceeding 100 mg/kg; that is fully recyclable; for which an EU declaration of conformity has

been drawn up; and that does not contain PFAS substances (in the case of food-contact packaging).

7. Machinery Regulation

7.1 Regulation (EU) 2023/1230 on machinery replaces the existing Directive 2006/42/EC on machinery and related national legislation. The regulation aims to ensure full harmonisation of rules across the EU and to respond to new trends (digitalisation, AI, cybersecurity, etc.).

7.2 The regulation extends the scope of conformity assessment to digital elements and machinery software, with emphasis on cybersecurity, and lays down stricter rules for high-risk machinery.

7.3 The regulation will become fully applicable from 20 January 2027. From this date HMMC's suppliers of machinery shall ensure full compliance with the regulation, including the provision to HMMC of the complete documentation required by the regulation.

8. AI Act – Regulation on Artificial Intelligence

8.1 Regulation (EU) 2024/1689 on artificial intelligence (AI Act), which establishes a uniform legal framework for the development, placing on the market and use of artificial intelligence systems in the EU, introduces risk-based regulation and imposes obligations aimed at ensuring the safety, protection of fundamental rights and transparency of such systems. Key obligations for high-risk AI systems will apply from 2 August 2026.

8.2 A supplier of a product that contains an artificial intelligence system within the meaning of the AI Act is obliged to inform HMMC of the description and classification of the system and to comply with the relevant requirements of the regulation, in particular in the areas of risk management, data quality, technical documentation and record-keeping, human oversight, accuracy and system security, and the implementation of monitoring and incident reporting.

8.3 The supplier is further obliged to carry out the conformity assessment, issue an EU declaration of conformity (and provide it to HMMC) and, where applicable, affix the CE marking to the product.

9. CRA – Cyber Resilience Act

9.1 Regulation (EU) 2024/2847 on horizontal cybersecurity requirements for products with digital elements (Cyber Resilience Act, CRA) lays down mandatory cybersecurity requirements for products with digital elements (hardware and software placed on the EU market).

9.2 The regulation will become fully applicable from 11 December 2027. Suppliers of products with digital elements supplied to HMMC from that date shall ensure full compliance with the regulation, including the provision of complete information for their secure use, maintenance and updating, including the declaration of conformity, and the provision of support during their life cycle.

10. REACH: Registration, Evaluation, Authorization and Restriction of Chemicals

10.1 Regulation E(S) 1907/2006, concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), as amended, sets out rules for manufacture, placing on the market and use of chemicals substances and mixtures.

10.2 Supplier shall provide HMMC with a valid safety data sheet (MSDS) in Czech language upon delivery of the Goods.

As of 1.1.2023, MSDS must comply with Regulation (EU) 2020/878.