



SUSTAINABLE MOBILITY

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The Hankook Tire & Technology ESG Report 2023/24 was published as an interactive PDF to facilitate navigation between relevant pages and enable direct links to external webpages.

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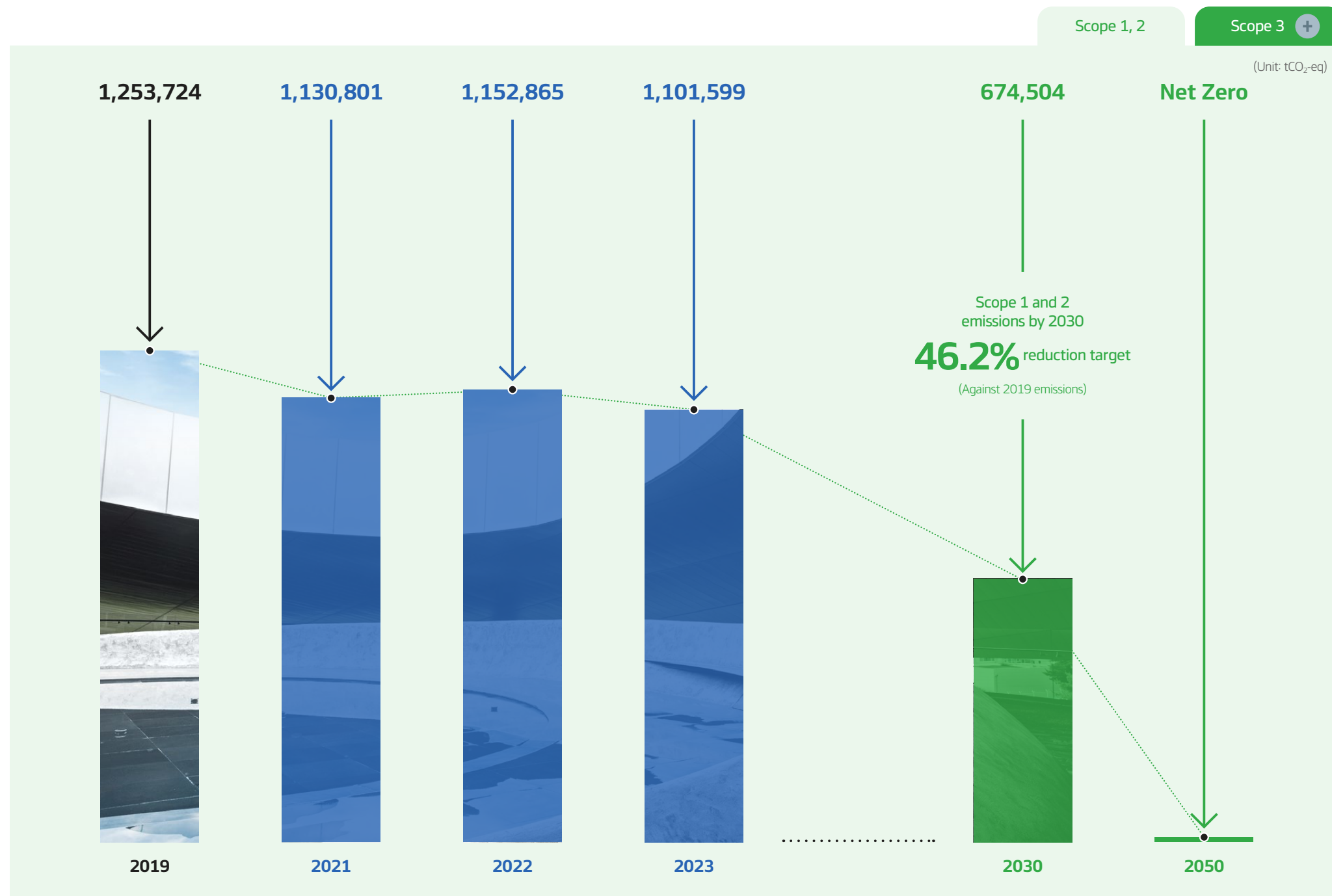
01

Sustainability
Highlights

RE FUTURE

We at Hankook Tire & Technology remain committed to the innovation of our operations and our entire value chain so that we can stand with the global community to counter climate change and minimize the footprint of our products. We reduce GHG emissions as we continue to pursue R&D efforts, invest in eco-friendly facilities, and collaborate with suppliers to progress towards our 2050 Net Zero goal.

SBTi (Science Based Targets initiative)



* Scope 1 and 2: Direct/indirect GHG emissions generated from operations

* Scope 3: GHG emissions generated from the value chain

Climate Change Response

Net Zero Goal

Hankook Tire & Technology aims to reduce our Scope 1 and 2 emissions from the manufacturing phase by 46.2% and Scope 3 emissions from the value chain by 27.5% by 2030, compared to 2019 levels, to eventually reach Net Zero by 2050. Using methodologies verified by the SBTi (Science Based Targets initiative), we have established a science-based carbon reduction pathway aligned with the Paris Agreement's 1.5°C target. We track our global GHG emissions annually to monitor our carbon emissions trajectory.

Net Zero Strategy

To achieve our net zero goal, we develop Scope-specific key strategies and manage main activities through the ESG Steering Committees. We prioritize energy efficiency optimization across our global operations to reduce Scope 1 and 2 emissions in the manufacturing phase, additionally, we will adopt renewable energy and pursue a fuel transition over the long term. The energy consumption structure at each of our sites is analyzed to identify where the primary losses of energy are occurring, and efficiency improvements are made for utilities, process facilities, and manufacturing operations. In 2023, a total of 79 energy-saving activities were undertaken to achieve a 4.45% year-on-year reduction in Scope 1 and 2 emissions from the manufacturing phase. Going forward, we will continue to discover possible areas for energy-saving to lower our consumption.

The raw material acquisition and use stages account for the largest proportion of the Scope 3 emissions generated from the value chain. Hence, we chose sustainable tire development and supply chain carbon management as our key initiatives to efficiently reduce carbon emissions. Our efforts for sustainable tire development primarily focus on securing sustainable material technology and developing cutting edge technology (lightweight/recycling technology), and LCAs¹ are performed to provide a detailed assessment of any impact that our developed tires have on the environment. This is paired with supplier surveys to take stock of their carbon emissions, and key suppliers found to have high carbon emissions impact are supported with a range of activities for supply chain carbon management, from demanding the use of renewable energy to providing assistance for net zero training.

1) LCA (Life Cycle Assessment): A tool to quantifiably analyze and assess environmental impacts throughout the lifecycle of products and services, from the extraction of raw materials to manufacturing, distribution, use, and disposal



02

Sustainability
Highlights

RE CYCLE

Hankook Tire & Technology is broadening our environmentally-friendly business so that we can eventually extend beyond the development of sustainable products and pursue a sustainable portfolio transition. As we seek open innovation to embed sustainability into our materials and supply chains, we position ourselves at the forefront of reducing CO₂ emissions and mainstreaming the circular economy.

Open Innovation for Circular Economy

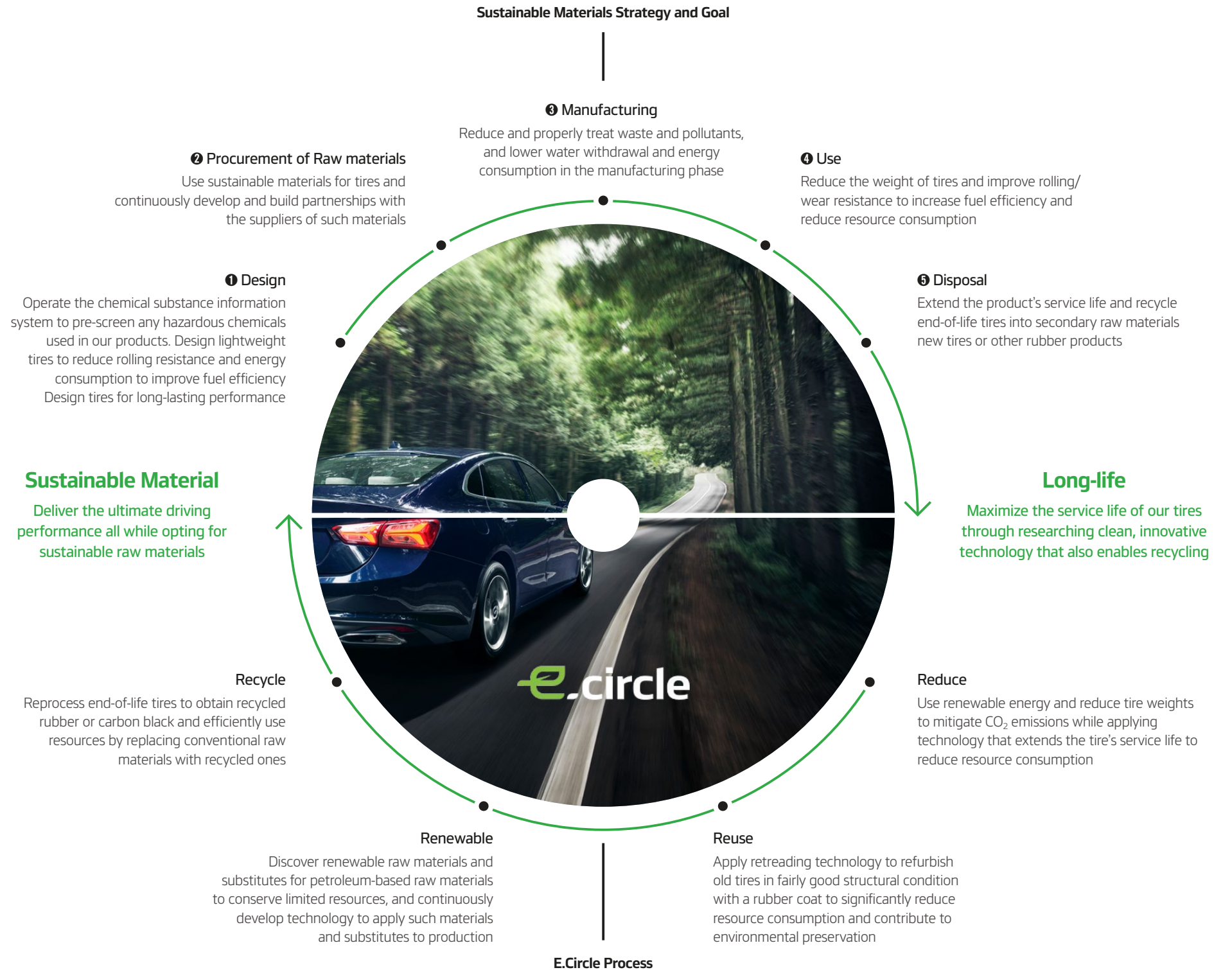
Circular Economy

Expanding the Circular Business Model

Hankook Tire & Technology is playing a leading role in expanding the circular business model to transition into a sustainable portfolio. The active role we play in building a business network among Korean companies to establish a circular system for end-of-life tires serves as a key case in point. In November 2023, we officially kicked off the Tire-to-Tire Circular Economy Model with a meeting attended by 13 companies including Hankook Tire & Technology, the Korea Tire Industry Association, the Korea Environmental Industry & Technology Institute, LD Carbon, the Korea Institute of Materials Convergence Technology, HD Hyundai Oilbank, HD Hyundai Chemical, HD Hyundai OCI, SK Incheon Petrochem, SK Geo Centric, LG Chem, Kumho Petrochemical, and OCI.

Each of these participating corporations will contribute their expertise towards the development of sustainable raw material production technology. This ranges anywhere from uniform-quality recycled carbon (carbon sourced from solid materials generated through the pyrolysis of end-of-life tires), sustainable carbon black (carbon black produced through the incomplete combustion of pyrolysis oil from end-of-life tires), and sustainable synthetic rubber (made from pyrolysis oil from end-of-life tires), demonstrating the technical, economic, and environmental feasibility of the tire-to-tire circulation process in Korea. Efforts are also underway to establish domestic supply chains to ensure the reliable supply of sustainable raw materials recovered through this resource circulation process.

Building such an end-of-life tire collecting, sorting, and separation system will lay the basis to manufacture high-quality recycled materials, securing stable supply chains for uniform-quality raw materials as well as increasing the recycling rate of tire materials. This will also allow us to become a first-mover and build market dominance in preparation of the burgeoning demand for recycled carbon and pyrolysis oil, providing us with effective tools to respond to global environmental regulations and automotive industry requirements. Ultimately, this will further sharpen our competitive edge at Hankook Tire & Technology and will push us along in our journey in preventing the depletion of natural resources and reducing carbon emissions across the nation's industry.



03

Sustainability
Highlights

Hankook Tire & Technology employees are proactively involved in supporting corporate philanthropic initiatives across our global operations to make a positive difference in local communities. They bring their distinctive skills and efforts to meet the most pressing needs of communities to progress towards a promising and stable future.



RE SHARE

Employee Volunteer Activities

6,061

Total corporate philanthropic expenses
(unit: KRW million)

419,860

Total volunteer hours converted
into monetary value
(unit: KRW 1,000)

2,688

Cumulative number of employees
engaged in volunteer work
(unit: Persons)

316

Volunteer activities
(unit: Cases)

11,654

Total volunteer hours
(unit: Hours)

Hankook Tire & Technology employees enthusiastically participate in our volunteer initiatives to assist those in need and positively impact local communities. The mission of our Donggeurami Volunteer Group is to unleash individual potential through volunteer work and foster a harmonious community in collaboration with local communities. To promote a culture of wholesomeness and sharing, we expanded the volunteer groups that operated independently at various plants into a company-wide employee volunteer group in 2013. Our employee volunteers from both domestic and overseas operations offer their unique skills and efforts to support underprivileged individuals in our society.

Although total volunteer hours temporarily dipped during the pandemic, they rebounded to the 10,000-hour mark in 2023, thanks to the proactive efforts of our employees worldwide who embody the value of sharing. Based on the fundamental belief that a healthy community is essential for our growth as a company, our employees across our global operations remained committed to volunteering. An impressive 2,688 employees volunteered a total of 11,654 hours. The Donggeurami Volunteer Group remains steadfast in its commitment to the genuine spirit of volunteer work, striving to realize the rewards of its altruism.



Key Highlights of 2023

Mitigating GHG emissions →

Efforts for biodiversity →

Collaboration for end-of-life tire recycling →

Applying metal 3D printing technology →

Product life cycle environmental impact assessment →

Support for the growth of employees →

Health and safety system →



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About This Report



Report Overview

Hankook Tire & Technology publishes this report to transparently disclose its ESG (Environmental, Social, Governance) achievements for 2023 and its mid/long-term strategies and to gather feedback from stakeholders. We have published ESG reports each year since 2010, with the most recent one in June 2023. This is our 15th ESG report and we will continue to publish such reports annually.

Reporting Standards

This report was prepared in accordance with the GRI (Global Reporting Initiative) Standards 2021, and in reflection of the reporting topics presented by the TCFD, the UN SDGs, and the SASB. The reporting standards and definitions of the financial data are in conformity with the IFRS (International Financial Reporting Standards).

Reporting Period

The official reporting period of this report spans from January 1, 2023 to December 31, 2023, and extends to the first half of 2024 for some activities to account for the timeliness and materiality of the information contained. For quantitative performance, five-year data from 2019 is made available to present a progressive trajectory over time.

Reporting Scope

The performance and other data outlined in this report focus on the achievements and plans of Hankook Tire & Technology. The scope of the collected data covers the overall Environmental, Social, and Governance areas across our domestic operations - the Headquarters in Gyeonggi-do, the Daejeon/Geumsan Plants, and the R&D Center - and our entire overseas operations in Hungary, China, Indonesia, the US and other countries. Any deviations from this reporting scope are separately noted within the report. We will continue to extend our reporting scope for a more accurate and broad representation of the ESG efforts and performance of our overseas operations and their associated global targets.

Independent Assurance

This report was assured by KMPG, an independent third-party organization, to establish the credibility of the report content. For assurance standards and findings, please see pages 90-91 of this report.

For More About This Report

For additional information or inquiries about this report, please contact us at the address below.

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Letter to Stakeholders



Dear Esteemed Stakeholders,

Let me first extend my heartfelt gratitude for your unsparing support for the sustainable growth of Hankook Tire & Technology.

In 2023, Hankook Tire & Technology became more competitive in our global distribution and increased the proportion of high-inch tires in our sales, which further elevated our competitive edge as a global leading company. We broadened the product lineup of iON, the world's first exclusive EV tire brand, by season and by segment to gain global recognition for our unrivaled EV tire technology. Delivering noteworthy business performance allowed us to reach KRW 8.9396 trillion in sales and KRW 1.3279 trillion in operating profit. Such successes can be attributed to our undeterred stance as we pushed the boundary as the First-Mover and explored market-leading technology while boldly navigating a challenging business landscape. Hence, we would like to thank our stakeholders once again - truly, your steadfast support for Hankook Tire & Technology over the past year was instrumental in our achievements.

Though the headwinds of 2023 strongly countered ESG management all across the world, we were resolute to act on ESG values. This is precisely what allowed us to reach new heights as the First Mover yet again in ESG management. We became the first in the Korean automotive industry to have our GHG emissions reduction targets approved by the SBTi (Science-based Target Initiative), demonstrating our commitment to the audacious goal of reaching Net Zero by 2050. In fact, this event marked the first-ever in the entire Korean manufacturing industry to have net zero goals verified as such. The success we reaped in developing mass-production products with 45% eco-friendly materials content and concept products with 70% eco-friendly materials content proved just how confident we are in our sustainable products and technology.

Our achievements in promoting eco-friendliness earned us the honor of winning the 2023 CDP Carbon Management Sector Honors in the Consumer Discretionary category at the Climate Change Water Security Awards hosted by the Carbon Disclosure Project (CDP) Korea Committee, gaining recognition as the Company of the Year in Carbon Management Excellence'. These accolades further inspire us to reach net zero in the upcoming years.

At Hankook Tire & Technology, we firmly believe that ethical management always runs parallel to the interests of the Company, and it is what aligns all our employees towards sharing the right set of ethical values and advancing Jeongdo Management as our core value. We are effectively operating our compliance management system in accordance with ISO 37301, and provide continuous employee training to embed ethical management into the fabric of our corporate culture. Going

forward, we vow to rigorously drive ethical management in line with the shared belief among all our employees that ethical management is essential to the survival and growth of Hankook Tire & Technology.

Along with Hankook Donggeurami Partners, a first-in-the-industry standard worksite that we established for people with disabilities, we never lose sight of fulfilling our social responsibility in undertaking a range of corporate philanthropic initiatives. We continue to promote road safety for children and launch awareness-raising activities in alignment with our core 'mobility' business, and our employees at domestic and overseas operations continue with their volunteer activities to spread the value of sharing and co-prosperity along all lines of society.

Internally, we reached meaningful milestones in paving the way for nurturing female talent. In 2024, we will build upon such achievements to implement a suite of development programs supporting the growth of female leaders. This, in turn, will help us create a pool of competent and skilled female leaders through internal/external development programs. Throughout it all, we will also provide an environment where employees thrive and reach their fullest possible potential.

Our 15th ESG report will provide a glimpse into Hankook Tire & Technology's evolution in seizing the ESG opportunity to stay ahead of the curve. This will serve to articulate the sustainability management achievements we have made over the past year under our ESG vision 'Innovation for a Sustainable Future'. Through the collective efforts of our employees who thrive in their careers, our suppliers who grow with us, our customers who trust in our technology, and our shareholders who support our sustainable growth, we promise all our stakeholders that we will fully commit ourselves to bring innovation to life.

Increased uncertainty and volatility in the global business environment is expected to dampen the pace of economic recovery in 2024 more severely than originally projected. In the face of challenging market conditions, Hankook Tire & Technology will step up our efforts to soar and pursue unprecedented innovation. This will come in tandem with our efforts to endorse the 10 principles of the UN Global Compact and the UN Sustainable Development Goals and to faithfully progress towards these goals to contribute to the sustainable development of the global community.

We look forward to your keen interest and steadfast support along the way.
Thank you.



Soo Il Lee

Vice Chairman & CEO
Hankook Tire & Technology

Mission & Vision

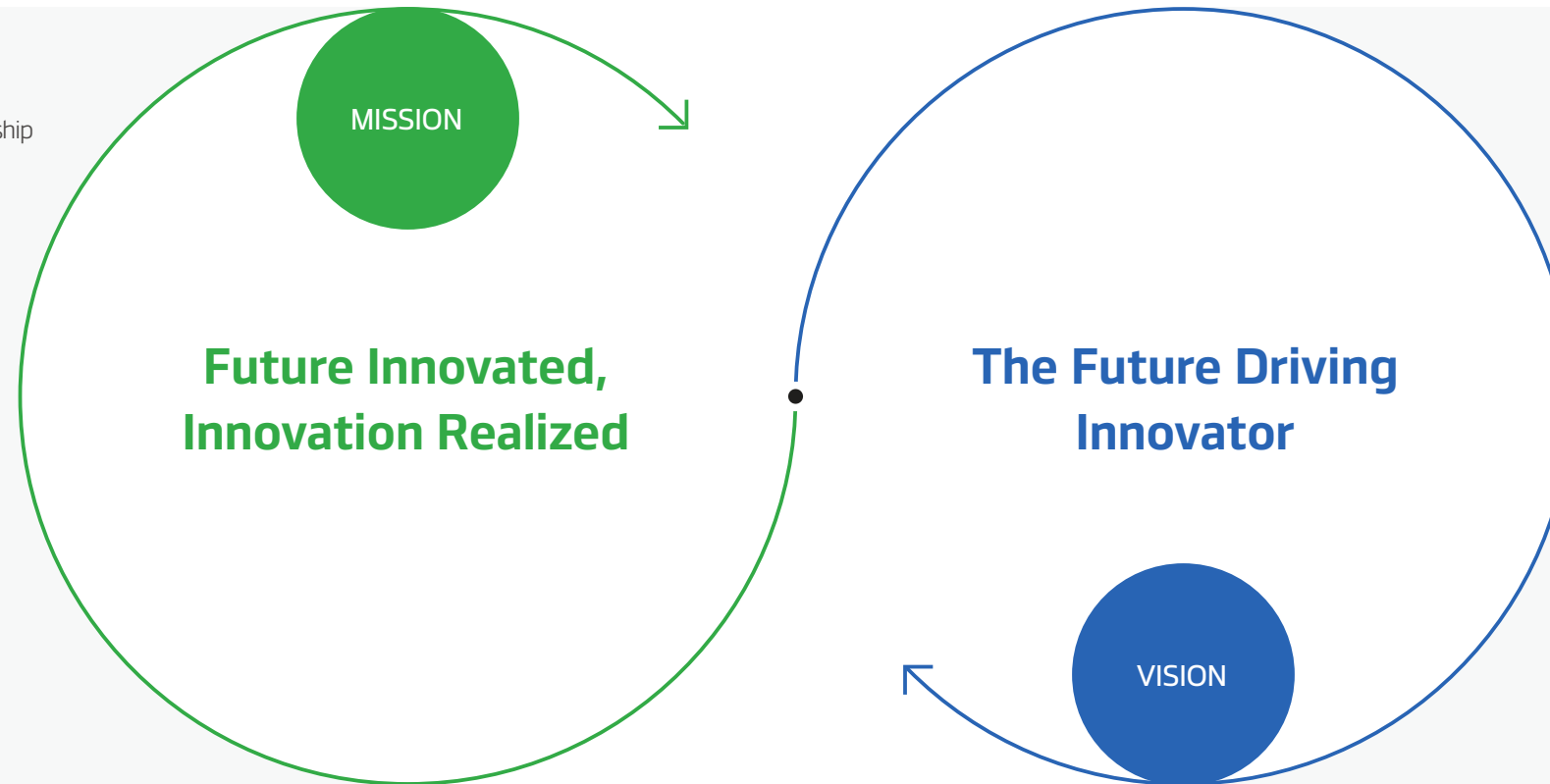
Business Principle

- We seek innovation in all aspects
- We think of customers as our top priority
- We grow with our employees
- We fulfill our social responsibilities based on sustainability
- We make an effort to maximize shareholder value

Core Value

We pursue the Proactive Leadership

- Passion
- Innovation
- Collaboration
- Global



Strategic Directions

1. Organic & Inorganic Growth
2. First Tier in Europe & North America
3. Profitable Portfolio

2030 ST5 Mid/long-term Goal

Position

- Global Top 5(M/S 6.5% ▲)
- Net Sales \$ 13 B ▲

Capacity

- 150 Mil. Unit

Brand

- HK Brand Premium Top tier
- AB Competitive 2nd tier

Technology

- Top 3 in Technology
 - No 1. in EV

Profitability

- EBITDA margin 20% ▲

※ ST5: Solid Top Tier 5th Position

Brand Portfolio

Hankook Tire & Technology strategically operates three global tire brands: 'Hankook' represents our leading premium brand in Korea and abroad; 'Laufenn' targets global customers who aspire to a youthful, smart, and trendy lifestyle; and 'Kingstar' targets specific local needs.



Hankook is the global flagship brand of Hankook Tire & Technology, housing a range of sub-brands that cater to subdivided vehicle and product types to serve diverse segments of customers the world over: iON (EV-exclusive products), Ventus (premium products), Dynapro (SUV products), Kinergy (comfort products), Vantra (van products), Winter i*cept (winter products), and Smart (truck/bus products).



Created to provide practical driving experience to drivers, Laufenn originates from the German word meaning 'run', and is designed to meet the needs of consumers who seek a simple yet sophisticated lifestyle. Laufenn operates diverse brands spanning Z Fit, S Fit (high-performance and sports products), G Fit (general passenger products), X Fit (LT & SUV products), and I Fit (winter products).



Kingstar refers to 'tires that deliver optimal on-road performance' and operates the 'Road Fit' brand.

Business Highlights

Business Performance



2023 Results and Performance Analysis

Hankook Tire & Technology continues to generate stable sales on the strength of our balanced product portfolio serving global markets. In 2023, 18-inch and above tires and EV-specific tires, which provide highly profitable revenue streams and are made possible through the combination of our cutting-edge technology, showed prominent growth. Our sales of highly profitable 18-inch and larger high-inch tires in the PCR/LTR category grew 119% year-on-year, with the share of high-inch tire sales reaching 35%. Our EV-specific tire sales surged by 183% from the previous year, which supported our agility in the evolving market landscape trending towards increased EV sales. The proportion of our high-inch tires and EV-specific tires out of our total sales is projected to increase continuously, over the mid/long-term horizons, and we will proactively cater to this emerging market trend going forward.

Pioneering the Global EV Tire Market

Through continued R&D investments and forward-looking technology development efforts, Hankook Tire & Technology developed EV-specific tires by reinforcing the performance specific to EVs based on key performance features they require, while overcoming the trade-offs that often occur in performance aspects. Amid the transformative paradigm shift in the burgeoning EV market, we unveiled iON as our EV-specific brand to deliver tires that perform optimally on EVs, as the world's first to do so. On the back of our proprietary 'iON INNOVATIVE TECHNOLOGY' we developed as our global highest-level EV-specific tire technology system, we have subsequently launched new segment products since 2023 to lead the charge in the EV tire market. Premium EV brands choose our EV-specific tires, and we were named an official partner of the Formula E World Championship for the 2022-23 season, which testifies to our unparalleled leadership in EV tire technology.

Expanding Supply to Global Premium Car Brands

In 2023, we expanded our OE (Original Equipment) tire supply to BMW, Mercedes-Benz, Porsche, and other premium car OEMs to demonstrate yet again our world-renowned technology and premium brand value. For instance, we are increasing our supply of high-performance 'ventus S1 evo3 SUV' tires for the BMW X5, an established leader in the high-performance SUV segment, and our supply of the 'Ventus S1 evo3' for Mercedes-Benz 'S-Class' premium sedans. We also provide the 'Ventus S1 evo3 ev' to the Taycan, Porsche's first-ever pure battery-powered high-end model, to the e-tron, Audi's first pure battery-powered EV model, and to Volkswagen's ID. series among others, gaining recognition across the board for our exceptional technology in the EV market.

To ensure stable growth ahead, we will establish optimal business strategies in 2024 to increase our OE tire supplies for global top-tier car OEM brands. In tandem with this, we will increase the proportion of high-inch tires and develop new technology that caters to both shifting consumer needs and the evolving global automotive market, further enhancing our OE supply portfolio. While actively expanding the supply of run flat tires, foam filled tires, self-sealing tires and other special tires, we will focus on the development of advanced tires applicable to the vehicles of the future, including EVs, hybrid cars, and plug-in hybrid cars in step with the accelerating carbon reduction initiatives.

Technology Innovation

Mobility Solution

Intelligent Tires

We are developing technology to leverage built-in sensors for tires to independently assess their tread wear and overall condition and to gauge road conditions and share such data with the driver, the vehicle, and infrastructure. The embedded intelligent sensors collect a tire’s dynamic performance data as well as temperature and air pressure data, and wirelessly transmit the data to the in-vehicle receiver, or the ECU¹⁾. Combining and analyzing these sensor data points allows us to identify load transfer and tread wear and even characterize and estimate the road condition on which the tire comes in contact with.

For instance, intelligent tires are able to sense whether a road is wet or snowy, and even check the coefficient of friction which has a grave impact on braking performance. Monitoring tire conditions also helps assess a tire’s tread wear and any other damage the tire may have, ultimately ensuring safer driving performance. Intelligent tire technology is expected to greatly improve the efficiency of tires and extend their service life. The tire’s ability to gauge its own load transfer can also offset damage to roads through overloading enforcement, and the functionality of sensing road conditions and risks and sharing the data can eventually make the public road infrastructure safer for all.

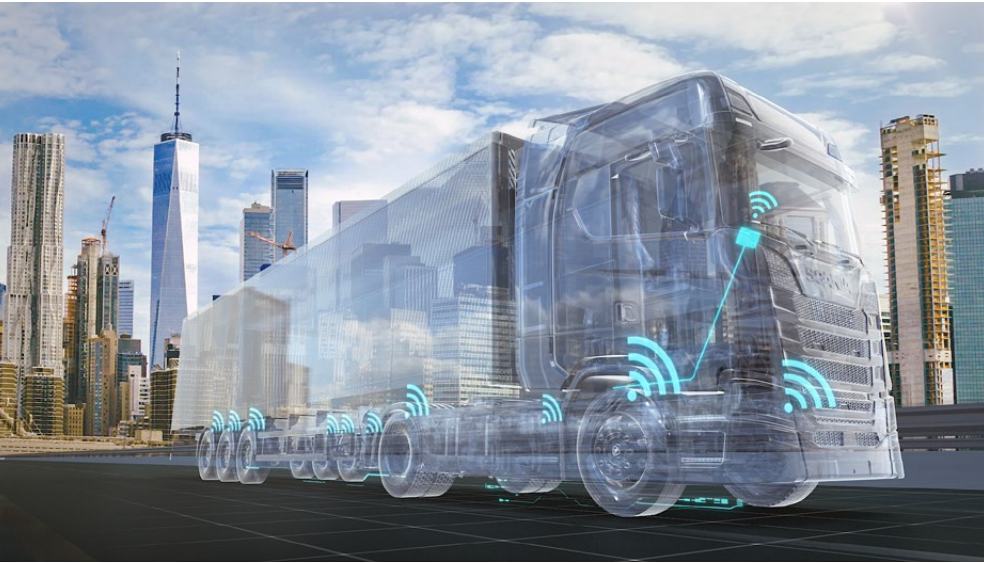
In 2023, Hankook Tire & Technology joined the International Future Auto & Mobility Expo held in Korea to unveil its intelligent tire prototype to the general public. As a lead R&D organization for the government project to ‘develop 1Hz-class multi-sensor embedded automotive smart tire technology for the safety and functionality of advanced future vehicles’, we are working on demonstrations along with eight partners in the mobility sector to steadily hone our competitive edge in intelligent tire technology.

1) ECU: Electronic Control Unit that controls an automobile’s engine, automatic transmission, ABS and other functions through computing

Tires of the future will become more than a means of transport; they will become the foundation of a new type of mobility and diversified services. Hankook Tire & Technology envisions and materializes tires with an extensive range of functions and forms to cater to the evolving future mobility landscape. To ensure we stay one step ahead of the competition in the upcoming future mobility market, we will relentlessly innovate our technology.

Fleet Management Service Solutions

We are working to harness intelligent tire technology to effectively manage tires for large-sized fleets (logistics and shipping companies). This is made possible by connecting sensors to the telematics service these companies are currently using, and has the potential to monitor vehicles and their tires in real time to maintain their optimal condition, improving vehicles’ fuel efficiency while reducing carbon emissions. This also helps maximize the service life of tires and prevent accidents or swiftly respond to them if and when they occur. In collaboration with UB1st, a fleet management service provider, we conducted multiple tests to verify that such fleet management solutions help reduce the Total Cost of Ownership (TCO), demonstrating the potential benefits of these solutions as an efficient way to save on operational expenses and improve corporate profitability. Linking driving data collected from multiple vehicle controls and connected car services with a company’s integrated data platform and putting collected data to use will help establish a self-reinforcing cycle where improved user experiences lead to quality innovation and a longer service life.



Track Solutions

We developed solutions to provide race coaching to amateur racers based on tire conditions. Essentially, our track solutions collect data on tire pressure and temperature in real time and optimally calibrate the tire pressure to shorten lap times by comprehensively factoring in an individual racer’s driving style, weather conditions on the day of the race, a tire’s real-time conditions and the resulting vehicle steering tendencies. Our track solutions support the increased accuracy of the driver’s decisions on the pit-in timing or can be used for race debriefing to help make strategic decisions on how the tires should be set for future races. Even amateurs with minimal tire knowledge can use such solutions to make the best use of their tires and enjoy racing.



Design Innovation

Urban Reshaping

The aim of our Urban Reshaping project is to propose mobility concepts for future smart cities and scale up tires in relation to such future landscapes. It is predicted that tomorrow's smart cities will be more centered around people and the environment, and tire technology will go beyond simple mobility to provide the building blocks of organic urban composition. This is precisely why Hankook Tire & Technology conceptualizes 'flexible architecture' in proposing mobility that enables multifunctional design configurations with maximum space usability, envisioning the future of mobility shaped by tires. This flexible architecture is brought to life by installing rails in buildings with Space Shifting Mobility maneuverable on spherical tires and building infrastructure that supports three-dimensional interior and exterior mobility for buildings as well as on public roads. The minivan-sized PODs and the platform to maneuver PODs will enrich the lives of people across all different domains. Amid the rapidly-shifting landscape, mobility is evolving to form a part of our daily infrastructure rather than a mere means of transport. The rapid emergence of sustainability in the wake of the COVID-19 pandemic will be key to determining how future mobility will shape our lives. The Urban Reshaping project proposes innovative ideas in line with cutting edge trends that will both improve our overall quality of life and be beneficial to the environment.



Design the Essence of Mobility

Hankook Tire & Technology's Design Innovation represents the innovation project we launch for the sake of exploring future smart cities and the resulting transformation in mobility, from which we propose a multitude of diverse forms of mobility. This all starts with tires, the origin of mobility itself, and goes on to propose cutting edge models that embrace the new values of the future. We create designs ahead of our time to innovate all possible connections of mobility in the world.

WheelBot

WheelBots, unlike the traditional wheels, are spherical in shape and serve as a modular wheel robot, demonstrating Hankook Tire & Technology's innovative technology to respond to the mobility needs of tomorrow. WheelBots are a robotic system combining the 3-axis, omni-directional modular driving system and platooning capabilities, and lend to optimal mobility efficiency and scalability. The number and arrangement of WheelBots can be adjusted, as can the formation of platforms, to fit a range of user requirements to deliver versatile mobility solutions. When mounted on mobility platforms, WheelBots enable omni-directional maneuverability, without regard to front or back to provide users with a never-before-possible mobility experience. Eliminating the wheel housing and driving-related parts required for conventional automobiles, WheelBots also support innovative mobility designs. In partnership with robotics and mobility startups, we established the Design Innovation Alliance as our open innovation platform. This platform will drive our continued joint R&D efforts to realize future mobility concepts while enabling us to build market-leading technology that aptly addresses the innovation needs of tomorrow where mobility will inhabit a much larger sphere of human existence.



i-Flex2

i-Flex2 is the non-pneumatic tire we developed for unmanned autonomous driving combat vehicles. The rugged tread is perfectly suited for extreme offroad conditions, and the highly durable spokes perform well under high load environments. The i-Flex2 uses 'AROP (Arch Reverse Optimized Pattern)' spoke technology, our patented technology that distributes the loads and forces stemming from instant shocks that occur while driving on irregular and rough roads, improving the durability of tires as a result. Over the past five years, our Airless Tire Development Team has been working internally to find materials and structures for maximum built-to-last performance, and this led to the development of i-Flex2 which combines the technologies perfectly suited for offroad UGVs (Unmanned Ground Vehicle). Apart from such optimally-structured, low-speed driving tires made from single materials, our Airless Tire Development Team is currently working on structural developments for manned high-speed driving tires sourced from future rubber composite materials, and is expected to unveil PCR (Passenger Car Radial) airless tires by 2028.



Design Innovation Day

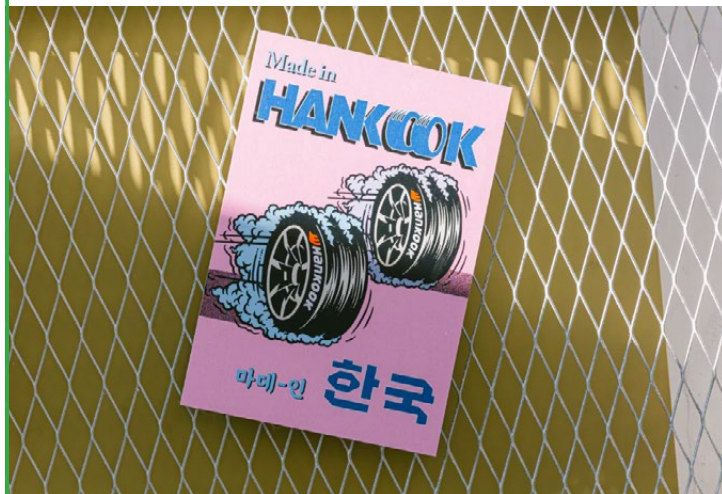
We team up with companies, organizations, and schools for joint research to pursue open innovation for envisioning future mobility. As part of such efforts, we have hosted Design Innovation Day each year since 2004. Addressing a range of themes for future transformation and innovation, this event is attended by all our employees, including our CEO. During odd numbered years, the event serves to share tire industry trends and insights with a focus on design and technology, along with in-depth discussions on creativity and innovation led by internal/external specialists. During the even numbered years, the event introduces joint research outcomes generated in conjunction with global prestigious universities for the purpose of proposing future mobility solutions or collaborative research outcomes generated with robotics and mobility startups to realize the conceptual renderings of future mobility. In 2024, we are working to host Design Innovation Day with a goal of expressing our vision and value for sustainable future mobility.



Mobility Culture Innovation

A mobility brand to experience firsthand

Hankook Tire & Technology is committed to expressing our distinctive brand value of innovation by enriching the mission of tires beyond their essential function of ‘transport’ towards ‘mobility connecting the present to the future’. Combining forward-looking mobility with culture, arts, music, fashion, and F&B, we will provide a wide array of motor culture experiences as a brand.



“ Not many people think of tires as much more than a chunk of black rubber. We work to challenge this notion. As a manufacturing-based brand, we wish to pivot on our innate potential and straddle a wide spectrum of cultural activities to share the relevant and fascinating stories that we have to offer. ”

Seung-won Park
Leader, Motor Culture Team



MADE IN HANKOOK

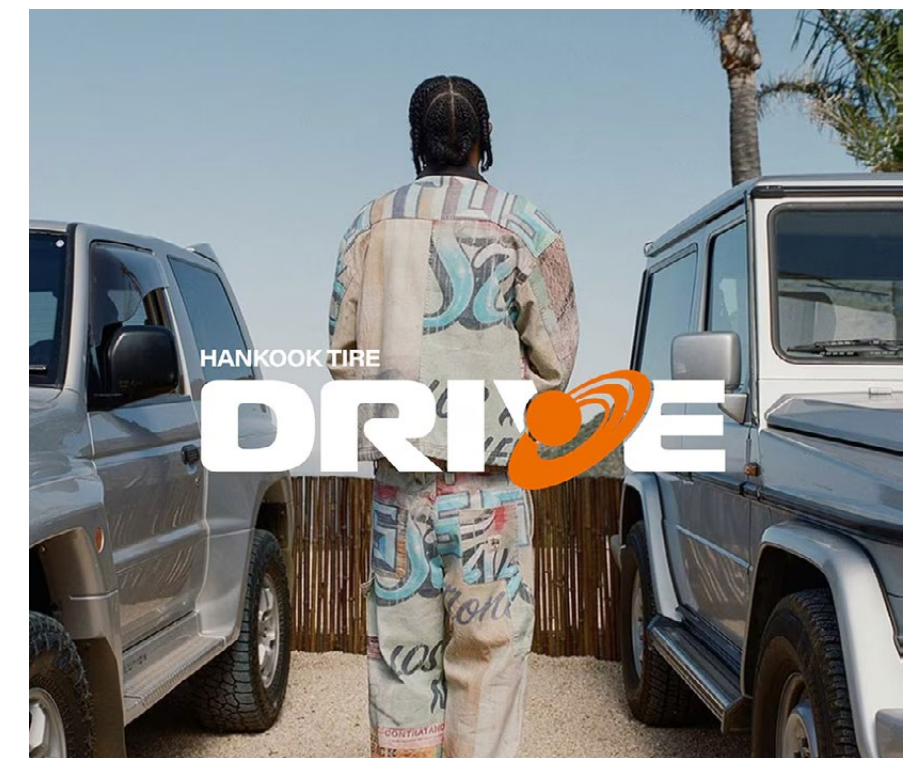
We operate ‘MADE IN HANKOOK’ as our own motor culture brand to engage with more diverse customers through cultural marketing initiatives. Launched in 2021, MADE IN HANKOOK is anchored on the brand identity ‘My Amazing Driving Emotion in Hankook’, and its mission is to provide a delightful mobility experience to customers and to ultimately pioneer the automotive culture beyond the tire industry. This motor culture brand embodies Hankook Tire & Technology’s vibrant and dynamic image to transform the current motor culture to one that encompasses a broader definition of future mobility. It also delivers novel and fun experiences tailored to suit the profile and preferences of prospective customers who value brand relationships to feel and directly experience brands.

In 2023, MADE IN HANKOOK engaged in various activities with a focus on F&B. For the first such project, we partnered with Halff Coffee to operate a HAHA pop-up store at the Shinsegye Department Store Gangnam to sell cronuts and tire-shaped baked goods. The second project was to launch the Anti-Drunk Driving campaign, in which we developed and sold beer with our proprietary side dishes for office workers in the Gangnam area to promote a responsible drinking culture. We also produced a branded documentary featuring the Hankook ATLASBX motor sports team we sponsor, and streamed it on the OTT platform ‘TVING’. This program served to display our products and our prowess in technology to the general public while sparking interest in motor sports.

Drive

In 2024, MADE IN HANKOOK renewed itself with the culture brand ‘Drive’ further highlighting Hankook Tire & Technology’s identity and heritage to launch upgraded activities. Just as tires symbolize physical transport, Drive, as a cultural marketing brand, aims to connect the dots between the present and the future. Under the mission of ‘being at the center of the mobility culture leading a valuable journey towards the future’, our culture brand will serve as a driver for consumers to discover their own value through the medium of a forward-looking mobility culture, various artistic activities, and niche cultural experiences.

In 2024, Drive aims to broaden the boundary of its mission towards the arts to reflect the art marketing trends of the global mobility industry. Specifically, we are planning a variety of art projects to more clearly express our identity as a cultural brand and enhance emotional communication. Starting with our sponsorship for the Offture gallery located in Sinsa-dong, Gangnam-gu, Seoul, Korea, we will partner with diverse cultural organizations to uncover new artists and artwork. We will also engage in more colorful activities with an emphasis on F&B, art, music, and fashion including an exhibition with Kian84, a renowned cartoonist, and Hankook Hyper-Collection.



World's Top-notch Technology, Driving Culture

Hankook Tire & Technology has built up our tire technology capabilities over the years while exploring an innovative mobility vision to shape the future industry, satisfying the rigorous requirements presented by world premier motor sports, ranging from best-in-class driving performance to low rolling resistance, consistent performance, and the use of eco-friendly materials. Our exceptional technology lends itself to setting a series of world's first records, and our enriched programs move the motor sports market to the next phase of its evolution.



Sponsorships for World's Premier Motorsports

As a steadfast supporter for world premier motorsports, Hankook Tire & Technology stands with motorsports fans in advancing the driving culture. Since 1992, we have participated in such world-renowned motorsports competitions as the 'Super GT', 'Nürburgring 24 Hours', and 'Le Mans 24 Hours' to constantly compete against global leading tire makers. We are the exclusive tire supplier and the Official Technical Partner for the ABB FIA Formula E World Championship (Formula E), the world's first all-electric single-seater racing series, and have served as the official sponsor for the Lamborghini Super Trofeo Series since its 2023 season. Announcing large-scale sponsorship deals for the Stock Car Pro Series and the Junior European Rally Championship famous for invoking enthusiasm among motorsports fans helped boost expectations for the upcoming season in 2023. Furthermore, we are the title sponsor and the exclusive tire supplier for the 24H Series, one of the world's largest endurance races, and have inked deals for the TCR Italy, the FR Americas Championship and many others to continue enhancing our brand reputation.

We assist women in the motorsports industry to develop their career to support the sustainable future of motorsports. It began when we served as the exclusive tire supplier and a sponsor for the W Series, a women-only race held as a support event for the F1 in 2019 to help female drivers to produce the best possible performance under the optimal environment. Since 2022, we have been the Presenting Partner for the FIA Girls on Track, a program at for Formula E to provide girls aged from 12 to 18 with an opportunity to engage in diverse motorsports-related activities, workshops and career talks. As a proud sponsor of motorsports competitions, Hankook Tire & Technology will rise to the expectations of enthusiastic motorsports fans around the world. We vow to keep on participating in world-class motorsports events to boost our brand power and product awareness. In so doing, we evolve into a first-choice brand among even more customers across global markets.

Rising to New Challenges with Formula E

Formula E, a motorsports championship that began 10 years ago, promotes the value of sustainability, and is the world's first sport with certified net zero carbon footprint since its inception to truly live up to its title 'pure EV race'. Unlike conventional motorsports racing events, Formula E is attended by eco-friendly EVs and thus is able to host racing events right in the heart of city centers, and provides ample opportunity to experience the unique craftsmanship of EVs powered by electric motors. This new trend triggered by Formula E in the world of motorsports naturally brings some challenges to the automotive industry while facilitating the growth of the EV market. As a result, major EV makers and technology suppliers are attending Formula E to compete fiercely with their own technologies. Hankook Tire & Technology has been initiating the development of EV tires for Formula E GEN3 cars since 2020, and has been the exclusive tire supplier and the Official Technical Partner for the Championship since 2022.

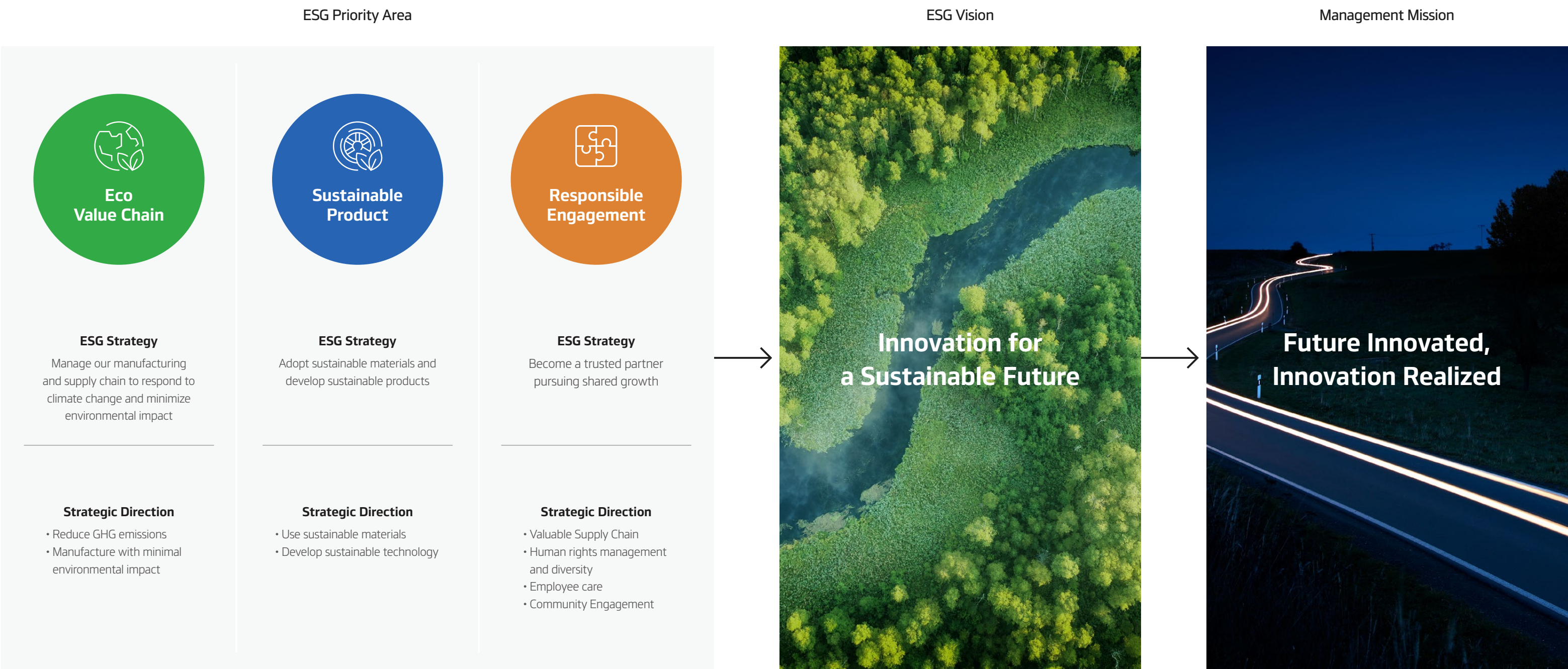
Formula E is highly demanding: it allows no tires to be replaced during the race unlike ordinary race protocols to live up to its key philosophy of 'sustainability'. As such, Formula E meticulously assesses suppliers to ensure their tire performance meets comprehensive and diverse conditions and that their supply capabilities are sufficient to seamlessly support worldwide events. In fact, it even conducts lifecycle assessments for the environmental impact of its supplier's products. The fact that Hankook Tire & Technology's iON EV-only tires are mounted on all race cars competing at Formula E serves as a direct testament to our tire technology and supply capabilities we have accumulated throughout the years in motorsports. It also demonstrates our boundless efforts to promote sustainability within the global market. Going forward, we will race ahead in the ultimate speed competition and navigate the unpredictable turns of the course while proving the value of our innovative technology.

Mono Mars, a Mars exploration rover highly geared to preserve the planet, is a digital virtual influencer with hundreds of thousands of followers. The intent behind Mono Mars is to show it as a vehicle with human characteristics - one that deeply cares about the survival of humanity and the environment, is extensively interested in technology, and enjoys traveling and driving around the world. The lens through which Mono Mars sees the world is the one we pursue at Hankook Tire & Technology. Together with Mono Mars, we are launching projects to replicate the Formula E experience and introduce this journey across the digital world.



Mono Mars watching the first 2023 Formula E race at the E-PRIX in Mexico City

ESG Vision



Sustainable Value Chain

Hankook Tire & Technology effectively distributes the economic, social and environmental value created throughout its entire value chain, spanning R&D, material sourcing, production, sales, use, recycling and disposal, to stakeholders to pursue sustainable growth for all.

R&D



- Economic value

- R&D to sales ratio: 2.27%
 - Patent registrations: 47 in Korea, 55 overseas
 - Patent applications: 92 in Korea, 15 overseas
- Social value

- R&D workforce: 1,024 persons
 - Ratio of R&D workforce out of total: 5.2%
- Environmental value

- Percentage of tires rated A & B in rolling resistance: 14.6%

Sourcing of raw materials



- Economic value

- Material purchase expenses: KRW 2,584.4 billion
- Social value

- Percentage of critical material suppliers who received ESG assessments: 100%
- Environmental value

- Percentage of sustainable material usage: 24.6%(w/w)

Manufacturing



- Economic value

- Total employees: 19,514 persons
 - New hires: 1,627 persons
 - Equipment purchase expenses: KRW 575.1 billion
- Social value

- Corporate philanthropic expenses: KRW 6.06 billion
- Environmental value

- Investment to reduce environmental pollution: KRW 10.29 billion
 - Water withdrawal intensity: Down by 0.6% year-on-year
 - Percentage of treated water recycled: 73.1% on average at domestic plants
 - Energy consumption intensity: Down by 1.1% year-on-year
 - GHG emissions intensity: Down by 0.4% year-on-year



Recycling and disposal



- Economic value

- Extended Product Responsibility (EPR) contributions made (in Korea): KRW 2.04 billion
 - Retread tire sales: KRW 5.85 billion
- Environmental value

- Percentage of end-of-life tires recycled (in Korea): 93.2%
 - Percentage of end-of-life tires reused and materials recycled¹⁾ (average of Korea/Europe/US/Japan, excluding incineration): 37.6%

Use



- Economic value

- Income taxes paid: KRW 442.4 billion
 - Dividends paid to shareholders: KRW 158.6 billion
- Social value

- Employee volunteer hours: 11,654 hours
- Environmental value

- GHG emissions reduced through the sale of low-carbon products: 5,973,711tCO₂-eq

Distribution



- Economic value

- Advertising expenses: KRW 199.7 billion
 - Packaging expenses: KRW 7.2 billion
 - Warehouse expenses: KRW 122.5 billion
 - Other export expenses: KRW 11.7 billion

1) Industrial estimates based on the end-of-life tire treatment statistics data from country-specific tire industry associations

ESG MANAGEMENT SYSTEM

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ESG Management System

Hankook Tire & Technology has been operating the ESG management system since 2010 to ensure strategic and systemic ESG implementation. The ESG Committee, as our highest ESG decision-making body under the Board of Directors, consists of six independent directors and two executive directors, and is mandated to report on ESG business plans and results and deliberate and decide on key operations.

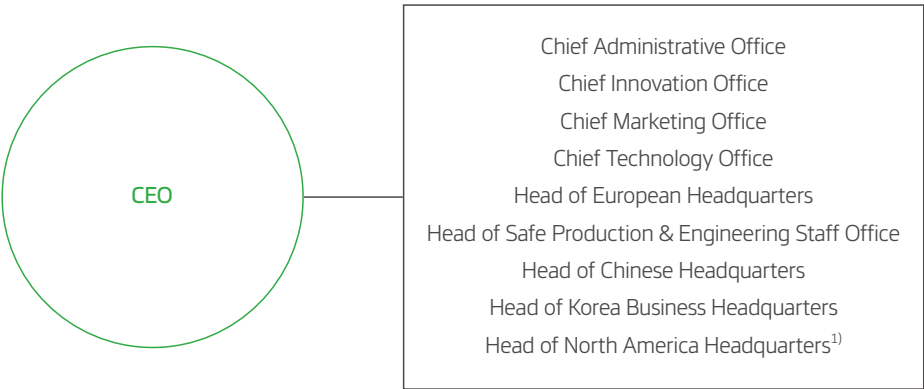
The ESG Strategy Committee consists of the CEO and C-level executives to share new ESG trends and review external assessment results to discuss necessary improvements while deliberating on our approach to ESG priorities for the upcoming year. ESG Steering Committees share their respective key implementation plans to identify points of consultation for relevant issues, and decisions are made by the CEO when deemed necessary to ensure efficient management at the top executive level.

There are eight ESG Steering Committees each responsible for one topic, and their operations are headed by responsible executives, which helps top management be more accountable for ESG management. These committees implement tasks established each year to achieve mid/long-term targets. While we prioritize mid/long-term sustainability in operating key implementation plans, we also ensure flexibility in aligning management items or organizations with shifting external ESG conditions when necessary. For example, biodiversity will be added as a new agenda for ESG Steering Committees to reflect the mounting importance of biodiversity initiatives.

Composition and Roles of the ESG Implementation System

ESG Strategy Committee

- Consist of members from top management to decide on company-wide ESG directions and issues



1) North America

ESG Steering Committee

- Consist of division heads or responsible executives in each focus area to develop and implement ESG tasks
- Share ESG issues and discuss solutions



ESG Working-level Council

- Share and consult on key issues among respective committees



Hankook Tire & Technology's ESG Management System



2023 Deliverables from the ESG Strategy Committee

In 2023, the ESG Strategy Committee focused on the rapidly-evolving ESG market. In the Trend session, the ESG disclosure mandates announced by various nations as well as the persistent issue of carbon emission costs were discussed to explore our response strategies. Social issues, such as DEI²⁾-conscious corporate culture were addressed to balance out the representation of each ESG area in the agenda. The Status & Plan session served to review the improvements made in line with ESG assessment results and share key tasks of respective committees. The final Benchmark session provided an opportunity to study environmental metrics used by competitors and cases of integrating ESG considerations into KPIs to identify necessary improvements and revisit our future strategic directions.

Date	March 9, 2023	
Attendees	Chair and members of the ESG Strategy Committee Chairs of ESG Steering Committees	
Agenda	1. Trend	Increasing costs of carbon emissions, supply chain due diligence (ESG, forestation), disclosure mandates, emergence of biodiversity issues, accelerating transition to clean energy, DEI ²⁾ -conscious corporate culture, plastic-free regulations
	2. Status & Plan	1) External ESG assessment review 2) Mid/long-term strategies and 2023 key initiatives of each ESG Steering Committee
	3. Benchmark	1) Comparison of environmental metrics from competitors 2) Cases of integrating ESG considerations into KPIs

2) DEI: Diversity, Equity, Inclusion

Messages from ESG Steering Committee Chairs

Jeong Soo Park, Head of Finance & Accounting Department, **Governance Committee**



The ESG Committee was established under the Board of Directors in 2021, the Corporate Governance Charter was stipulated in 2022, and the Code of Ethics for Independent Directors was set forth while performance assessment of the Board and independent directors was introduced in 2023 to remain committed to improving governance. At the general meeting of shareholders held in 2024, three new independent directors were appointed for their expert knowledge in law, ESG, and the automotive industry. The enhanced expertise and diversity of the Board and the increased the number of independent directors, from four to six, will further bolster the independence of the Board. Going forward, we will continue to establish sound governance to protect the rights and interests of shareholders and other stakeholders while ensuring transparent and reasonable business conduct.

Chang Hwan Kang, Head of R&D Planning Department, **Product Environment Committee**



We engage in a range of R&D activities to develop sustainable, eco-friendly products and processes. In 2023, we actively collaborated with global material suppliers to help disseminate a circular economy business using waste while taking the lead in building an industry network to establish a tire-to-tire circulation system. Further expanding new eco-friendly technologies, such as optimizing tire weights and introducing 3D printing, we worked to improve efficiency in our resource consumption and our use of energy in the manufacturing process. We will proactively pursue the expansion of sustainable material use and the development of eco-friendly design and process technology.

Hyun Min Park, Head of Purchasing Division, **Supplier Committee**



We work on multiple fronts to ensure sustainable material sourcing and maintain reliable supply chains. The Supplier Committee collaborates with relevant departments to align with set goals and strategic directions, discussing and flexibly responding to pending issues. Not only do we support our suppliers in various ways to enhance their ESG capabilities, but we also maintain solid partnerships for shared growth. We will engage in active communication and continue our efforts to successfully reach the shared performance goals with our suppliers.

Jong-yune Kim, Head of HR Division, **Corporate Philanthropy Committee**

In 2023, our employees volunteered for over 10,000 hours to help those in need in our community. I want to thank our employees for their unwavering dedication to our volunteer activities. Hankook Tire & Technology will continue with our corporate philanthropic initiatives to seek mutual benefits with local communities and better leverage our corporate strengths.

Byoung Won Ahn, Head of Machinery & Digital Engineering Department, **Climate Change Committee**



We set our '2050 Net Zero' goal to respond climate change, and has been continuously working on adopting technologies and improving operational methods to enhance energy efficiency. These efforts contribute to energy conservation and the reduction of greenhouse gas emissions. In 2024, we will continue our proactive activities by forming an energy taskforce team to achieve our SBTi targets and setting additional energy-saving challenges. The Climate Change Committee will step up its efforts to build decarbonization infrastructure and pursue energy and environmental improvements to positively impact our society and environment.

Seung Hwan Yoon, Head of Audit Department, **Ethics Committee**



We operate our compliance risk management system in accordance with the ISO 37301 international compliance management standard. Regular ethical management training and E-Ethics Letters also help all our employees develop ethics awareness. This promotes our organizational commitment to upholding a sound ethics culture and better fulfilling our social responsibility.

Jong Ha Lee, Head of SHE Department, **SHE Committee**



We ensure regulatory compliance to provide a safe workplace and protect the environment, and also work to pass on sustainable resources to our future generations. To establish working-level health and safety, we systematically develop and manage plans to fulfill our health and safety obligations at all levels of the Company while making unsparing investments with our trainings, drills and continuous checks and improvements. In advancing our potential risk assessment system for accident prevention, we will maintain a safe and clean working environment and while working with our entire team of employees to ensure sustainable SHE operations.

Jong-yune Kim, Head of HR Division, **Employee Committee**



We are committed to providing positive employee experiences, from top talent acquisition and nurturing to assessments, compensation and benefits. In 2023, we held leadership workshops for our overseas operations and reviewed our pool of female leaders to pave the way for generating outcomes across more diverse areas. In addition to supporting the work-life balance of our employees, we will provide a workplace where individuals put their talents and skills to work to realize their full potential.

Global ESG Operation System

To facilitate ESG management that extends all the way to our overseas regions, we have an open line of communication with our overseas headquarters and provide necessary support. Our Chinese Headquarters operates its own ESG Committee while communicating with the Headquarters in Korea whenever the need arises. For regions other than China, we plan to align our ESG organization and operate accordingly to cater to different local conditions given that the materiality and relevance of issues vary by region. In 2023, we monitored our global ESG operations to verify areas in need of support, and will assess ESG issues for their materiality and impact in respective regions to establish an organizational structure to facilitate ESG activities overseas in the first half of 2024.

Operating the ESG Committee in China

At our Chinese Headquarters, the ESG Committee was organized in 2012 and has since been up and running systematically and independently. The Committee addresses key management issues of each team and plans and undertakes relevant activities.

Prioritizing Operations in Europe

Amid the tightening ESG disclosure and other regulations, Europe was identified as a region where their direct impact is the heaviest among our overseas operations. This prompted us to realign the existing ESG operational organization in Europe to ensure more systemic and efficient response to the EUDR and other ESG regulations. Our Hungary Plant and country-specific sales subsidiaries, along with the European Headquarters (in Germany) will unite for the most efficient response possible. In 2024, we will appoint key persons at the organizational level with ESG training and engage in year-round communication to proactively address ESG issues.

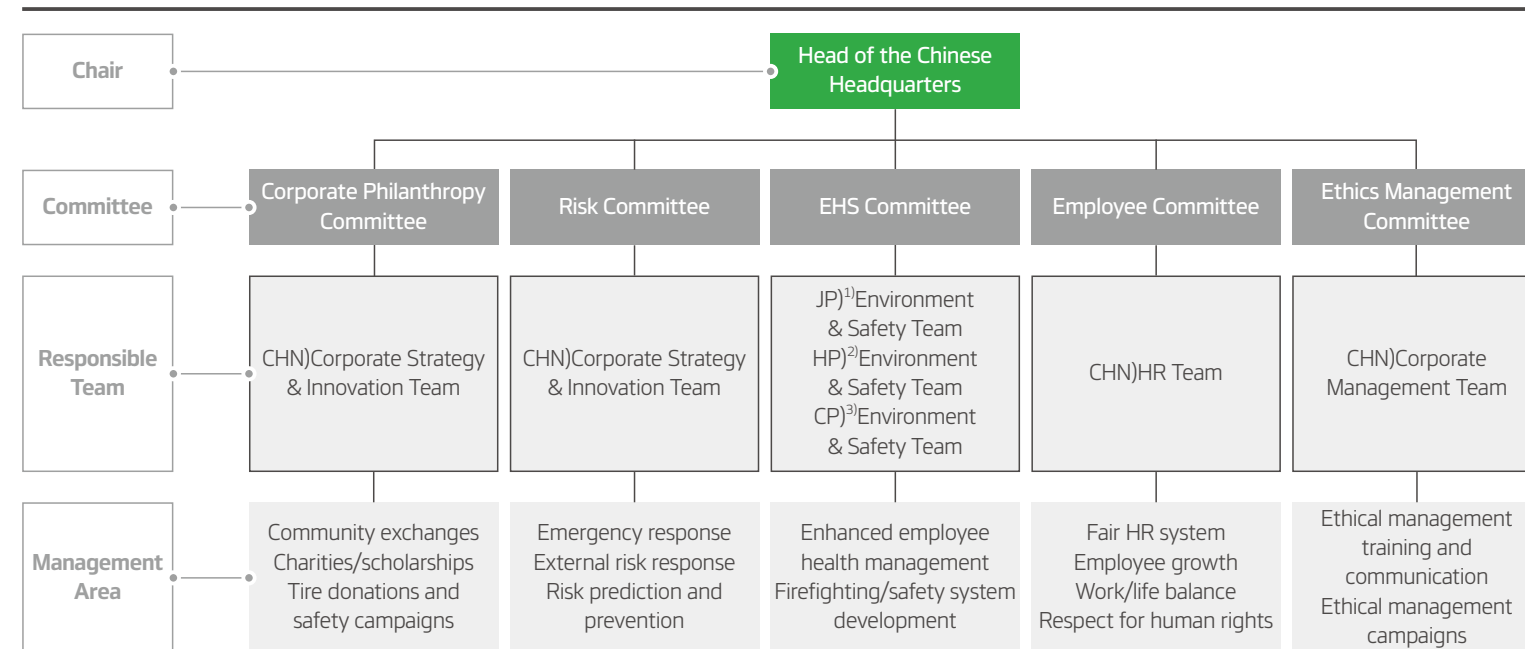
Operating Other Overseas Regions at the Issue Level

In overseas regions outside Europe, we operate at the associated organization and issue level to address the material issues identified through materiality assessments. For example, sustainable sourcing is considered material in Indonesia and the Asia-Pacific region whereas support for community growth is considered material in the Americas. We respond to these regional ESG issues through sustained, working-level communication.

Key Issues by Overseas Region

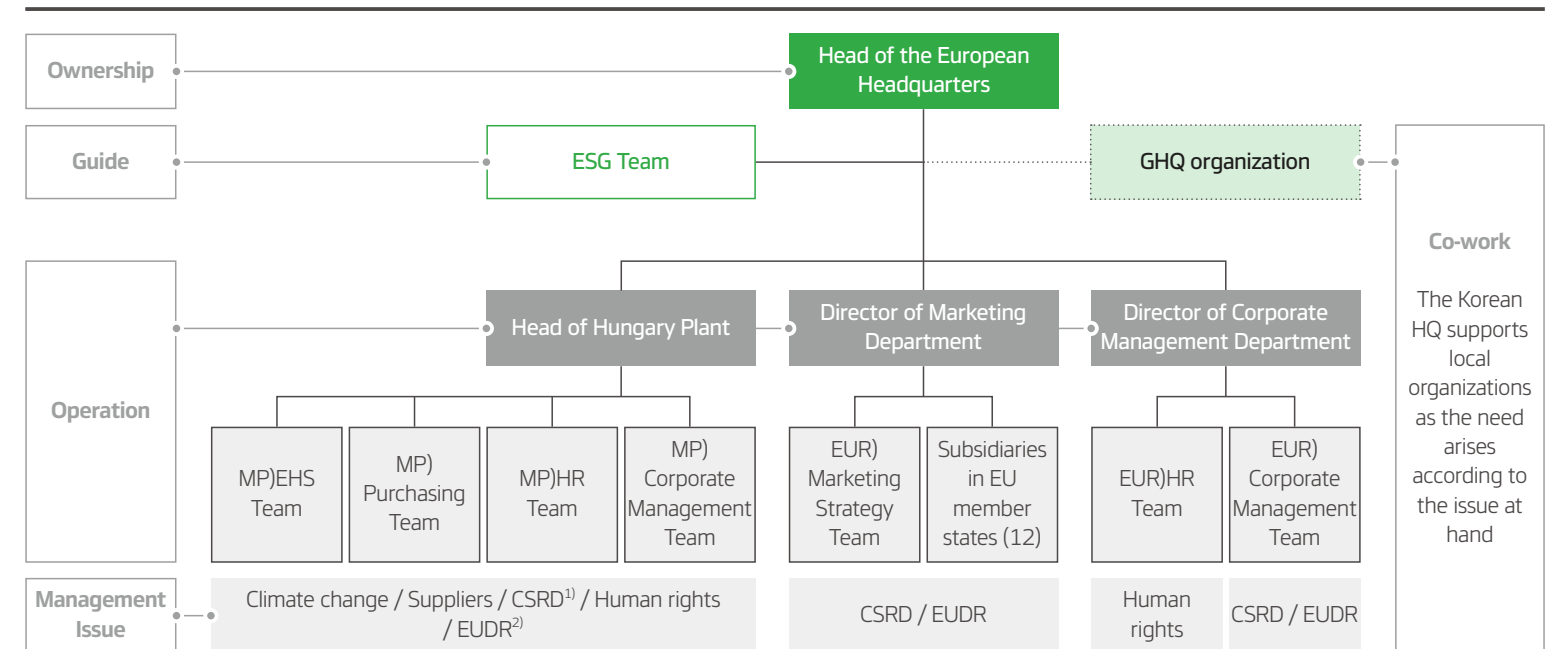


Chinese ESG Committee



1) JP: Jiaxing Plant
2) HP: Jiangsu Plant
3) CP: Chongqing Plant

ESG Operational Chart in Europe



1) CSRD: Corporate Sustainability Reporting Directive
2) EUDR: EU Deforestation Regulation

Responsible Governance

Hankook Tire & Technology establishes sound governance to protect the rights and interests of shareholders and various stakeholders while advancing transparent and reasonable business conduct. Our governance operates with our independent, diverse, and professional Board of Directors playing a central role, and the Board and its committees ensure that decisions are made in a transparent and professional manner. Hankook Tire & Technology's management philosophy and commitment to drive Board-centered sustainability management are specified in our Articles of Incorporation, BOD regulations, and the Corporate Governance Charter to serve as the foundation for our governance principles and policies.

The ESG Committee was created under the Board of Directors in 2021 to bolster ESG management. This Committee reviews and deliberates on our strategic directions and key issues within the three pillars of Environmental, Social, and Governance to fuel Hankook Tire & Technology's sustainable growth. As of the end of March in 2024, the majority of the Committee members are independent directors and it is chaired by Doocheol Moon, an independent director.

In May 2022, we stipulated and announced the Corporate Governance Charter to embody our commitment to establishing, maintaining, and developing transparent and advanced governance. This Charter primarily consists of policies concerning shareholders, the Board, audit bodies, stakeholders, and disclosures, and will lay the necessary foundation for ESG management to help establish responsible governance.

To align ESG with our daily operations and ensure it is consistently implemented, we operate eight ESG Steering Committees in each of the focus areas. The Governance Committee has been up and running since 2021 and is headed by the finance and accounting executive to review and implement specific action plans along with establishing a governance advancement roadmap. The activity outcomes of the Governance Committee are reported annually to the ESG Strategy Committee, which consists of top management members, and key matters concerning the Governance Committee and the ESG Strategy Committee are reported to the ESG Committee, the highest ESG decision-making body, on an as-needed basis.

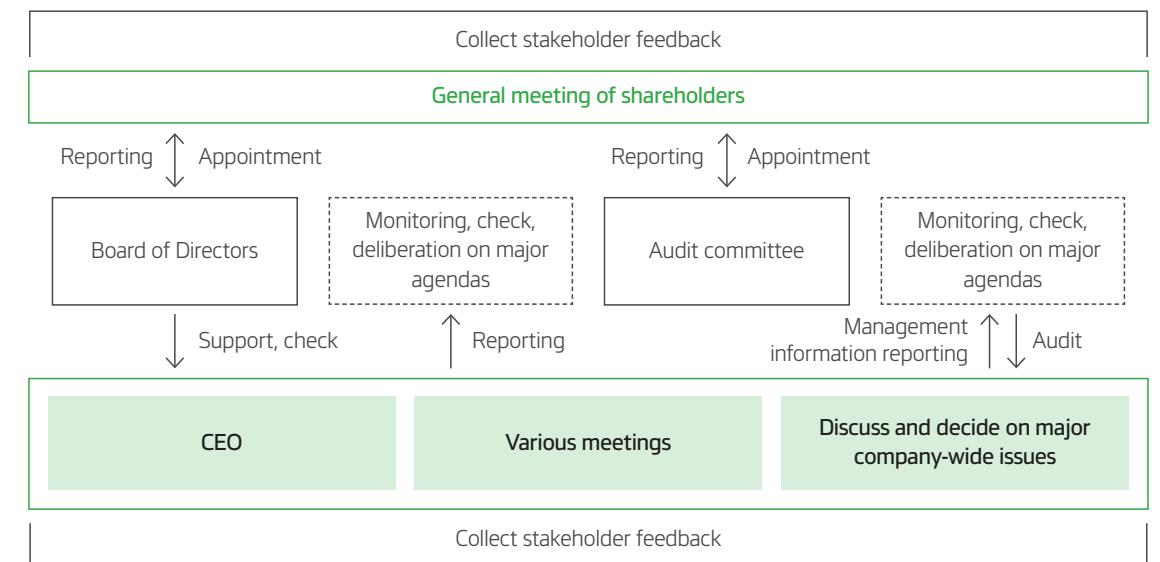
In 2023, a decision was made to introduce regular assessments on the operation of the Board to advance our governance, and Board operational assessments and independent director self-assessments were conducted in February 2024. This will surely boost the judiciousness and efficiency of our Board operations. Meanwhile, the Code of Ethics for Independent Directors was stipulated in 2023 to outline the responsibilities and principles independent directors are expected to assume. Our independent directors are required to thoroughly abide by this Code of Ethics as the guiding principles to lead ethical management, leading the charge in establishing an exemplary corporate culture.

Board-centered Decision-making Process

The Board of Directors serves as the highest decision-making body of our business operations, and Hankook Tire & Technology is fully committed to sustained profit generation and growth based on mutual checks and balances among the Board, management, and shareholders. We carefully heed to the voice of our stakeholders, identify necessary tasks through respective meetings and align such efforts towards meaningful outcomes. We also build a corporate culture which supports free flowing debate and communication to ensure stakeholder feedback is brought to the attention of senior management in their decision-making process.

Our BOD regulations stipulate that the Chair of the Board should be appointed among directors through the resolution adopted by the Board. The Board appointed our CEO, Soo Il Lee, as the Chair of the Board on the grounds that his extensive experience and proven competency in the overall tire industry will ensure the smooth operation of the Board by providing sufficient information to independent directors and assist the Board in duly performing its role and responsibilities, as specified in applicable laws and internal regulations.

The Board advances our management philosophy set forth in the preamble of the Articles of Incorporation to pursue the development of Hankook Tire & Technology's corporate culture and elevate the value of the 'Hankook' brand. As the permanent highest decision-making body, the Board adopts resolutions with a majority of directors attending and a majority of attending directors voting for or against, except when stipulated otherwise in applicable laws, and makes decisions on major corporate issues including the signing of important contracts and the development and approval of business plans. The BOD Secretariat has been up and running since 2021 to bolster Board-centered management accountability and systematically support the operation of the Board and its committees.



Composition of the Board of Directors

As of the end of March 2024, Hankook Tire & Technology's Board of Directors consisted of eight directors - two executive directors and six independent directors. None of our directors have any specific interest in the Company, top management, or major shareholders.

Director	Name	Gender	Position	Career
Executive director	Soo Il Lee	Male	Chair, Board Chair, Sustainability Committee Member, Independent Director Recommendation Committee Member, ESG Committee	- Head of Marketing Department, Vice President, Hankook Tire - Head of American Headquarters, Senior Vice President, Hankook Tire - Head of Chinese Headquarters, Executive Vice President, Hankook Tire - Head of Marketing Staff Office/Corporate Management Staff Office/Retail Business Headquarters, Executive Vice President, Hankook Tire - Current) Vice Chairman and CEO, Hankook Tire & Technology
	Jong Ho Park	Male	Member, Sustainability Committee Member, Independent Director Recommendation Committee Member, ESG Committee	- Head of Corporate Strategy & Finance Division, Senior Vice President, Hankook Tire - Head of Corporate Management Staff Office, Executive Vice President, Hanon Systems - Head of Corporate Management & Finance Staff Office, Executive Vice President, Hankook Tire & Technology - Head of Management Support Division, Executive Vice President, Hankook Tire & Technology - Current) CEO, Management Support Division, Hankook Tire & Technology
Independent director	Hyun Myung Pyo	Male	Member, Internal Transactions Committee Member, Independent Director Recommendation Committee Member, ESG Committee	- President, KT - CEO & President, KT Rental - CEO & President, Lotte Rental - Outside Director, JB Financial Group - Outside Director, KT
	Jong Gap Kim	Male	Member, Internal Transactions Committee Member, Independent Director Recommendation Committee Member, ESG Committee	- Barclays Bank, Seoul Branch - Executive, Citibank Seoul Branch - Representative, Deutsch Bank Seoul Branch
	Young Jae Kang	Male	Member, Internal Transactions Committee Member, Independent Director Recommendation Committee Member, ESG Committee	- Vice President, Hite Jinro - CEO, Hite Jinro Beverage - Current) CEO, Investment Division, ENSL Partners - Current) Co-representative, KOSRA Seed Partners (KSP)
	Jung Yeun Kim	Female	Chair, Internal Transactions Committee Member, Independent Director Recommendation Committee Member, ESG Committee Member, Audit Committee	- Second Secretary, Ministry of Foreign Affairs and Trade - Attorney, Kim & Chang - Professor, Incheon National University Law School - Outside director, KORAMCO Asset Management - Current) Outside director, Hanwha General Insurance - Current) Professor, Ewha Womans University Law School
	Sung Kwon Han	Male	Chair, Independent Director Recommendation Committee Member, ESG Committee Member, Audit Committee	- Executive Director, Human Resources Support, Planning and Coordination Office, Hyundai Motor Group - Vice President, Human Resources Support, Planning and Coordination Office, Hyundai Motor Group - Director, Hyundai Motor Group Human Resources Development Center - President, Commercial Business Division, Hyundai Motor Company - Current) Outside director, Iljin Hysolus - Current) Vice Chairman, Hyundai Motor Chung Mong-Koo Foundation
	Doocheol Moon	Male	Chair, Audit Committee Chair, ESG Committee Member, Independent Director Recommendation Committee	- Assistant Professor, State University of New York at Old Westbury - Member, Public Institution Management Evaluation Committee, Ministry of Strategy and Finance - President, Small and Medium Business Administration - Current) Editor-in-Chief of Accounting Studies, Korean Accounting Association - Current) Advisory Professor, Korea ESG Club, Korea Economic Daily - Current) Co-chair, ESG Management Committee, Korea Technology Finance Corporation - Current) Director, Sustainability Management Research Center, Yonsei University - Current) Advisory member, ESG Management Advisory Committee, Korea Exchange - Current) Member, Asset Management Committee, Teachers' Pension - Current) Outside director, LG Display - Current) Professor, Yonsei University Business School

Independence of the Board of Directors

We stipulated that independent directors account for a majority of the Board to ensure greater transparency and independence. Directors are appointed at the general meeting of shareholders held before the end of March each year. Director candidates are nominated according to transparent and fair procedures, and such nominations are made through the Board for executive directors and through the Independent Director Recommendation Committee for independent directors. While directors are able to serve three-year terms and can be reappointed, outside directors cannot serve more than six years at any given company or nine years when affiliates are included, pursuant to the Enforcement Decree of the Commercial Act. As of the Board of Directors constituted after the 12th general meeting of shareholders in March 2024, the average tenure of our Independent directors was 1.7 years. Vacant director positions are individually filled at the general meeting of shareholders. The composition of the Board is in agreement with the Commercial Act, the Monopoly Regulation and with the Fair-Trade Act, along with other applicable laws. Independent director candidates can be disqualified upon discovery of any single one of the disqualifying factors, and this extends to incumbent independent directors who could lose their position if they meet any of the disqualification criteria. We review the disqualifications for directors' independence pursuant to pertinent laws to ensure the independence of the directors, and the Independent Director Recommendation Committee reviews independent directors for their compliance with independence requirements.

Disqualification Criteria for Directors' Independence

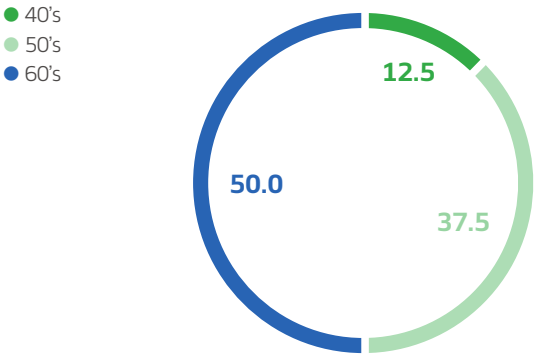
- ① Directors, executive directors, or employees who engage in regular Company business, or directors, auditors, executive directors, and/or employees who have engaged in the regular business of the Company within the past two years
 - ② Largest individual shareholder, his/her spouse, or immediate ascendants/descendants
 - ③ If the largest shareholder is a corporation, directors, auditors, executive directors, or employees of the corporation
 - ④ Spouse and/or immediate ascendants/descendants of directors, auditors and executive directors
 - ⑤ Directors, auditors, executive directors and employees of the parent of the Company or of a subsidiary of the Company
 - ⑥ Directors, auditors, executive directors, and employees of a corporation which has significant interest, including a business relationship, with the Company
 - ⑦ Directors, auditors, executive directors, or employees of another company for which directors, executive directors and employees of the Company serve as directors or executive directors
- * In conformity with Korea's Commercial Act, Fair Trade Act, and other relevant laws

Review of Independent Directors' Compliance with Independence¹⁾ Qualifications

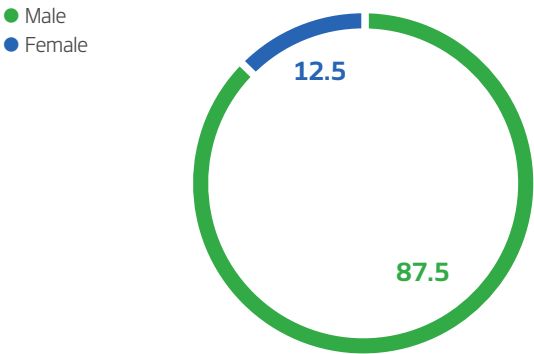
Requirement	Hyunmyung Pyo	Jonggap Kim	Youngjae Kang	Jungyeun Kim	Sungkwon Han	Doocheol Moon
The director must not have been employed by the Company in an executive capacity within the last five years	○	○	○	○	○	○
The director must not have a family member who accepts any payments from the Company or any parent or subsidiary of the Company in excess of USD 60,000 within the last three years	○	○	○	○	○	○
The director must not have a family member of an individual who is employed by the Company or by any parent or subsidiary of the Company as an executive officer	○	○	○	○	○	○
The director must not be an advisor or consultant to the Company or a member of the Company's senior management	○	○	○	○	○	○
The director must not be affiliated with a significant customer or supplier of the Company	○	○	○	○	○	○
The director must not have a personal services contract(s) with the Company or a member of the Company's senior management	○	○	○	○	○	○
The director must not be affiliated with a not-for-profit entity that receives significant contributions from the Company	○	○	○	○	○	○
The director must not have been a partner or employee of the Company's external auditor over the past three years.	○	○	○	○	○	○
The director must not have any other conflict of interest that the Board determines to mean they can't be considered independent	○	○	○	○	○	○

1) In alignment with the criteria adopted by the Dow Jones Sustainability Indices

Directors by Age Group (Unit: %)



Directors by Gender (Unit: %)



Diversity Policy of the Board of Directors

Diversity metrics such as gender, age, race, nationality, and country of origin are considered when electing candidates for our Board of Directors. We have expanded our Board membership from seven to eight directors in March 2024, with six independent directors accounting for a majority of the total, which includes a female independent director. Directors are required to represent the rights and interests of all shareholders and stakeholders in a balanced manner, and are all free from discrimination on the grounds of gender, age, religion or race.

Expertise of the Board of Directors

Independent directors are appointed at the general meeting of shareholders for their extensive expertise and experience in the areas of business administration, economy, law, accounting, ESG, and the mobility industry, along with their compliance with the qualification criteria stipulated in applicable laws. We ensure that our independent directors bring their specialized expertise to their roles in advising the Company in making sound decisions while fulfilling their incumbent duties of checking and overseeing management. We provide separate training to independent directors to help them better understand the Company and improve their expertise.

Training Provided to Independent Directors

Date	Trainer	Training Topic
2023.01.26	Digital Strategy Department, ESG Team	ESG performance in 2022 and key initiatives for 2023, digital transformation
2023.01.31	EY Hanyoung	2023 new year economic outlook seminar
2023.04.27	Audit Committee Forum	1st regular forum in 2023 for auditors and Audit Committee members
2023.06.21	Center for Corporate Governance, Korea Deloitte Group	Roles and responsibilities of the Board of Directors for ESG oversight and of the Audit Committee for internal controls, global trends of audit committees and the boards of directors
2023.07.13	Audit Committee Forum	2nd regular forum in 2023 for auditors and Audit Committee members
2023.09.01	Multicampus	Core training on the internal accounting control system
2023.11.21	Audit Committee Forum	4th regular forum in 2023 for auditors and Audit Committee members

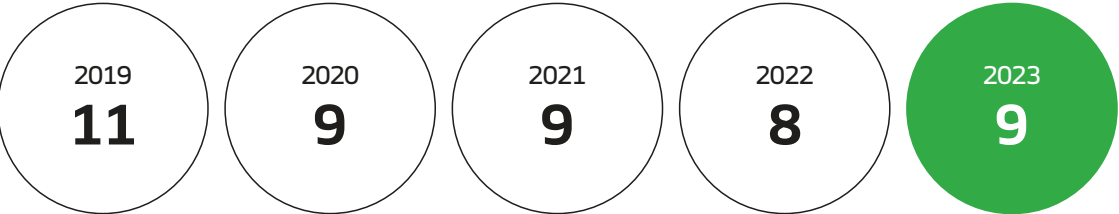
Effectiveness and Transparency of the Board of Directors

To ensure the effective operation of the Board of Directors, we set the 50% quorum¹⁾ for Board meetings to stipulate that decisions are made with 50% or more directors in attendance and 50% or more of attending directors in favor of the agenda item. To ensure that independent directors can faithfully fulfill their role, they are not allowed to concurrently serve as an independent director at three or more companies. The Audit Committee is operated under the Board to check and monitor top management on behalf of shareholders, and self-assessments are made each year to improve its effectiveness. Such assessments span the composition and qualifications of the Audit Committee, the qualifications of the Audit Committee Chair, understanding of the Company's business and risks, work processes and procedures, oversight of financial reporting and audit function, and monitoring activities.

Furthermore, our Board decided in 2023 that the Company would periodically perform regular assessments on the performance of the Board and independent directors while developing and implementing assessment standards and processes to this end. This will allow us to conduct more rigorous verifications on the effective operation of the Board. The Korea Corporate Governance Service also performs annual assessments on our governance, and such third-party evaluations guide our efforts to monitor and improve on any deficiencies. In 2023, the Code of Ethics for Independent Directors was specified to present the basic principles for independent directors to voluntarily abide by as a way to enhance the transparency of the Board.

1) Quorum: The minimum number of members required to make decisions on agenda items at Board meetings

Board Meetings Held Over the Past 5 Years (Unit: Meetings)



* Average Board attendance in 2023

Operational Status of Board Committees

Committee	Responsibility	Composition (Chair: ☆)
Audit Committee	- Audit the Company's accounting and business operations - Investigate the Company's asset status - Handle matters stipulated by applicable laws and the Articles of Incorporation or delegated by the Board - Request directors to report on business operations - Approve the appointment of external auditors	Independent directors: Doocheol Moon☆, Sungkwon Han, Jungyeun Kim
Sustainability Committee	- Deliberate and decide on matters delegated by the Board in the areas of general management, finance, and overall risk management	Executive directors: Soo Il Lee☆, Jongho Park
Independent Director Recommendation Committee	- Nominate independent director candidates to be appointed at the general meeting of shareholders, handle matters delegated by the Board, and nominate, screen, and select independent director candidates pursuant to applicable laws, the Articles of Incorporation, and BOD regulations	Executive directors: Soo Il Lee, Jongho Park Independent directors: Sungkwon Han☆, Hyunmyung Pyo, Jonggap Kim, Youngjae Kang, Jungyeun Kim, Doocheol Moon
Internal Transactions Committee	- Pre-screen and approve the transactions entered into with affiliates and related parties pursuant to antitrust and fair trade regulations with the approval authority granted by the Board concerning large-scale internal transactions	Independent directors: Jungyeun Kim☆, Hyunmyung Pyo, Jonggap Kim, Youngjae Kang
ESG Committee	- Deliberate and decide on environmental, social, and governance management to bolster sustainability management	Executive directors: Soo Il Lee, Jongho Park Independent directors: Doocheol Moon☆, Hyunmyung Pyo, Jonggap Kim, Youngjae Kang, Jungyeun Kim, Sungkwon Han

Remuneration of the Board of Directors

Our directors and auditors are compensated within the annual remuneration limit approved by the general meeting of shareholders in accordance with relevant regulations, along with incentives provided based on business performance measured against economic, social and environmental performance metrics. The general meeting of shareholders held on March 29, 2023 approved KRW 7 billion as the total director remuneration limit, and 91% of this was paid out. At the general meeting of shareholders held on March 28, 2024, KRW 8 billion was approved as the director remuneration limit for the year 2024.

Remuneration for All Directors and Auditors (Unit: KRW million)

Director	Directors (persons)	Total Remuneration	Average Remuneration per Person
Executive Director	3	6,163	2,054
Independent Director (Audit Committee member)	4	216	54
Total	7	6,379	911

* Remuneration for all directors and auditors: As of December 2023
* From the total pool of directors and auditors, Hyun Bum Cho, an executive director, concurrently holds a position at Hankook & Company, and the figure solely reflects his remuneration from Hankook Tire & Technology.
* The Audit Committee was exclusively composed of independent directors as of December 2023, and all independent directors serve on the Audit Committee.

Performance Appraisal of the CEO and Management

The CEO's executive incentives reflect the Company's short-term performance for the year 2023, and are paid by comprehensively taking into account performance metrics (sales and operating profit for the year among others) and contributions to the Company's business results (attainment of strategic tasks among others). Management incentives reflect the Company's mid/long-term performance, and are provided to senior members in Senior Vice President and higher positions by comprehensively considering management performance from the perspectives of finance (including key management performance and TSR disparities), strategy/innovation (including organizational innovation activities and new growth driver discovery) and ESG (including Dow Jones Sustainability Indices).

We also sign the management advisory contract to ensure that executives can still be held liable for instances of misconduct they engaged in even after their retirement. Its primary aim is to prevent any professional misconduct¹⁾ on the part of our executives during their tenure and tighten internal controls. The contract includes clawback provisions stipulating if any professional misconduct is identified from executive's term following their retirement, they must return the amount that matches the severity of the damage done to the Company from the management advisory payments that they received.

1) Professional misconduct: Includes, but is not limited to, illegal actions or any act that causes damage to the Company, including professional negligence

CEO-to-Employee Compensation Ratio¹⁾

Total CEO remuneration (KRW million)	Average employee compensation (KRW million)	Ratio ²⁾
2,188	85	25.74

1) Sum of base pay, allowances, and short/long-term incentives
2) Calculated by dividing the total CEO compensation by the average employee compensation

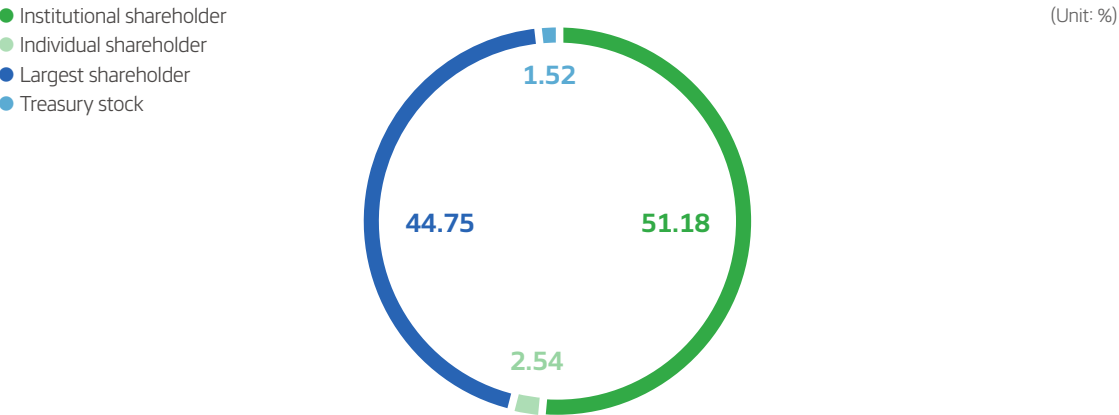
Shareholder-friendly Management

Hankook Tire & Technology protects the rights and interests of our shareholders, promotes their interests, and engages in proactive communication to advance shareholder-friendly management. We guarantee that our shareholders duly exercise their voting rights pursuant to Korea's Commercial Act while disclosing our mid-term dividend policy to improve the stability and predictability of our dividend payments. We also hold IR meetings and attend conferences to interact with domestic institutional investors and foreign investors to reach out closer to shareholders.

Overview of Shareholders

We follow the one share one vote rule, and treasury shares do not carry voting rights pursuant to the Commercial Act. As of the end of December 2023, the National Pension Service (NPS) owned 6.94% of Hankook Tire & Technology's total shares issued. NPS follows the principle of responsible investing in exercising its voting rights in consideration of our ESG performance.

Overview of Shareholders (As of Dec. 31, 2023)



Category	Number of Shareholders (persons)	Percentage (%)	Number of Shares	Percentage (%)
Institutional shareholder	1,729	6.58	63,401,557	51.18
Individual shareholder	24,516	93.32	3,150,045	2.54
Largest shareholder	24	0.09	55,437,151	44.75
Treasury stock	1	0.00	1,886,316	1.52
Total	26,270	100.00	123,875,069	100.00

Shareholding of Major Shareholders

(As of Dec. 31, 2023)

Name	Number of Shares	Ownership (%)
Hankook & Company Co., Ltd.	37,995,959	30.67
Hyun Bum Cho	9,581,144	7.73
Shinyang Co., Ltd.	793,522	0.63

* The remaining founder & founding-family ownership amounts to 4.18%.

Shareholding of Management

(As of Dec. 31, 2023)

Category		Name	Stock Ownership against Salary
Registered executive	CEO	Soo Il Lee	0.42
	Chairman	Hyun Bum Cho	
Unregistered executives	Other unregistered executives	Jin Sun Park	212.88
		Kyoung Moon Lee	
		Gyu Bong Lee	
		Sang Geun Lee	
		Jin Gyun Jeong	
		Mun Hwan Heo	

1) Calculated by dividing stock ownership based on the closing price (KRW 45,400) of the last trading day of 2023 by base pay (as of Dec. 31, 2023)

2) Calculated by dividing stock ownership based on the closing price (KRW 45,400) of the last trading day of 2023 by the average base pay of management, excluding the CEO (as of Dec. 31, 2023)

Shareholders' Exercising Voting Rights

Hankook Tire & Technology strives to facilitate the exercise of voting rights for shareholders. To maximize shareholders' participation in the general meeting of shareholders, we introduced electronic voting since the 8th such meeting. It was decided through the Board of Directors that electronic voting and electronic proxy solicitation be implemented, and these mechanisms were adopted for the following 9th, 10th, 11th, and 12th general meetings of shareholders. For the 11th and 12th general meetings of shareholders, we participated in the voluntary program to stagger the dates for shareholder meetings to hold the annual general meeting of shareholders at a time when there was a lower concentration of such meetings to ensure more shareholders could attend. Following the general meeting of shareholders, we disclose the vote tally in favor and against each agenda item on our website to improve the transparency of the general meeting of shareholders.

Shareholder Return Policy

To elevate shareholder value, we will allocate the profits we generate to invest in our sustained growth, maintain our financial soundness, and return to shareholders, within the boundary of dividendable profits in consideration of internal/external business conditions. We have continued with dividend payments to improve shareholder value, and our dividends per share have risen each year for the past five years. In February 2023, we disclosed our mid-term dividend policy (for FY 2022~2024) for improved shareholder value to increase the stability and predictability of our dividend payments for investors. This policy aims to return 20% of our adjusted net income (excluding one-time non-recurring gains and losses) to shareholders on a consolidated basis for the next three years (FY 2022~2024).

Dividend Payments by Year

Category		2019	2020	2021	2022	2023
Par value per share (KRW)		500	500	500	500	500
(consolidated) Net income (KRW million) ¹⁾		419,513	372,337	588,192	690,249	720,218
(non-consolidated) Net income (KRW million)		241,218	87,353	97,779	263,413	671,690
(consolidated) Earnings per share (KRW)		3,387	3,032	4,822	5,658	5,904
Total cash dividends (KRW million)		68,119	79,293	85,392	97,591	158,585
(consolidated) Cash dividend payout ratio (%)		16.2	21.3	14.5	14.1	22.0
Cash dividend yield (%)	Common stock	1.6	1.6	1.7	2.4	2.9
Cash dividends per share (KRW)	Common stock	550	650	700	800	1,300

1) (consolidated) Net income is stated as the net income (loss) attributable to the ownership stake of the parent company on the consolidated statement of comprehensive income.

Communication with Shareholders

We work on multiple fronts to reach ever closer to shareholders. In addition to the fair disclosure of our (preliminary) operating results, we also hold quarterly and annual earnings calls around January, April, July, and October. Such earnings calls are held for analysts and institutional investors through conference calls, under the supervision of the Head of Chief Administrative Office and finance/accounting executives. Earnings materials are disclosed on our website and on the electronic disclosure system to make them equally accessible for all investors. Following these earnings calls, we regularly hold NDRs (Non-Deal Roadshows) for key institutional investors in Korea and abroad through in-person meetings or conference calls. Furthermore, our key management members and employees attend domestic and overseas conferences hosted by securities firms to directly interact with investors on issues of interest and heed and integrate their requirements for the Company. Meanwhile, we arrange year-round IR events for domestic and international institutional investors wishing to visit the Company and hold meetings. Just like institutional investors, minority shareholders are also guaranteed the opportunity to directly communicate with our IR personnel by phone or e-mail made available on our website. Such proactive IR activities demonstrate our commitment to equally provide all shareholders with timely and sufficient information.

Jeongdo Management and Ethical Management

Jeongdo Management¹⁾ and ethical management constitute the fundamental principles of our entire business operations at Hankook Tire & Technology. To properly weave compliance with management principles into our corporate culture, we operate a range of programs to integrate Jeongdo Management and ethical management into our systems and daily business routines.

1) Jeongdo Management: Jeongdo Management sets the primary course of action for Hankook Tire & Technology in its pursuit of sustainable management by providing all stakeholders with fair opportunities and compensation and conducting business in an appropriate and transparent manner, in accordance with the basics and principles. Its management principles concern corporate governance, quality management, customer-centered management, ethical management, win-win management, sharing management, and talent management.

Establishing an Ethical Management System

Operating the Jeongdo Management Committee

The Jeongdo Management Committee acts as the highest decision-making body under the direct leadership of the CEO to identify and prevent compliance risks at all levels. In accordance with the code of conduct set forth under the ‘8 Jeongdo Management Principles’, the Committee discusses agendas proposed to address issues most closely related to internal/external stakeholders - customers, employees, suppliers, shareholders and investors - as well as organization-level relevant issues, and makes decisions swiftly to establish a culture of Jeongdo Management. The Committee met twice in March and November of 2023 to propose and deliberate on a total of five agenda items in the areas of information security, chemicals management and internal control. In particular, our company-wide regulatory adherence was reviewed with an emphasis on SHE compliance, which eventually led to making decisions on and implementing improvement plans. In 2024, we will choose practical topics such as sustainable material sourcing and compliance marketing to bolster the culture of Jeongdo Management as a way to drive our sustainable growth.

Composition of the Jeongdo Management Committee

Category	Position	Name	Scope	Key Team
Chair	CEO	Soo Il Lee	-	-
Vice-Chair	Chief Administrative Office	Jong Ho Park	Corporate governance	Finance Team
			Talent management	HR Management Team
Coordinator	Vice President of Audit Department	Seung Hwan Yoon	Ethical management	Audit Team 2
Member	Head of Korea Business Headquarters	Jong Ho Park	Customer management	KOR)Marketing Strategy Team
	Chief Marketing Office	Jeong Ho Park	Win-win management	Marketing Strategy Team
	Chief Technology Office	Bon Hee Ku	Quality management	R&D Planning Team
			SHE	R&D HR Team
	Head of Safe Production & Engineering Staff Office	Eui Don Seo	Talent management	Production HR Team
			SHE	SHE Innovation Team
	Head of Quality Staff Office	Hak Joo Kim	Quality management	Global Quality Planning Team
	Head of Purchasing Division	Hyun Min Park	Win-win management	Purchasing Planning Team

Operation of the Jeongdo Management Committee in 2023

Meeting	Date	Session	Topic	Lead Organization
1st meeting	Mar. 30	Jeongdo Management	Discuss the reinforcement of R&D chemical risk management and relevant issues	SHE Research Team
		Ethical management	Discuss the interim review results and issues of information security operational plans and management performance	Information Security Team
2nd meeting	Nov. 21	Jeongdo Management	Strengthening SHE compliance	SHE Innovation Team
			Discuss purchasing risks associated the delivery price indexation system and relevant issues	Purchasing Planning Team
		Ethical management	Reinforcement of the internal control process of corporate credit card operation	Corporate Management Team 3

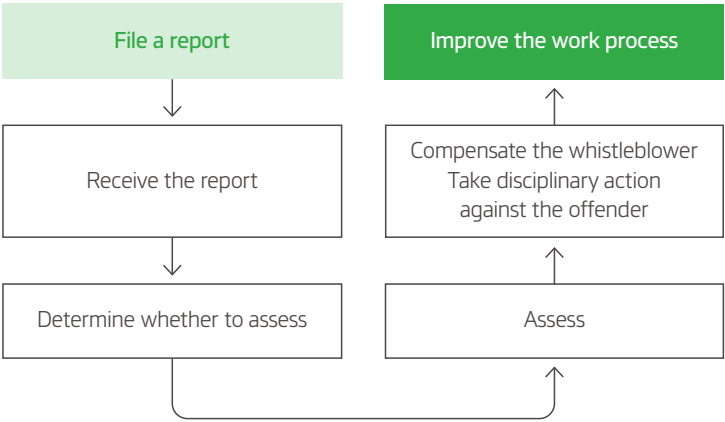
Establishing a Compliance Risk Management and Maintaining ISO 37301

Our compliance risk management ensures that each organization independently reviews compliance risks along the PDCA (Plan-Do-Check-Action) cycle. In 2021, we achieved the ISO 37301 international compliance management system certification to gain public recognition for the adequacy and effectiveness of our company-wide compliance risk management system, and have since remained certified for three years. In 2023, we selected 40 key persons to provide them with ISO 37301 internal auditor training and perform internal audits, implementing working-level activities to operate a company-wide compliance risk management system. This allowed us to fully meet the requirements of ISO 37301 and its certification program and maintain our certification accordingly. In 2024, we will maintain our compliance management system and enhance our organizational capabilities to further raise the bar on our compliance risk management.

Expanding the Pledge to Practice Ethical Management

Our employees are required to sign the ethical management pledge to commit themselves to the practice of ethical management each year. In 2023, 100% of our employees in Korea signed the pledge, and we expanded this to include our overseas operations and affiliates. In 2024, we will require new hires to sign the pledge to practice ethical management through ethical management training, furthering our efforts to establish culture of ethical management.

Whistleblowing Process



Whistleblower Protection

Confidentiality • Prohibit the the disclosure of Information on the whistleblower without their consent • Those related to the investigation abide by their nondisclosure obligation.	
Identity protection • Ban any attempt to identify the whistleblower • Any attempt to identify a whistleblower and/or associated persons is subject to severe disciplinary action, regardless of intent	
Non-retaliation • Ban on any disadvantage or discrimination in terms of working conditions • When a disadvantage is confirmed, immediate action is taken to remedy it	
Immunity • If a whistleblower self reports: Mitigate the disciplinary action (on the condition that unjustified gains are returned) • This is not considered non-compliance with job-related confidentiality obligations	

Facilitating the Whistleblowing Mechanism and Performing Internal Assessments

At Hankook Tire & Technology, the Misconduct Reporting and the anonymous bulletin board for ethical management are made available to enhance organizational transparency and establish an ethics culture. Out of 18 concerns raised through the Misconduct Reporting in 2023, the five found to be valid (4 cases for unethical conduct of employees and 1 internal complaint) were investigated. The anonymous bulletin board for ethical management promotes interactive communication on inquiries made by employees on ethical management and work-related compliance risks. Meanwhile, we continue to perform routine and non-routine internal assessments on our entire operations in Korea and abroad. If any wrongful practices or inappropriate work processes are identified as a result of such assessments, recommendations are made to seek improvement. Employees identified for misconduct are subject to disciplinary action by the HR Committee to prevent their reoccurrence. In 2024, we will globally publicize our whistleblowing mechanisms across our overseas operations to further disseminate a culture of ethical management.

Whistleblowing by Type of Concern

Category	2022		2023	
	Reports Submitted	Valid Reports	Reports Submitted	Valid Reports
Ethical misconduct of employees	4	4	8	4
External complaints	0	0	0	0
Internal complaints	8	4	1	1
Others (including customer complaints)	9	0	9	0
Total	21	8	18	5

Actions Taken for Non-compliance with the Code of Conduct

Category	2022		2023		Action Taken
	Non-compliance (cases)	Offenders (persons)	Non-compliance (cases)	Offenders (persons)	
Damage to corporate culture (sexual harassment, bullying, etc.)	4	4	5	5	Suspension, reprimand
Negligence	4	9	4	6	Suspension, reprimand, warning
Bribe-taking	1	1	0	0	
Exploitation of corporate funds for personal use	2	2	0	0	
Intervention with suppliers	0	0	0	0	
Total	11	16	9	11	

Embedding Ethics Awareness into Day-to-Day Routines

Bolstering Ethical Management Training

We provide regular ethical management training to highlight the importance of Jeongdo Management and ethical management, and to create awareness for this mindset so that it can be matched by the actions of our employees. Such training is conducted through videos produced on understanding ethical management, the Company’s approach to Jeongdo Management and ethical management, and actual cases of ethical management. In 2023, training was conducted to prevent corruptive practices that may occur in business conduct, including coefficient manipulation, unethical conduct, bribery, regulatory non-compliance, and the misuse of corporate credit cards, under the topic of ‘Six Examples of Ethical Management Non-compliance That May Occur in Business Operations’. This came in tandem with the ‘Integrity Book Concert’ to review such books as <Power of Honesty> and <Things That We Call Life> to underscore the value of integrity and honesty in the workplace. We also made ethical management mandatory for the introduction training of new hires to assist new recruits in understanding our ethical management guidelines and compliance culture so they can apply their learnings to daily work routines.

Developing Ethics Awareness among Employees

To help our employees develop ethics awareness, we circulate the monthly E-Ethics Letter communicating best practices, cases of non-compliance and related articles, and make this available on the bulletin board for ethical management. During national holidays or vacations when the need arises to remind our employees of ethical management awareness, we launch the ‘No Giving/No Taking of Holiday Gifts’ and ‘voluntary bribery reporting’ campaigns to encourage employees’ participation. In October 2023, we hosted a special ethical management lecture for our executives, as we were chosen as a target private-sector company to receive special lectures led by the Anti-Corruption & Civil Rights Commission. This served to highlight the significance of ethical management among our leadership and reflect this in how they deliberate on key matters.

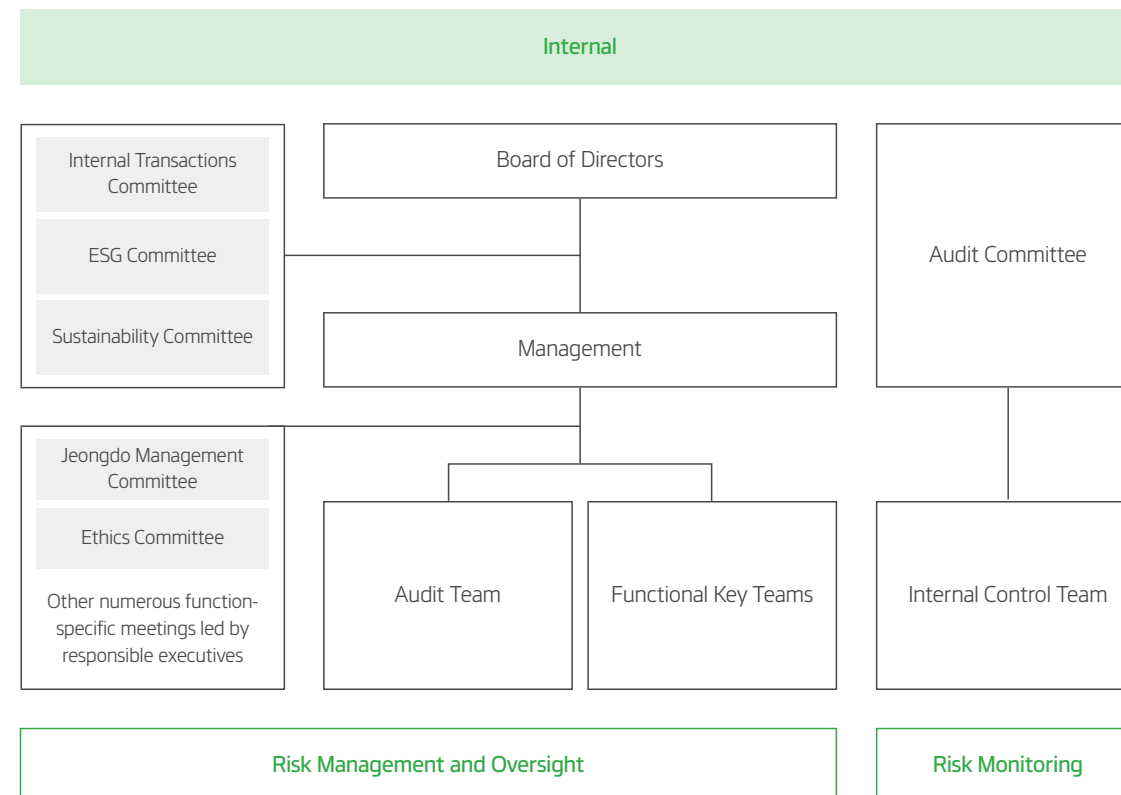
Risk Management

In line with the expanding uncertainty and increasing volatility in the business landscape, issues that were not considered risks before could emerge as significant risks impacting a company's overall operations. To flexibly navigate this ever-changing landscape, Hankook Tire & Technology has established systemic and detailed risk management and emergency response processes to minimize variability across our business operations.

Risk Management System

Risk Management Organization

We ensure the systemic operation of our risk management organization for effective risk management. Our functional key teams and the Audit Department is responsible for primary risk management, identifying potential risks across our entire business areas and their likelihood and impact each year while establishing management processes. The risks identified as such are reported to the Jeongdo Management Committee, the Ethics Committee and other committees managing key risk areas, which are also subsequently managed at the management level. Key risks are reported to the Board of Directors and discussed at the Audit Committee. As of 2024, the Audit Committee is composed of three independent directors to ensure it is operated independently. In 2023, the Audit Committee convened 10 times to report and decide on matters related to operational audits, the operational status of the internal accounting control system, and compliance support activities.



Organization

We review financial risks, non-financial risks, business risks, and operational risks among others at least twice a year, and fully disclose review outcomes and our response approaches to stakeholders through a range of channels, including Financial Reports, Annual Reports, and ESG Reports. Internally, these risk factors are integrated across our business conduct, from establishing business strategies to developing products and materials to selecting suppliers. Risk management performance is reflected in the KPIs for key risk management organizations. To disseminate a culture of risk management, all our employees, from our junior staff to independent directors, receive regular training on risk management. Furthermore, main teams are provided with additional training, including compliance management system (ISO 37301) internal auditor training and compliance activity training.

Key Risks		1 st line (Key teams)	2 nd line	3 rd line
Financial Risks	Currency Liquidity Internal accounting	Finance Team	Financial Risk Management Committee	Board of Directors Audit Committee
Non-financial Risks	Environment Climate change	ESG Team Utility & Energy Project	Climate Change Committee	
Business Risk	Supply chain management New business Industry innovation Investment execution	Purchasing Planning Team Corporate Strategy & Innovation Team Corporate Management	Supplier Committee Investment Deliberation Committee and others	
Operational Risk	Employees and human rights Safety R&D Compliance management	HR Management Team SHE Innovation Team R&D Planning Team Audit Team	Employee Committee SHE Innovation Committee Product Environment Committee Ethics Committee	

Specific Risks and Our Responses

Financial Risks

Economic sentiment deteriorated in 2023 amid interest rate hikes while concerns abounded over economic downturn. As multiple geopolitical risks emerged simultaneously from the conflict in Israel and the Russo-Ukraine War, along with nations all around the world tightening their fiscal policy stance, this resulted in tremendous fluctuations in currency and interest rates. In the face of such challenges, Hankook Tire & Technology flexibly responds to external factors through continued risk management. We monitor our financial costs and foreign exchange positions to minimize the risk of exposure to abrupt market changes. We engage in internal/external communication to promptly share market information so that we preemptively sense market fluctuations and assist management with more efficient decision-making.

Currency Risk

As our global footprint continues to broaden, we are now operating with a wide variety of foreign currencies, including the USD and the euro. To minimize the resulting risks, we follow the natural hedging approach to match foreign currency assets with foreign currency liabilities. If, despite our best efforts, our currency exposure exceeds the established limits, we deploy currency hedging using external financial vehicles within the limits approved by our currency risk management regulations. The Financial Risk Management Committee also meets regularly on a quarterly basis to develop and implement region/currency-specific F/X risk response strategies.

Liquidity Risk

We assume a global perspective when it comes to borrowing, liquidity, and the short/long-term cash flow of our global headquarters and overseas subsidiaries. We periodically forecast our future cash flow to preemptively manage global liquidity, and ensure conservative liquidity management during times of turbulence when the financial market suddenly shifts to further stabilize our financial structure. We also adopt integrated liquidity management systems, such as global cash pooling, to control liquidity across various overseas localities. Cash pooling is the real-time sharing of funds between companies with fund shortages and those with surpluses, and helps minimize liquidity risks and reduce the burden of fund operations and financial costs. Furthermore, we actively operate the Global Cash Management System for integrated fund management across all our regional headquarters and local subsidiaries, and have secured credit lines at financial institutions in alignment with cash pooling to prepare for the potential need of additional funds.

Health & Safety

One of our top priorities for 2023 was to focus on practical health and safety activities to ‘reduce high-consequence injuries to zero’. Our SHE organization was established under the direct leadership of the CEO in 2022, and takes the lead in engaging in various activities to establish an autonomous regulation system as specified in the Serious Accidents Reduction Roadmap pursued by the Korean government. This specifically focused on proactive safety culture activities to enhance our ‘five golden rules’, prevent unsafe behavior that could lead to highly critical injuries, conduct worker-centered risk assessments and improve identified deficiencies, and strengthen reviews on health and safety laws and regulations. We also pursued managerial and engineering improvements for tasks and equipment that place strain on people’s musculoskeletal system to alleviate relevant conditions and deployed the safety sensor system for accident prevention while continuing with the LOTO (Lock-Out Tag-Out) system deployment and operation to render maintenance work safer. Conducting work environment measurements and identifying and improving hazards is another way to prevent heat-related illnesses and improve ventilation in the work environment in order to provide a safe work environment. We also stipulated regulations to fulfill our obligations to ensure health and safety and conducted assessments and trainings for supervisors, who play a pivotal role in working-level health and safety activities to build a more rigorous health and safety management system. While theme-based inspections are made to implement preventive measures and check our maintenance against high-frequency injuries, we run ongoing safety accident prevention activities to raise employees’ safety awareness by providing safety broadcasts, chanting safety slogans, and ensuring that workspaces are well organized and tidy. All such activities testify to our commitment to minimizing the impact of health and safety risks on our customers and stakeholders.

Fire

We have achieved multiple certifications, including the Process Safety Management (PSM) certification, to advance sustainable management even during emergency situations such as fires, explosions, earthquakes, and blizzards, and remain certified through annual assessments. We have continued to make necessary improvements and investments based on the biannual statutory fire inspections performed by professional fire inspectors, along with those made by the Korean Fire Protection Association, the Korea Occupational Safety and Health Agency and other professional organizations. Our Hazard Prevention Center employs dedicated SHE personnel to ensure a prompt emergency response, and we do our utmost to protect the safety of our staff and our corporate assets. To help dedicated SHE personnel advance their competencies, we leverage third-party organizations to conduct training to bolster our independent maintenance and repair capabilities so that we address any failures of our fire extinguishing equipment and minimize the risk of fires in so doing. Joint disaster response drills are conducted with local fire stations at least once a year and a range of internal fire response exercises are performed to build robust readiness against even potential fire risk factors. In 2023, our overseas plants were inspected for fire risks to identify and improve the risk of fires in advance. Our 2024 plan is to enhance our firefighting and response capabilities for each different type of fire through new investments, and to perform cross-inspections on operational sites for fire risks as well as fire risk assessments on our overseas plants.

Emerging Risk

Requirement	Expanding risk resulting from increased ESG regulations	Impact of enhanced vehicle exhaust emission regulations on the tire industry	Rapid industrial shift resulting from future mobility innovation	Mounting importance of roads and tires amid the mainstreaming of autonomous driving
Description	Regulations for corporate sustainability continue to soar, as evidenced by the EU Green Deal (CSRD ¹⁾ , CSDDD ²⁾ , CBAM ³⁾ and others). ESG regulations underscore the importance of non-financial performance for its direct impact on the financial results of businesses. Any non-compliant company runs the risk of being prohibited from selling its goods in concerned nations or federation of countries, having their products seized, or paying a penalty for a significant portion of their sale. Non-compliance can also lead to financial risks. A majority of these regulations are just now being stipulated and are still in their transitional phase, which means they will likely entail relatively greater uncertainties. This makes it even more important that companies properly respond to such regulations.	The EU has been adopting a series of vehicle emissions standards starting with Euro 1 in 1992. This sets limits on the air pollutants contained in vehicle exhaust emissions to control the release of such hazardous substances into the air and prohibits the sales of vehicles that fail to meet the set limits. While exhaust emissions from internal combustion engine cars such as nitrogen oxides (NOx), hydrocarbon (HC), and carbon monoxides (CO) have been regulated to date, the Euro 7 that will soon take effect will cover all vehicles including EVs and demand for the reduction of exhaust particulate matters generated from tires and brakes. This will surely demand a transformation across the automotive manufacturing and parts industries.	In the not-so-distant future, mobility will no longer be a mere means of transport; it will become its own living space. This is expected to bring about a sea of change in the mobility industry. The flat-shaped batteries allow EVs to be much more efficient and versatile indoors when compared to their internal combustion engine counterparts. The rapidly-evolving autonomous driving technology also guarantees greater freedom with mobility, allowing drivers to use their time as they wish other than driving and expediting the transition of mobility into a living space of its own.	Autonomous driving is touted as one of the key technologies leading the future automotive market. Autonomous driving technology is advancing rapidly and it is projected that the production of autonomous driving vehicles will kick-off in the near future.
Impact	Expanding regulations could adversely weaken product competitiveness, become a source of trade barriers, and increase production risks. They could work in a company's favor in the case of consumer preferences for eco-friendly products, as passing such regulations may highlight the environmental performance of a company. As it becomes more and more critical that customers are provided with accurate information on a product's eco-friendliness, it will serve to enhance product labeling regulations. This means that far-reaching environmental considerations should be factored into the product development, manufacturing, and sales phases and that these considerations will need to extend beyond the basic data required under energy label programs to cover a product's durability, recyclability, repairability, and carbon footprint. Given that Hankook Tire & Technology's manufacturing operations depend on large-scale plants, regulations adopted by one specific region may demand we make changes at the company-wide level. This stands in stark contrast to other key players in the tire industry who operate segmented small-scale plants and thus are able to respond consecutively under the same scenario, implying that we are exposed to relatively greater risk of production, such as rising production costs, and may lose our competitive edge as a result.	The Euro 7 standards contain provisions to limit microplastic emissions caused by tire abrasion, deeming it essential to produce tires that satisfy the set limits. As EVs, that have not been covered by Euro standards for their zero emissions, will be regulated under Euro 7, this will impact the development and production of EV tires, one of our primary business areas. Due to the batteries, EVs are 20% heavier than ICE vehicles on average, releasing more tire microplastics as a result. The new Euro 7 standards will necessitate efforts to develop a range of technology options to improve tire abrasion at the product line-up level.	The shifting mobility industry can be defined as a significant risk that determines the course of action and the future of businesses. Presently, Hankook Tire & Technology's main revenue stream is automotive tires. Given that future mobility may require diverse kinds of tires, the current automotive tire demand may shift and this could run the risk of decreased business sales or reduced market dominance. As we ready ourselves for transitioning markets, we are building a scalable mobility ecosystem.	An increase in autonomous cars will reduce accidents caused by human error while raising the relative proportion of accidents attributable to road conditions and tires. Eventually, quality - the braking and safety performance of tires - will become a critical concern.
Response	Hankook Tire & Technology operates a well-structured ESG management system to proactively respond to ESG regulations. This system enables us to capitalize on ESG regulations as an opportunity to sharpen our competitive edge, rather than respond to them as a risk. We have a track record of over a decade in conducting lifecycle assessments to accumulate methodologies and data on product carbon footprint calculation, allowing us to promptly respond to LCA-related requirements from external stakeholders. To reduce our carbon footprint, we are increasing the use of sustainable materials and demanding net zero efforts for suppliers in the material acquisition phase while mitigating our environmental impact from energy use in the manufacturing phase. As part of such efforts, we designed an innovative recycling process to make new tires from end-of-life tires (ELT) under the 'Korean BlackCycle' project. With the goal of facilitating a circular economy from end-of-life tires across the industry, we will engage in analysis and R&D along the entire life cycle of tire products (material acquisition - manufacturing - transport - use - disposal), ranging from tire recovery and sorting to ELT pyrolysis, pyrolysis oil refining, sustainable material production, and production of tires from sustainable materials. This will lay the foundation to produce high-quality, sustainable materials to contribute to the increased recycling of ELTs into useful materials. A robust ESG management system also adds to our competitive edge. The ESG Strategy Committee convenes each year to discuss our company-wide ESG approaches, and the ESG Steering Committees meet three times a year to implement area-specific initiatives along with ESG Steering Committees operating at respective key overseas operational sites. This well-organized system provides us with the ability to keep close tabs on ESG regulations and internalize them into our operations.	With sustained R&D investments and forward-looking technology investment, Hankook Tire & Technology remains committed to pioneering the global EV tire market. We are particularly working to improve braking and rolling resistance performance to accommodate high-output EV's strong instant torque and heavy battery weights. We are also developing dedicated compounds combining high-concentration silica with eco-friendly materials as well as structures optimized for heavy loads of EVs to reduce tire abrasion. As a result, iON was proudly ranked first by the German automobile magazine, 'Auto Bild', in its tire brand tests in the four categories of wet grip, dry grip, rolling resistance, and steering performance.	Our R&D program 'Design Innovation Project' envisions future smart cities and the resulting change in the innovative mobility industry. In 2022, we chose 'Urban Reshaping' as the project theme to imagine the reconfiguration of spaces within future smart cities through mobility innovation. This project proposed 'Space Shifting Mobility' as an optimal solution for future smart cities. Space Shifting Mobility is made possible through the combination of minivan-sized PODs and the driving system consisting of WheelBots running on spherical tires and electromagnetic driving to enable three-dimensional maneuvering on public roads and along the interior/exterior of buildings. This all starts with WheelBots: this modular robotic wheel system operates on sphere-shaped tires, rather than stereotypical tire shapes, and best manifests Hankook Tire & Technology's technology prowess in catering to future mobility. Omnidirectional WheelBots are able to efficiently maneuver in any direction, and their platooning capabilities support the mobility of a number of WheelBots through optimal routes. Taking this first step, Hankook Tire & Technology launched the Design Innovation Alliance as an open innovation platform alongside robotics and mobility startups to continue with collaborative R&D efforts to bring future mobility ideas to life. This initiative will surely help us build market-leading technology to keep abreast of the new future where mobility is transformed to a standalone living space of its own.	We define the advancement of autonomous driving technology and the resulting market changes as an emerging risk and are preparing for it. To develop tires safe for any road condition, we opened Hankook Technoring in 2022 as a proving ground to test tires under varying extreme conditions. Being Asia's largest test-driving facility, Hankook Technoring enables us to identify issues that could potentially arise on the road with diverse test track conditions. The joint project with SK Planet on road hazard detection solutions will also help us develop safe tires in the future based on our learnings on risks that may occur on the road.

1) CSRD: Corporate Sustainability Reporting Directive / 2) CSDDD: Corporate Sustainability Due Diligence Directive / 3) CBAM: Carbon Border Adjustment Mechanism

Our Response to the Fire at the Daejeon Plant

Hankook Tire & Technology fully committed to minimizing the environmental and social damage from the fire which occurred at our Daejeon Plant in March 2023. We transferred production to ensure there is no disruption to product manufacturing and supply to preserve credibility with our customers, and completely revisited our company-wide fire management system to prevent such incidents from occurring again. This section of the report aims to describe Hankook Tire & Technology's efforts in detail for stakeholders and our commitment to preventing such occurrences.

1. Incident Overview

- 1) **Date:** 22:04, March 12 (Sunday), 2023
- 2) **Location:** Factory 2, Daejeon Plant
- 3) **Cause:** Unknown (police investigation closed)
- 4) **Status and Scale of Damage**
 - Human injuries: None (11 persons identified for mild smoke inhalation and discharged to go home)
 - Physical damage: Factory 2 burned down and part of the warehouse was damaged (Factory 1 unaffected)
- 5) **Other:** Firefighting equipment (detectors/sprinklers) functioned normally



Daejeon Plant after fire (top) and after demolition (bottom)

2. Key Actions Taken

1) Production

The fire at the Daejeon Plant caused a temporary loss in production. In the face of this challenge, we did our utmost to meet customer needs for products: we used existing inventories while transferring production to other plants and increasing their utilization. While there were 730,000 units of year-over-year production losses at the Daejeon Plant in March 2023 when the fire broke out, 700,000 units were added to the production of other plants in April 2023. Currently, work is underway to recover key infrastructure facilities that were burned down following the demolition of Factory 2 and to modernize Factory 1 and boost its productivity to compensate for the production losses caused by the fire and restore Daejeon Plant's production volume to previous levels. OE-exclusive specification operations were transferred to the Geumsan Plant after the fire through phased-in emergency responses, and were brought back to the Daejeon Plant to initiate production. Facility investments were also made for special segment (Racing) production, and manufacturing and sales are ongoing currently. Today, the Daejeon Plant focuses on the production of high-profit products by raising the proportion of export specification products and high-inch products. Going forward, we plan to improve profits at the Daejeon Plant by focusing on the manufacturing of high-profit, high value-added products and developing new products for North American export markets, winter products for Europe, and iON for EVs.

2) Environment

Efforts were made to minimize the environmental impact of the fire through such control activities as preventing the damage of fire dust and blocking firewater from entering the Geum River. The secondary environmental pollution investigation conducted by the Ministry of Environment, Daejeon City, and Daedeok-gu Office revealed that there were zero leaks of hazardous substances and environmental impacts. Specifically, measuring the air quality at urban air quality monitoring stations right after the fire (Mar. 12~Mar. 15) showed that none of the measurement categories exceeded the set air quality standards. Additional air quality measurements were made for four days (Mar. 16~Mar. 19) for apartment buildings located nearby through mobile air quality monitoring vehicles, and the results were relatively low compared to nearby urban air quality monitoring stations, and hence no specific findings were observed. As to water quality, zero specific findings were generated when compared to the results from the water quality measurement network of the Ministry of Environment, and the water quality observed was at an ordinary level.

3) Society

Right after the fire, we operated a taskforce team and a compensation booth to support affected local people, responding to complaints in real time and hosting discussions with community members to heed their voice. To help local residents who were disrupted by the fire, we first supported the surrounding areas, apartment buildings, and educational institutions in the vicinity of the Plant with cleaning exterior walls, interior spaces, insect/dust control equipment, and school yards, and playgrounds to expedite their restoration. We volunteered with plant employees to clean up near the fire-affected areas, and provided compensation to surrounding businesses and public facilities that were damaged. Another priority was to help any affected individuals recover from psychological stress. We operated the forest healing program for affected people and firefighters to overcome any trauma they may have endured and provided a point-of-care counseling service with the help of our in-house psychological counselors to support local people to alleviate their stress and overcome their trauma.

4) Fire and Safety Assessment

Internal/external fire and safety assessments were conducted to identify and improve non-conformities. Externally, we received fire safety investigations by the local fire department, fire safety briefings to initiate Factory 1 operations, comprehensive assessments by the Labor Administration, fire safety impact assessments by external specialists, and intensive safety inspections by the Ministry of the Interior and Safety, which helped us identify necessary firefighting, safety, and labor issues in need of improvement. Internally, we engaged in a host of activities, including non-routine risk assessments and improvements, compliance audit assessments, facility safety assessments, and plant fire prevention assessments. Throughout this all, we made sure identified improvements were addressed swiftly to bring our Daejeon Plant back to normal.

3. Fire Recurrence Prevention Activity

1) Establishing a master plan for firefighting equipment upgrades

We defined a four-year master plan to upgrade our firefighting equipment. Starting with fire-vulnerable processes in 2024, we will continue to advance our firefighting equipment for processes at risk for fires. This will allow us to establish systemic company-wide fire management process to prevent the reoccurrence of fires.

2024	2025	2026	2027
- Fire detector replacement: Refining - Pipeline replacement: Refining, curing - Mobile foam trailer: Curing, refining, materials	- Fire detector replacement: Logistics, raw materials - Pipeline replacement: Raw materials, extrusion - Mobile foam trailer: Curing, refining	- Fire detector replacement: Extrusion, cutting - Pipeline replacement: Cutting, logistics	- Fire detector replacement: Molding, test - Pipeline replacement: Molding, test

2) Conducting fire prevention assessments for global plants

For three months between April and July of 2023, our global plants received fire prevention assessments. All eight global plants were inspected for the presence of fire-vulnerable areas (processes, warehouses, dangerous goods storage, blind spots, control rooms) to identify necessary improvements, and 94% of them were addressed to date. Improvement is ongoing for the remaining 6%, and such improvements will be completed in 2024 through additional investments and maintenance during plant shutdown.

3) Installing CCTV for fire prevention and modernizing fire detection equipment

A total of fire prevention 364 CCTVs have been installed to date, including flame-detecting ones. We have set plans and budgets to install over 1,800 additional CCTVs for the next two years. Furthermore, we have fully modernized fire detection equipment for the curing process, and will install special detectors throughout the entire process to fundamentally eliminate the risk of fire.

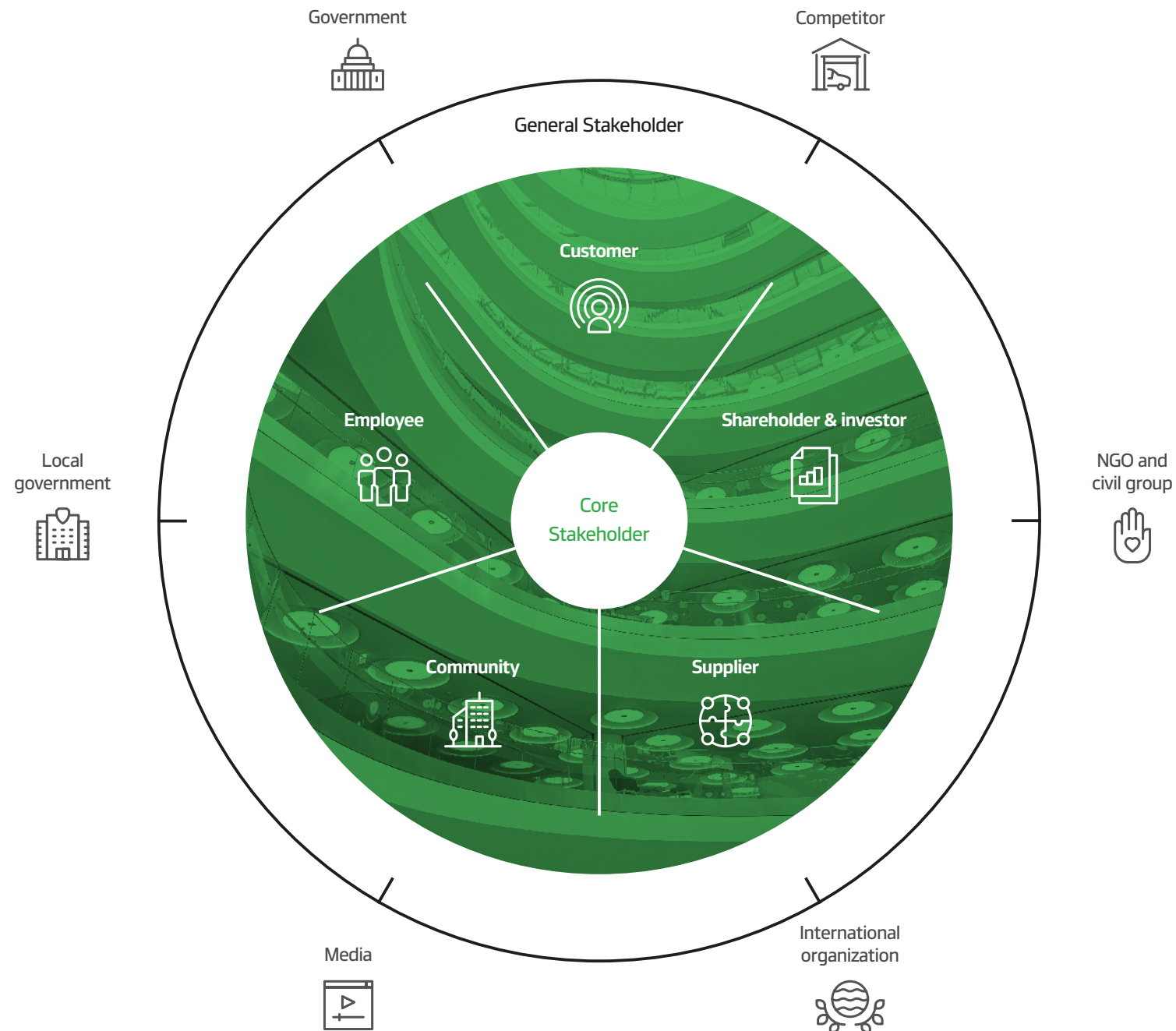
4) Bolstering emergency response to fires

Our emergency response scenarios were subdivided to specific types of fires. In so doing, we developed scenarios that support the most efficient responses to different types of fires, including oil/rubber fires, gas fires, electrical fires, and general fires. We also clarified the responsibilities of our in-house, process-specific firefighting units and have performed 55 emergency response drills to date.

5) Future Plan

In 2024, we will expand routine inspections from annual (overseas) and biannual (Korea) cycles to up to six times a year to bolster our fire prevention assessment process. This will be coupled with cross-inspections among plants so that any issue that goes unnoticed at the Daejeon Plant could be reviewed by the Geumsan Plant, which is expected to enable professional and effective assessments from a fresh set of eyes. Special detectors and mobile form trailers will be added and main firewater pipelines will be replaced while EV fire response equipment will be installed at respective sites along with drills to constantly upgrade our firefighting facilities. To promote innovation in workers' safety awareness, we will also provide hands-on safety training and establish a culture prioritizing adherence to basics and principles.

Stakeholder Communication



Hankook Tire & Technology categorizes stakeholders according to the scale and scope of their impact on business operations. Core stakeholders are those who most closely interact with the Company and produce a direct impact, while general stakeholders indirectly or potentially interact with the Company. We collect stakeholder feedback through various communication channels and reflect it into our business operations, all while striving to share with them our ESG achievements and plans. The preparation of this report was based on the major outcomes of this stakeholder engagement process.

Employee



Communication channel

- Discussion meetings
- Grievance handling mechanisms
- Employee engagement surveys
- Intranet
- Internal idea suggestion system (Proactive Studio)
- Others: Proactive Concert, Junior Board

Communication topics (key issues of interest)

- Build win-win labor relations
- Recognize diversity and strengthen nondiscrimination
- Bolster training that supports growth
- Promote a work-life balance
- Facilitate internal communication
- Improve workplace safety and working conditions
- Provide fair compensation

Community



Communication channel

- Discussions with local community members
- Discussions with local public offices and NGOs
- Collection of complaints from communities

Communication topics (key issues of interest)

- Revitalize the local economy
- Resolve issues of food, clothing, and shelter for the underprivileged in local communities and support their education and self-reliance
- Undertake philanthropic initiatives for social investment
- Fulfill corporate environmental responsibility (minimize environmental impact)

Customer (car maker, general customer, dealer)



Communication channel

- Technology exchanges, exhibitions, fairs
- Sustainability assessments
- Dealer discussion meetings
- Customer satisfaction centers

Communication topics (key issues of interest)

- Strengthen consumer health and safety in product use
- Improve product quality and ensure safety
- Reinforce product responsibility and conduct responsible marketing
- Swiftly handle and remedy customer complaints
- Ensure sustainable production (human rights protection, climate change response, supply chain management, etc.)

Shareholder & investor



Communication channel

- Board of Directors
- General meetings of shareholders
- IR events
- Overseas conferences

Communication topics (key issues of interest)

- Maximize business performance and shareholder value
- Ensure sound governance
- Advance transparent/ethical management and integrated risk management
- Manage organizational transparency and sustainability

Supplier

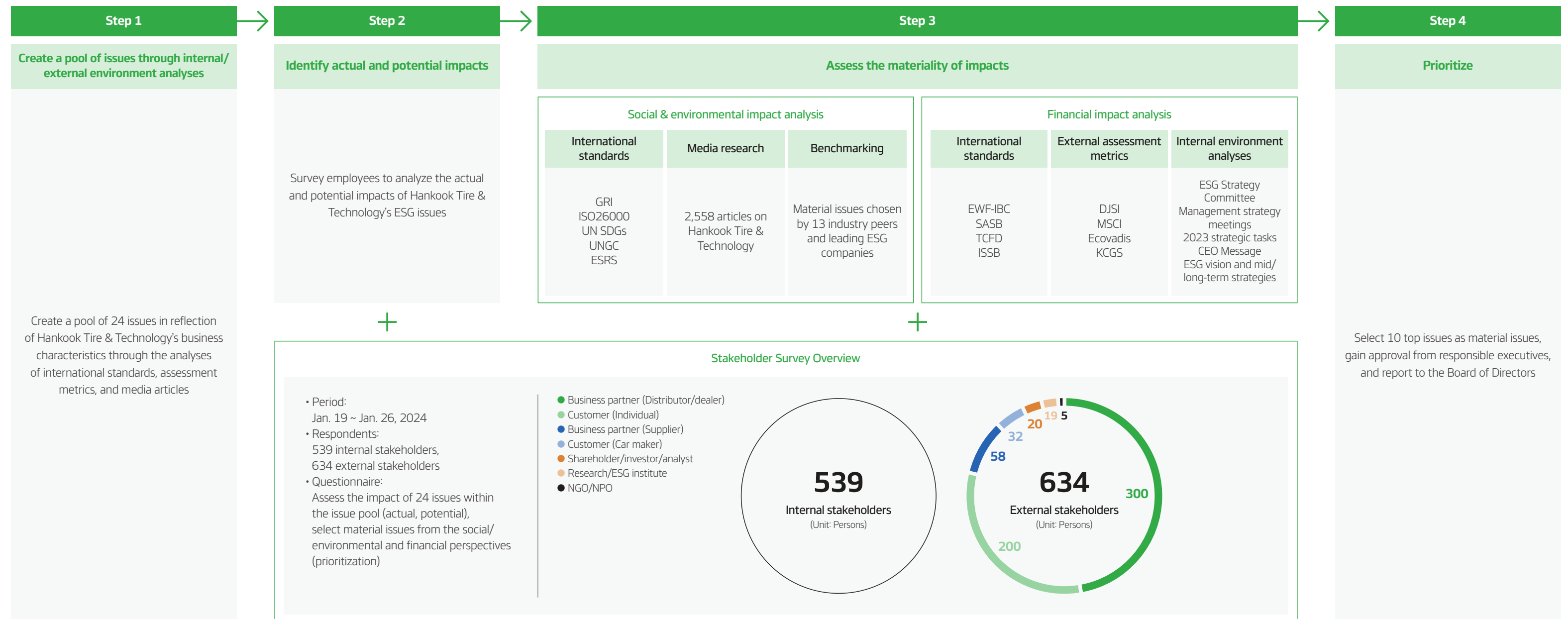


Communication channel

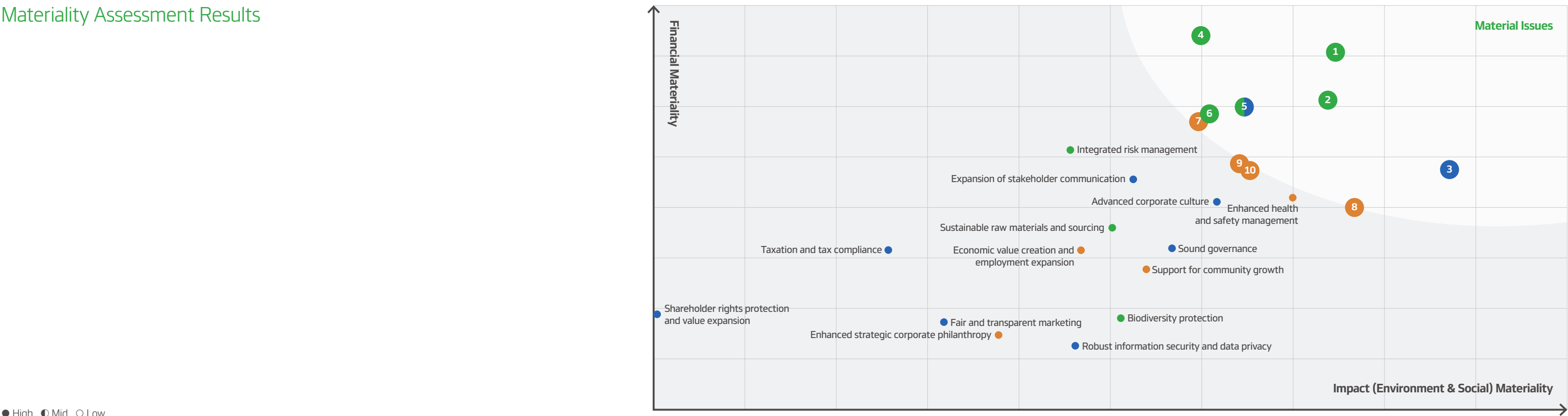
- Regular supplier assessments, quality and ESG training
- Partner's Day
- Purchasing portal (G.HePS)
- Supplier health and safety council

Communication topics (key issues of interest)

- Offer competitiveness enhancement programs for suppliers (awards for top-performing suppliers, training, technical support, etc.)
- Promote fair trade and win-win management
- Reinforce proactive communication and information sharing
- Advance sustainable supply chain management
- Discuss the management of serious accidents and safety management plans



Materiality Assessment Results



Ranking	Issue	Area	Materiality Assessment Results		Direction of Impact						Ranking in 2022	Page
			Impact Materiality	Financial Materiality	Impact			Financial				
					Negative	Positive/Negative	Positive	Negative	Positive/Negative	Positive		
1	Climate change response	E	●	●	○	◐	◐	○	◐	◐	2	p. 41~43, 75~76, 86~88
2	Resource conservation and efficiency improvement	E	●	●	○	◐	◐	○	○	●	6	p. 43~44, 48~50, 74~76, 82
3	Enhanced ethics/compliance management	G	●	●	◐	◐	◐	◐	○	◐	14	p. 31~32, 79
4	Eco-friendly product development	E	◐	●	○	◐	●	○	○	●	1	p. 21, 44, 49~51, 73, 75
5	R&D and technology innovation	G E	●	●	○	◐	●	○	○	●	3	p. 16~17, 21, 60
6	Management of environmental pollutants and hazardous chemicals	E	●	●	○	◐	◐	○	○	●	7	p. 44, 75, 82
7	Human resources development and management	S	◐	●	○	●	○	○	○	●	10	p. 59~61, 78~79
8	Respect for human rights and diversity	S	●	◐	○	●	◐	○	○	●	16	p. 27~28, 32, 56~57, 77~79
9	Product and service quality safety management	S	●	●	○	◐	◐	○	○	●	12	p. 83
10	Strategic supplier ESG management	S	●	●	○	◐	●	○	○	◐	5	p. 13, 21, 53~54, 79

PRIORITY AREA

41	Eco Value Chain
42	Mitigating GHG Emissions
44	Production with Minimal Environmental Impact
47	Sustainable Product
48	Use of Sustainable Materials
49	Development of Sustainable Technology
52	Responsible Engagement
53	Valuable Supply Chain
56	Human Rights and Diversity Management
59	Employee Care
68	Community Engagement

Mitigating GHG Emissions

Hankook Tire & Technology is building our GHG and energy management system to actively reduce our GHG emissions. While opting for renewable energy and optimizing energy efficiency, we also improve our methods for operating facilities and embrace new energy technology to reduce our GHG emissions on multiple fronts.



Low Carbon Management

GHG Management System

The tire manufacturing process generally consists of the five steps of refining, calendering, extruding, molding, and curing. Specifically, the curing process in which tires are pushed against the mold's walls under high pressure and temperature consumes LNG as basic feedstock to produce the heat (steam) required for the process. Hence, GHG emissions generated by LNG combustion account for a large portion of our direct Scope 1 emissions. Indirect Scope 2 emissions which stem from electricity consumption also represent nearly 70% of our emissions from manufacturing operations. As to the Scope 3 emissions from the value chain, the use of sold tires (driving) and the acquisition of raw materials account for a large proportion of total.

Hankook Tire & Technology remains focused on building a systemic process to effectively manage Scope 1, 2, and 3 emissions. We are studying the development of an integrated system to enable site-level energy data management, and regularly evaluate our Scope 1 and 2 emissions. As to Scope 3 emissions, we are building a Scope 3 emissions calculation system based on our internal management system (ERP) and supplier carbon survey results. Such efforts for emissions management will drive our investments and activities towards GHG emissions reduction and help us attain our mid/long-term carbon reduction targets.

Third-party GHG Emissions Verification

With growing attention to climate disclosure, the reliability of data has become increasingly important. To ensure transparency and credibility in our disclosure, Hankook Tire & Technology received an external verification for our Scope 1, 2, and 3 GHG emissions from an independent specialized verification organization. Identifying any erroneous data early on and making the necessary corrections helps us reduce potential risks while earning increased trust among stakeholders in our climate disclosures. The results of the GHG emissions verification are published on page 92 of this report.

Use of Renewable Energy

As part of our efforts to reduce indirect Scope 2 emissions through the use of eco-friendly energy, we are developing our mid/long-term renewable energy strategy. We are considering various approaches to secure renewable energy and have established priorities and strategies based on evaluations of infrastructure conditions, economic feasibility, and regional challenges for each of our business locations. By taking into account the geographical specificities of these regions, we will combine diverse options together and implement them consecutively, including Power Purchase Agreements (PPA), Renewable Energy Certificate (REC) purchases, green electricity tariff, and self-generation. We are considering investing in solar power generators at the Geumsan Plant and signing a PPA for the Hungary Plant, and will continue to expand our renewable energy-related investments going forward.

Net Zero Efforts of Suppliers

Apart from the use of sold tires (driving), raw material acquisition accounts for the largest proportion of total Scope 3 value chain emissions. This is attributable to the GHG emissions that are generated from the extraction, processing, and transport of raw materials that go into tires. Hence, activities to help suppliers reach net zero, such as raw material/fuel transitions and the introduction of low-carbon manufacturing technology, significantly contribute to reducing our company-wide Scope 3 emissions.

To help promote the use of renewable energy among our significant suppliers, we prepared and shared Q&As and the commitment to RE100 while supporting net zero training to raise awareness among suppliers on climate change response and invite their proactive participation in 2023. This is coupled with regular supplier surveys performed to manage carbon supply chain carbon emissions. This helps us check the carbon emissions status and plans of our suppliers. Our plan is to progressively expand our database on supplier GHG emissions to include the carbon footprint of the products they supply, their Scope 1 and 2 emissions, and the verification of their GHG emissions



Winning the 2023 CDP Carbon Management Sector Honors

Hankook Tire & Technology won the 2023 CDP Carbon Management Sector Honors in the Consumer Discretionary category at the Climate Change Water Security Awards hosted by the Carbon Disclosure Project (CDP) Korea Committee, gaining recognition as the Company of the Year in Carbon Management Excellence. The CDP evaluated over 23,000 companies globally for their climate change performance, and Hankook Tire & Technology earned an A-leadership rating which was awarded to a selected group of 25 companies in Korea. This accolade demonstrated our global top-notch ESG competitiveness yet again, and will continue to drive our efforts towards net zero emissions going forward.



Production with Minimal Environmental Impact

At Hankook Tire & Technology, we strive to minimize environmental impact throughout our entire business operations with our global-level environmental management system. We continue to make environmental investments to engage in a broad array of activities, from expanding waste recycling and managing air and water pollutants to reinforcing environmental facility management.



Mitigating Environmental Impact in the Tire Manufacturing Phase

Expanding Waste Recycling for Resource Circularity

To minimize the environmental impact of waste, we treat waste generated from our operations through appropriate methods including incineration, landfill, and recycling through outsourcing to specialized treatment service providers. To improve efficiency in waste management, we set intensity-based targets each year to identify our strengths and weaknesses and make necessary improvements accordingly. Our domestic plants report and manage their discharge, transport, and disposal of landfill waste through the government-operated Allbaro system. At the Jiangsu Plant, we conduct training to reduce waste generation at the source and to raise environmental awareness among employees. In 2023, we applied the waste oil recycling method researched at the Chongqing Plant in China to the Geumsan Plant, expanding waste recycling. Applying these research outcomes, the Geumsan Plant set a goal of reducing its waste oil generation, collected waste oil generated from the refining process, purified the mixture of virgin and waste oil, and reused the oil after performing quality tests. This resource circulation process has reduced the generation of hazardous waste oil to minimize its environmental impact while achieving cost savings, demonstrating our capabilities for environmentally friendly operations.

Introducing an IoT System to Manage Air Pollutant Control Facilities

To minimize the emission of air pollutants from the tire manufacturing process, it is essential that our air pollutant control facilities are always maintained to normal conditions through rigorous inspections. Our Geumsan Plant connected the measuring instruments of its air pollutant control facilities with the Internet of Things (IoT) system to enable real-time inspections. Leveraging IoT capabilities automated the checks that had previously been done by staff manually, and the IoT system was adopted for the mixing equipment #2 and is managed accordingly. Based on the test results from mixing equipment #2, we plan to focus on evaluating the mixing process that generates the most air pollutants and to continue expanding investments after reviewing their feasibility.

Recognized for Excellence in Reducing Air Pollutants and Energy Consumption

Our Daejeon Plant operates the stack tele-metering system (TMS) installed to monitor its nitrogen oxide (NOx) emissions. Although the NOx emission limit allocated by the government based on annual emissions data is 125 tons, we reached 17 tons in 2023 emissions through continued boiler maintenance and a switch to low-NOx burners, maintaining our emissions to 14% of the allocated limit. In addition to air pollutant control, we engaged in various energy-saving activities to reduce GHG emissions, including installing inverter air conditioning equipment, switching to LED lights, using low-capacity heating devices, and installing shades. In recognition of these efforts, we were selected as a best practice site for building an eco-friendly and safe stack TMS in 2023.

147.73

Reduction in waste oil generation in 2023
(unit: Ton)

273,871

Reduction in water withdrawal against 2022
(unit: Ton)

Activities to Reduce Water Resource Consumption

To improve efficiency in water use, each of our plants sets their targets for water withdrawal intensity each year and makes necessary improvements to reach these targets. Our Daejeon Plant, which suffered losses due to the fire, completely reexamined its water consumption to obtain basic data for implementing water resource conservation activities, and is keeping up with its maintenance to improve the performance of water reuse pumps. Our Jiangsu Plant conducts daily checks and improvement work to prevent leaks from extrusion cooling water and cooling towers. Our Jiaxing Plant provides all employees with water-saving training and switched to gray water for its toilets to lower water resources consumption. Such activities allowed us to achieve nearly 270,000 tons in reduced water consumption against 2022. Going forward, we will set more ambitious targets year after year for water withdrawal intensity and continue to pursue water conservation activities.

Internal Pollutant Management Standards and Performance

Plant	Category	Pollutant	Unit	Legal Threshold	Internal Target	Actual Performance (average)
Geumsan Plant	Air	NOx	ppm	60	24	22
		Dust	mg/m ³	30	3	2
	Water	TOC	mg/ℓ	15	6	6.5
		SS	mg/ℓ	10	3	2.4
		T-N	mg/ℓ	20	6	6.2
		T-P	mg/ℓ	0.3	0.09	0.3
Daejeon Plant	Air	NOx	ppm	60	32	30.8
		Dust	mg/m ³	30	10	2.4
	Water	TOC	mg/ℓ	75	35	22.8
		SS	mg/ℓ	120	10	9.2
		T-N	mg/ℓ	60	Not set	3.3
		T-P	mg/ℓ	8	Not set	0.03
		Normal hexane	mg/ℓ	5	0.9	1.1

Expanding Global Environmental Investments

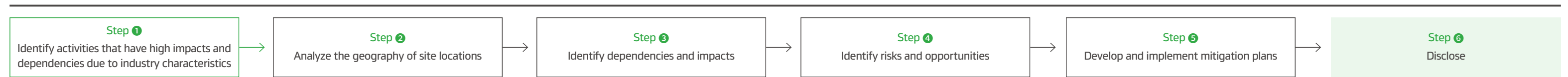
Our dedicated SHE organization develops environment-related investment plans each year covering water quality, air quality, chemicals, and ventilation, internally analyzes these plans for their effectiveness, and reports them to the SHE Investment Deliberation Committee. The Committee deliberates on the proposed investment plans to make final decisions on environmental investments. This ensures eco-friendly plant operations, while allowing us to minimize the pollutants generated from the manufacturing process so that our work environment is improved right along with the natural environment. In 2023, our environmental investments rose by KRW 2.95 billion year-over-year to KRW 7.33 billion, which went to improving the water purification center and air pollutant control facilities for domestic plants and enhancing the efficiency of air pollutant control facilities at the Jiaxing Plant in China.

Efforts for biodiversity

Biodiversity Risk Management

The sustainability management we pursue at Hankook Tire & Technology includes our responsibility for biodiversity conservation. We develop our biodiversity policy to consider the dependencies and impacts that our business operations bring on biodiversity, and clarify our obligations and responsibilities for protecting natural capital and biodiversity to minimize our impact on biodiversity. Our biodiversity management process aligns with the LEAP (Locate, Evaluate, Assess, Prepare) methodology proposed by the TNFD (Taskforce on Nature-related Financial Disclosures).

Biodiversity Management Process



Step ① ~ ③

To grasp the relationship between the tire manufacturing industry and natural capital, we identified our activities that have medium and higher levels of dependencies and impacts through the comparison of lists provided by the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) and the SBTN (Science Based Targets Network). As to dependencies, a company may profit from the ecosystem services generated by natural capital. When the value of natural capital stocks is adversely affected to the point that ecosystem services are undermined, issues may arise with business continuity. Regarding impacts, a company may negatively affect natural capital with soil and air pollution, GHG emissions, or water consumption, which diminishes ecosystem services in the process. It was confirmed that the tire manufacturing industry is highly dependent on freshwater and surface water and could potentially bring high levels of impacts in relation to GHG emissions and water use. This was paired with identifying risks at our operational sites and their surrounding areas by applying the WWF's Biodiversity Risk Filter to the geographies of our global plants. Biodiversity risks were categorized into physical risks and reputational risks to identify our risk levels, and the results will guide our efforts to develop action plans for biodiversity protection and to go over relevant activities.

Step 4 ~ 6

Taking a scenario-based approach based on identified dependencies and impacts, we evaluated our nature-related risks and opportunities. If Hankook Tire & Technology's business activities lead to the degradation or depletion of natural capital, it may result in increased production costs, higher direct and indirect expenses, and ecosystem degradation, potentially leading to physical risks due to adverse environmental impacts. This could also entail transition risks as we become subject to biodiversity-related policies or new regulations and face business disruptions due to a shift to new technology or variabilities affecting the materials we use. Meanwhile, conserving biodiversity could provide us with new business opportunities or bring positive impact on natural capital, ensuring business continuity in the process. Looking ahead, we will factor in natural capital-related risks, opportunities, and financial impacts into our strategy and goal setting and engage in regular discussions at the committee level. We will also evaluate our biodiversity dependencies and impacts on upstream and downstream operations as well as our own operational sites to continue our efforts to restore biodiversity.

Biodiversity Risk Identification Results by Site

Ecosystem services	Daejeon Plant	Geumsan Plant	Chongqing Plant	Jiaxing Plant	Chongqing Plant	Hungary Plant	Indonesia Plant	Tennessee Plant	Risk Identification Criteria
Physical Risk	3.1	3.05	3.5	3.75	3	2.88	3	3.38	Physical risk is driven by the ways in which a business depends on nature and can be affected by both natural and human-induced conditions of land- and seascapes.
1) Provisioning Services	3.1	3.05	3.3	3.8	3.45	3.4	3.4	3.38	Represent the risk of decreases in the quantity or quality of natural inputs for operation or production, and include water, timber, wildlife, and marine life
2) Regulating & Supporting Services - Enabling	3	2.5	3.5	3	3	2.5	2.5	2.5	Represent the risk of reduced activation in ecosystem services for operation or production, and include soil/water/air state and ecosystem conditions among others
3) Regulating Services - Mitigating	3.75	4.12	3.88	3.75	3	2.88	3	3.38	Represent the risk to ecosystem services that could mitigate the impact of natural disasters, and include landslides, wildfires, plant/forest/aquatic pests and diseases, extreme heat among others
4) Pressures on Biodiversity	2.97	2.91	2.69	2.94	2.97	2.75	2.19	2.44	Represent the risk of reduced ecosystem services due to adverse biodiversity impact, and include changes in land/freshwater/marine use, loss of forest resources, invasive and exotic species, and pollution among others
Reputational Risk	2.47	2.47	2.95	2.95	2.95	2.53	2.94	2.69	Reputational risk represents stakeholders' and local communities' perceptions on whether companies conduct business sustainably or responsibly with respect to biodiversity.
1) Environmental Factors	2.25	2.25	2	1.88	2	2.5	2.5	2.5	Represent risks that may occur due to an adverse impact on environmental assets, and include proximity to priority locations with high conservation significance, proximity to locations with high biodiversity significance, ecosystem conditions, and rarity of species among others
2) Socioeconomic Factors	2.62	2.62	3	3	3	1.88	2.88	2.88	Represent risks that may occur due to an adverse impact on socioeconomic conditions, and include land/food/water shortages, labor and human rights, and financial inequalities affecting indigenous peoples and local communities among others
3) Additional Reputational Factors	2.31	2.31	2.91	2.91	2.91	2.56	3	2.25	Represent risks that may occur due to the recognition of the importance of ecosystem assets and public interest therein, and include media investigations, political situations, areas of international interest, and national-level risk preparation among others

Nature-related Risk Assessment

Risk	Key Risk	Potential Financial Impact	
Physical Risk	Acute	Degradation of nature resulting from abrupt extreme climate events	Facility damages resulting from natural disasters and rising repair costs
			Disruption to product manufacturing and supply due to natural disasters and the resulting decline in revenue
		Loss of species diversity and ecosystem degradation due to the release of pollutants into soil or water	Costs incurring to eliminate soil and water pollutants and recover the ecosystem
			Penalties imposed due to environmental non-compliance
	Chronic	Increasing rarity of major natural resources	Increasing costs resulting from rise in natural resource prices
			Higher direct and indirect costs from changes in production processes replacing natural rubber
Transition Risk	Policy and legal	Ecosystem degradation in the course of business operations	Costs incurring to recover the damaged ecosystem
			Increasing procurement costs resulting from reduced natural rubber production
		Change in existing policies and adoption of new regulations	Increasing direct/indirect costs for regulatory compliance
			Additional costs incurring due to production process adjustments to meet updated regulations
	Technology and market	Enhanced nature-related reporting obligation	Higher costs for rigorous stakeholder monitoring and audits in compliance with disclosure regulations
			Indirect costs incurring to improve our corporate reputation for environmental protection and sustainable management
		Change in consumer preferences	Fluctuations in product sales due to changing preferences
			Increasing marketing costs to target new markets
	Reputation	Substitution for products with less dependences/ impacts on the environment	Increasing R&D costs to develop green products and/or services
			Change in costs resulting from the shift to greener product manufacturing
		Shifting consumer sentiment towards various brands	Decline in sales due to negative consumer sentiment towards the brand
			Increasing marketing costs to restore reputation
	Growing response requirements from investors and customers	Increasing investor demand for sustainable management and social responsibility	
		Impairment in corporate investment value, stock price, and credibility due to delayed response	

Nature-related Opportunity Assessment

Opportunity	Key Opportunity	Potential Financial Impact
Resource efficiency	Transition to business processes with reduced dependencies and impacts on nature	Reduction in operational and maintenance costs due to new business models
		Improved productivity and profits due to efficient processes
	Efficient use of resources and recycling/reuse	Production cost savings due to the efficient use of resources
		Enhanced corporate reputation from greener product manufacturing through recycling and reuse
Products and services	Development of products with reduced natural resource intensity	Increased sales through advancing into new markets by offering products with reduced natural resource intensity
		Increased competitiveness and market share resulting from new business model development
	Diversification of business activities	Risk distribution through the expansion of business into diverse areas
		Value creation through synergic effects resulting from diversified business operations
Markets	Advancement into new markets	Increased opportunities to tap into new revenue streams through new market advancement
		Opportunities to bolster competitiveness in existing markets
Reputation	Partnership with stakeholders to resolve environmental issues	Shared burden of costs for resolving environmental issues through stakeholder cooperation
		Improved reputation for environmental protection and sustainable management

Biodiversity Conservation Activities

As part of our biodiversity conservation efforts, we are implementing a company-wide biodiversity management system. One of such efforts is the 'Our Forest' project which has been up and running since 2022 to create forests in the gardens of special education institutions and single moms' shelters in Daejeon, Seoul, and Gyeonggi where we are based. This program essentially created gardens where there were just cement surfaces before. The over 200 trees and flowers mitigate the "heat island" effects in urban centers and serve to absorb particulate matters and CO₂, which ultimately serves to provide fresher air to more than 100 people at these facilities.

In 2023, we initiated a collaboration for biodiversity conservation with a specialized organization at scale by signing an MOU with the Korea Arboreta and Gardens Institute to facilitate forest biodiversity and a culture of gardening. As an extension project of this MOU, our Daejeon Plant created a smart wall garden that measure 3 meters squared and contain dwarf umbrella trees and other diverse plants at its manufacturing facility to help absorb particulate matters and CO₂ within the plant. This smart wall garden consisted of plants perfectly suited to flourish indoors and employs automated management technology to produce the maximum-possible benefits in terms of healing, rest, and decoration. This is coupled with IoT technology to perform real-time monitoring on automatic watering and soil moisture content while controlling watering and lighting through the app. In partnership with the Institute, we led our employees into a unique activity of 'cultivating my own pet plants' to create a terrarium consisting of such succulents as Haworthia, Letizia, and Echeveria to purify the indoor air and alert them to the importance of biodiversity. Going forward, we will continue with communication and collaboration with local communities and specialized academic institutions to establish our biodiversity conservation system for ecosystem sustainability.



Use of Sustainable Materials

At Hankook Tire & Technology, our efforts to mitigate environmental impact starts early from the tire design and raw material acquisition phases. We develop tires with sustainable raw materials and seek out sustainable raw materials in partnership with global raw material suppliers, producing meaningful outcomes in preventing the depletion of natural resources and reducing carbon emissions.

Mitigating Environmental Impact in the Tire Design and Raw Material Acquisition Phases

Developing Tires Made from Sustainable Raw Materials

We have focused on developing tires that deliver exceptional performance while also opting for the use of sustainable raw materials. Our Hungary Plant is a good example of this, which initiated the mass-production of tires comprised of 45% sustainable raw materials. We successfully developed tires that not only maintain top-tier tire performance and durability but also aid in the reduction of CO₂ emissions generated from the raw material acquisition phase through the use of sustainable materials.

The tires feature sustainable materials certified by ISCC PLUS¹⁾, such as bio-based silica, recycled PET cords, and bio-circular synthetic rubber, applied through the mass balance approach. The sidewalls of these tires are engraved with the industry-first ISCC PLUS certification logo. Additionally, these tires are supplied to the high-performance electric sports car ‘Taycan’ facelift of the supercar brand Porsche.

Furthermore, Hankook Tire & Technology has successfully developed electric vehicle tires composed of 70% sustainable materials through collaboration with global automotive manufacturers, demonstrating tire performance and durability. These tires include sustainable materials such as bio-circular synthetic rubber²⁾, recycled PET cords, sustainable carbon black²⁾, recycled carbon, bio-based silica, recycled steel, natural oils, and resins²⁾. Moving forward, we aim to contribute to global CO₂ reduction by achieving our goal of using 100% sustainable materials through continuous research and development.

Achieving the ISCC PLUS certification lies at the core of our strategy to develop tires with sustainable material content. Our Geumsan Plant, which became the industry’s first to be certified under this program, has successfully renewed its certification for three years, and our Hungary Plant also achieved the ISCC PLUS certification in September 2023 as the second to do so among our plants. The ISCC PLUS certification ensures that we transparently manage our supply chains and manufacturing processes and raise the proportion of raw materials to reduce CO₂ emissions in the raw material acquisition phase. We will extend the coverage of our plants certified under this program and expand the proportion of sustainable products out of our product supply mix.

1) ISCC (International Sustainability & Carbon Certification) PLUS: International certification system that verifies the use of eco-friendly raw materials along the entire product manufacturing process

2) Marked materials are made through the mass balance approach.

Developing Sustainable Raw Materials through Open Innovation

Hankook Tire & Technology collaborates with global raw material companies to help disseminate a circular economy business model that turns waste into useful resources. In May 2023, we signed an MOU with Kumho Petrochemical on eco-friendly tire development and business cooperation using Eco-SSBR (Solution Styrene Butadiene Rubber). Under this MOU, we secured Eco-SSBR produced through the application of Kumho Chemical’s RSM (Recycled Styrene Monomer) to lay the basis to establish an eco-friendly value chain. In partnership with SK chemicals and Hyosung Advanced Materials, we also developed and commercialized our EV-exclusive tire iON, which is the nation’s first to adopt chemically-recycled PET fiber cords. This represents a deeply meaningful sustainability milestone reached among a chemical company supplying raw materials, a material company processing these materials, and a maker producing finished products. We also played a leading role in building a network with Korean companies to build a tire-to-tire resource circularity system, continuously seeking partnerships with raw material companies to establish a circular business model in Korea and ensure the reliable supply of sustainable materials in so doing. Hankook Tire & Technology engages in sustained R&D efforts to progress towards the goal of adopting 100% sustainable materials for all our tires by 2050, and will expand the use of sustainable materials with a focus on iON, our EV-only tire brand, to lead the charge in sustainable management across the global tire industry.



Optimizing Tire Weight

To develop sustainable products, we are increasing the use of eco-friendly raw materials and focusing on activities related to recycling tires into tire materials, as well as optimizing tire weight to minimize resource usage. When tires are lighter, the curing process during manufacturing, which applies heat, is shortened, allowing for more efficient use of thermal energy. By applying lightweight cords to tires, the curing time is reduced, leading to an average saving of 0.01 tons of steam gas per day per curing machine. This translates to an annual reduction of 3.37 tons of steam gas. We are expanding the application of the lightweight cords, which were developed and completed in 2023, to all our plants and are continuously advancing research on new lightweight cords.

Applying Metal 3D Printing Technology

Hankook Tire & Technology proactively deployed industrial additive manufacturing known as metal 3D printing back in 2015, and became a market leading company in the Korean tire industry by establishing a mass-production system for 3D printed sipe (tire mold parts used to make ultra thin and complex patterns on the tread of tires), which testifies to our continued research efforts to explore the innovation, possibility and eco-friendliness of 3D printing technology. 3D printing technology streamlines the manufacturing process into one single step from raw materials to finished products and allows for the simultaneous creation of intended shapes, eliminating the need for further machining to deliver improved efficiency. These benefits contribute to not only reducing waste but increasing energy efficiency.

We have applied 3D printing technology to our tire manufacturing process to produce tires in an eco-friendly way. For example, we developed 3D printing technology for tire molds, which allowed us to reduce 60% of the waste in the mold production process to further achieve energy savings of over 80%. This technology is first being deployed for research-purpose molds. Apart from this, we are applying 3D printing technology that we developed to restore abrasion-prone equipment parts that are otherwise discarded. In particular, the technology we secured to restore titanium alloy ultrasonic cutting blades used in the tire building machine allowed for both improved eco-friendliness and cost savings. We are also working on technology to restore equipment components that are normally discarded due to wear or damage, such as screws in the rubber extruder, so that these parts can be reused.

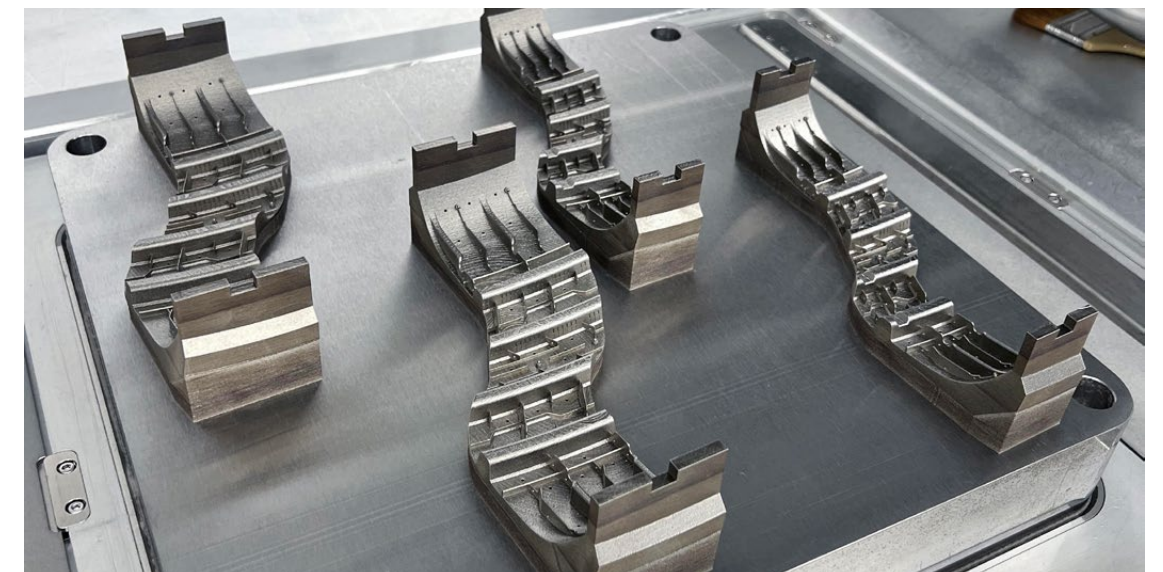
In recognition of the exceptional technology accumulated over the years, we were honored with the Minister of Science and ICT Award in 2023 as a best practice for using 3D printing. We will remain committed to research endeavors to produce yet another technology innovation that leverages the power of 3D printing and expand our collaboration with domestic and overseas specialists.

Producing and Expanding the Supply of Retread Tires

Retread tires are produced by cutting away the worn-off parts of tires, like the tread, and replacing them with new ones while maintaining the original casing to restore tire performance. Recycling end-of-life tires helps reduce waste from tire replacements and conserve raw materials. Believing in the potential of the tire treading business to contribute to our corporate sustainability, Hankook Tire & Technology acquired Reifen-Mueller of Germany in 2018 and has since constantly raised the profile of its retread tire brand ‘Alphatread’. In 2022, our hot-retreading factory for retread tire production was completed to locally produce and supply Alphatread products in Germany, and a production location was secured in the UK as well. To deliver solutions that are eco-friendly all while ensuring cost efficiency and product safety, we will expand the scope of retread tire products and invest in relevant production facilities.

Endorsing End-of-Life Tire Initiative

Hankook Tire & Technology is a member of the global Tire Industry Project (TIP) to promote the sustainable management of end-of-life tires (ELT). These ELTs are 100% recyclable, and over 90% of the ELTs generated across major countries around the world are collected and recycled, and over 40% of them are recycled or reused as materials. The TIP champions and supports far-reaching research activities on the ELT management system globally, and works to improve global ELT systems by engaging in continuous assessments and report publications on ELT recycling and other practices, innovative technology, and country-specific recovery rates. At Hankook Tire & Technology, we endorse such efforts and proactively cooperate with the initiative through our contribution to working group activities.



Temporary molds used to research metal 3D printing

Collaboration for End-of-Life Tire Recycling

re:move

remove for the environment,
re:move for humanity

re:move represents Hankook Tire & Technology's ESG management initiative manifesting our commitment to eco-friendliness: this goes beyond 'remove waste' to 're:move through recycling'. Not only do we recycle waste generated from the tire manufacturing process and turn it into useful resources, but we also engage in a broad array of collaborations to develop products symbolizing our eco-friendly vision and create social value. In doing so, we present sustainable lifestyles for future generations and widely promote Hankook Tire & Technology's firm commitment to rising to new challenges towards the future and bringing social value.

Upcycled Shoes

Hankook Tire & Technology provides a first-hand brand experience for consumers to truly understand sustainability, one of the key values of EVs, in our own authentic ways. Our brand collaboration made possible through tire recycling and upcycling that unleash the originality of tires delivers the joy of sustainable mobility and communicates the value of ESG in an easy-to-understand way for customers. We have specifically joined hands with shoe brands to develop a host of shoes (outsole) together as we share common features to make mobility convenient and quite literally "down to earth". Starting from the manufacturing of shoes from shredded tires to making outsoles directly from cut tire tread and using reclaimed compounds to make shoe soles, we are providing a second life to these otherwise discarded materials and exploring ways we can deliver sustainable value together through the tire originality brand experience.



Tire to shoes!!! Transformation of defective tires into glamorous footwear

Upcycled Longboard

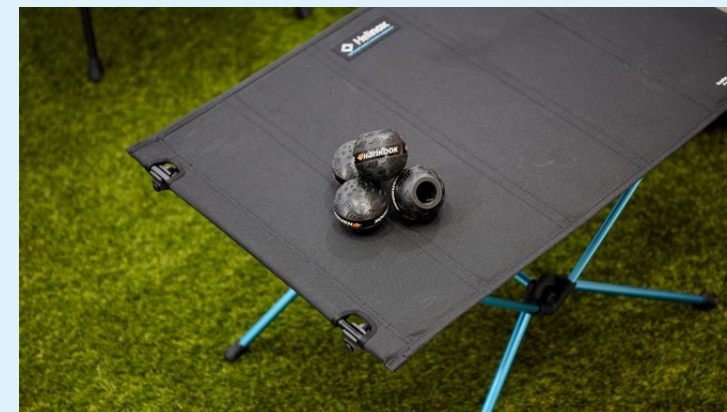
Hankook Tire & Technology's longboard is made out of sustainable materials that were created by upcycling end-of-life tires (ELT). The rebound elasticity and flexibility of rubber cushion the rider's body from the shock while dampening noise and vibration to provide a comfortable ride. The wheel of this longboard, developed in partnership with Checkerspot, a California-based biotechnology company, is made of algae oil-based biopolyurethane, which will help gain recognition across borders as a meaningful product that not only provides stable grip but is also environmentally sustainable. Our upcycled longboard is also significant in that it creates possibilities for the new processibility and recyclability of ELTs from the perspective of waste-to-resource materials. It also lends itself to a co-creation ecosystem for technology and material development through partnerships with small/mid-sized companies and cross-industry collaboration. As an eco-friendly mobility leader, Hankook Tire & Technology will pursue a range of ESG-themed eco-friendly activities and product development. This will serve to raise our brand profile and equity while providing a youthful and innovative corporate culture that reaches closer to the demographics of millennials and Gen Z.



Upcycling project re:move_transforming end-of-life tires

Upcycled Camping Gear

Hankook Tire & Technology has discovered methods to eliminate inconveniences in the lifestyle of our customers as well as in the daily moments of transportation through collaboration that unlocks the originality of tires. In partnership with Helinox, a global camping gear company, we jointly developed ball feet distinguished for exceptional performance and innovation that cushion camping chairs against the hard ground. The ball feet also prioritized material sustainability as they were made from recovered compounds that would be otherwise discarded. This product spreads social value in that it protects the camping chair from being damaged, while resolving the issue of discomfort. It will be launched in Korea in the latter half of 2024, and will also enter the US market, which will widen our reputation as a trusted name in the fulfillment of social responsibility.



Repurposing race tires for added life comfort



A glimpse into how end-of-life tires are made into shoe soles

RESPONSIBLE ENGAGEMENT

Hankook Tire & Technology grows hand-in-hand with a diverse group of stakeholders through close communication. We build sustainable supply chains along with suppliers while advancing human rights management and creating value for employees. Furthermore, we step up to give back to society in a mutually-beneficial partnership with the communities in which we operate, shaping a sustainable future for all.

Key Achievements			
Indicator	2023 Performance	2030 commitment	Responsible Committee
Ethical practice pledge and ethics training	Signed the ethical practice pledge - 100% in Korea, 99% overseas Provided ethics training - 95% in Korea, 97% overseas	100%	Ethics Committee
Social value creation	KRW 6,305 million	Against 2018 Increase by 20% (target: KRW 11,576.4 million)	Corporate Philanthropy Committee
On-site verification of ESG self-assessment results	61.8%	80%	Supplier Committee
Percentage of female leaders	8.0%	20%	Employee Committee
Advancement of governance	Stipulated the Code of Ethics for Independent Directors	Established governance in accordance with domestic best practices	Governance Committee
Frequency and severity index	0.72	Against 2018 Reduce by 30% (target: 0.45)	SHE Committee



Managing High-risk Suppliers

To ensure risk-free supply chain management, we assess our global suppliers each year based on ESG and quantitative data, and transparently disclose their scores and detailed assessment results through our G.HePS purchasing system. We are systematizing follow-up management and improvement planning processes for suppliers identified as high-risk through assessment results, and support them in developing corrective actions by providing tailor-made improvement guides in collaboration with relevant departments. If a supplier is classified as high-risk for three years despite such improvement activities, we take a strict approach by suspending any further business with them. We apply weights to ESG criteria to ensure suppliers with excellent ESG assessment rating earn higher scores overall. Suppliers with high ESG assessment ratings are eligible for up to a 10% weighting. These high ratings come with benefits such as giving priority in allocating item-level supply volumes in the supplier selection and contract process as well as making differential advance payments according to the rating. This allows us to take a rating-based, differentiated approach in line with global supply chain assessment results.

Operating the Supplier Committee

We have been operating the Supplier Committee under the ESG Committee to manage potential supply chain risks and to cultivate mutually beneficial relationships with suppliers. The Supplier Committee sets ambitious initiatives each year and shares and reports their plans and results with the Board of Directors, which then directly reviews our supply chain ESG implementation, establishing a win-win, responsible management system along the way. The Supplier Committee keeps our supplier sustainability guidance up to date as the code of conduct for suppliers to prevent any potential conflict between new ESG requirements that emerge each year and our supplier code of conduct. We institutionalize supplier participation in our ESG policy by imposing transactional penalties in case of any serious violation of this guidance. Additionally, we provide global purchasing personnel with online ESG training each year as an internal training initiative to establish healthy supply chains.

Conflict Mineral Monitoring

While Hankook Tire & Technology does not directly source conflict minerals, we are clearly aware that a portion of our raw and subsidiary materials either use or contain such minerals. We have developed our own conflict mineral policy to verify the country of origin of minerals and review suppliers in this regard. As a result of monitoring evidence and the risk assessment process concerning conflict minerals in 2023, zero issues were identified, and we disclosed the survey list on our website. In addition to the four conflict minerals of 3TG (tin, tantalum, tungsten, and gold), we are also monitoring cobalt, known for its association with human rights violations and labor exploitation, to expand our scope of monitoring.

Shared Growth

Supplier Communication

Hankook Tire & Technology engages in continuous communication and interaction with global suppliers to build strategic partnerships and mutually beneficial relationships. Our communication channel is available year-round through our G.HePS purchasing system and our website, which serves to verify and handle complaints and improvement requests. In 2023, 12 complaints were submitted, of which 100% were responded to and improved. A total of 19 supplier networking events were held, and we also provide paper-based ESG training, along with in-person and ad-hoc communication and support to maintain close collaboration.

Working with Suppliers towards Net Zero

Hankook Tire & Technology has set an ambitious goal of becoming ‘Net Zero by 2050’ and is working on multiple fronts with suppliers to achieve the ‘net zero, shared growth’ vision together. As part of such efforts, we have set our mid-term goal of reducing GHG emissions by 20% by 2030 in the raw material acquisition phase. We provide suppliers with net zero training to support their journey towards net zero, and conduct net zero surveys on suppliers (70.1% response rate in 2023). These surveys help us check suppliers’ CO₂ reduction targets and progress rates, and we plan to continuously accumulate data to achieve our net zero goal in collaboration with them. In addition, we continue to take stock of our supply chain of sustainability-certified natural rubber including sourcing rubber in compliance with the EUDR (European Union Deforestation Regulation) while encouraging FSC¹⁾/ISCC+ certifications along our supply chains to reduce carbon emissions. We also continue to collaboratively respond to the CBAM (Carbon Border Adjustment Mechanism) and other carbon regulations. Moving forward, we will engage in steady support and communication to progress towards our net zero goal alongside our suppliers.

1) FSC certification: International certification program developed by the Forest Stewardship Council for forest resource protection



Securing Sustainable Raw Materials

Increasing the Percentage of Raw Materials Sourced from Suppliers Rated A in ESG Assessments

We are moving towards our goal of achieving 40% usage of sustainable raw materials by 2030. To this end, we are increasing the proportion of raw material suppliers with high ESG ratings to establish sustainable raw material supply chains globally. In 2023, we reached 91.1% in the proportion of A-rated suppliers in ESG assessments out of our total transactions. We will further advance our sustainable supply chain management system by eliminating supply chain risks through identifying top-performing suppliers with an objective assessment system and increasing raw material sourcing from these suppliers.

Operating the Sustainable Natural Rubber Program

Hankook Tire & Technology is a founding member of the GPSNR (Global Platform for Sustainable Natural Rubber) launched to promote the sustainability of natural rubber. We drafted the 'Sustainable Natural Rubber Policy' in 2018 to specify the social responsibility of natural rubber supply chains, and established an initiative to implement this policy. In 2020, we amended this policy to reflect the 'Policy Component' announced by the GPSNR and disclosed this on our corporate website. In 2021, separate 'natural rubber supply chain ESG assessment items' were created in line with GPSNR standards and assessments were conducted accordingly to verify compliance with the sustainable natural rubber policy and prevent risks. We further supplemented the assessments in 2022 by adding criteria related to regulatory compliance and pollution prevention efforts among others. In 2023, we expanded participation in these assessments, and will take mitigation actions to address risks identified through risk assessments to respond to the increasingly expanding supply chain management regulations.

Participating in a Blockchain-based Sustainable Natural Rubber Project

We are a member of the Project TREE, a blockchain-based natural rubber traceability and sustainability project, led by the international trader ITOCHU. The aim of this project is to enable traceability along the natural rubber supply chain, from supply to manufacturing and sales. As a participating member of this initiative, we partnered with ETEL, the largest UK-based tire distributor, to sell and produce tires made solely from natural rubber harvested within unprotected areas. The proceeds go to support sustainability for smallholders, collectors, and local dealers who cooperate in ensuring the traceability of natural rubber. In 2023, we joined Project TREE's JPA (Joint Pool Account) activity to provide 337 natural rubber smallholders with Android smartphones, and supported them with 109 boxes of formic acid and 82 sets of tapping knives by way of 11 collectors. This is projected to enable traceability for up to 146 hectares of new cultivation areas and to improve the productivity and quality of natural rubber along with enhanced capabilities of smallholders.



Project TREE (Joint Pool Account) activity



Human Rights and Diversity Management

At Hankook Tire & Technology, we respect the human rights and diversity of our employees and all our stakeholders, and prohibit discrimination to deliver a positive impact to our society. Not only do we advance human rights practices through human rights training, grievance handling, and human rights impact assessments, but we also recruit and nurture female talent and people with disabilities to boost our organizational diversity.



Human Rights Management

Human Rights Management Declaration and Principles

We recognize the importance of human rights as a universal value and the potential to act on this value in our day-to-day business operations. In making our human rights management declaration, we commit to respecting and protecting the human rights of all workers (contract, temporary, and foreign national workers), customers, communities, and all other stakeholders who interact with us through our products, services, and business activities. Furthermore, we will ensure that we endorse and honor the international human rights protection principles and that we are not involved in any human rights violation. As a company that fulfills its social responsibility and pursues the satisfaction of all its stakeholders, we will respect and safeguard human rights under all circumstances to promote the wholesome development of our society.

[View the full version of our human rights declaration and principles](#)

Human Rights Training for Employees

We provide our domestic employees with a range of human rights training to prevent sexual harassment and bullying and improve perceptions on disability. With proactive participation from our employees, 100% of our employees completed our human rights training. Moving forward, we will continue to expand our human rights training to reach even more stakeholders and global employees.

Human Rights Trainings Provided

Training	Topic	Target	Completion Rate
Training on the prevention of sexual harassment	Understanding and preventing sexual harassment	All domestic employees	100%
Training on the improvement of perceptions on disability	Understanding the characteristics of different disabilities and relevant laws and regulations	All domestic employees	100%
Data privacy training	Understanding the concept of data privacy and ways to create a culture of data privacy	Office workers in Korea	100%
Occupational health and safety training	Preventing occupational accidents, occupational health and safety laws, preventing workplace harassment, and others	All domestic employees	100%
New hire training	Understanding pertinent laws including the Occupational Safety and Health Act, the Serious Accidents Punishment Act, and health and safety management	New hires in 2023	100%

Stakeholder Communication

We make our communication channels highly accessible to various stakeholders to facilitate human rights discussions at Hankook Tire & Technology. A case in point is Misconduct Reporting that we make publicly available on our global website that anyone can raise an issue with across our business operations. Considering the mounting importance of human rights management as a key pillar of business operations, we expect that stakeholders will raise their expectations for human rights-related issues even higher. Hankook Tire & Technology will widely open all our communication channels to embrace human rights issues and feedback from wide-ranging stakeholders.

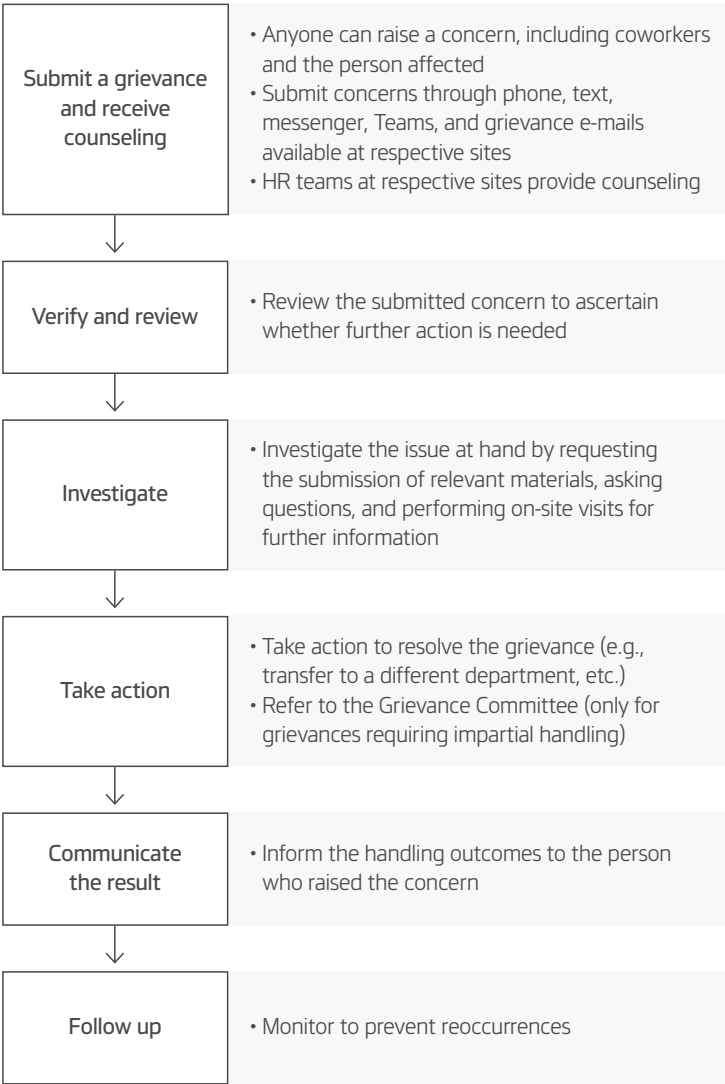
Stakeholder Communication Channel

All		Misconduct Reporting Receive proposals for improvement on our entire operations through the Misconduct Reporting section of our global website
Employees		Corporate culture assessment: Organizational engagement, culture survey Assess our corporate culture to identify the detailed status of respective organizations and make necessary improvements Junior Board Collect feedback from millennial and Gen Z opinion leaders to identify and improve issues Complaints Collect proposals for improvements in relation to employees' corruption, misconduct, or inappropriate practices and policies
Suppliers		Supplier networking Collect feedback and strengthen partnerships through regular supplier communication channels Supplier proposal program Collect any ideas from suppliers to improve issues and pursue win-win supply chain relationships, and award outstanding ideas
Local communities		Local government and community leaders Engage in continuous communication with community leaders as well as local governments in areas where we are based to collect community feedback
Other external stakeholders		Shareholders Host conference calls, attend conferences led by securities firms, and hold year-round IR meetings to collect and reflect feedback from domestic/overseas investors Customers (car makers, customers, and dealers) Operate wide-ranging communication channels including the customer satisfaction center, car maker assessments and meetings, and dealer discussion meetings

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Grievance Handling Process



Operating the Grievance Committee

We operate a grievance mechanism to resolve employee grievances, prevent disputes in the workplace and promote horizontal communication among employees to ultimately create a positive corporate culture. This mechanism helps us heed employee grievances through various channels and seek solutions to protect the human rights of workers and build a wholesome working environment. Our employees are free to request improvement actions for discriminatory treatment, sexual harassment in the workplace, unjustified actions taken in relation to parental leave, workplace harassment, or any other personal grievances in their professional and personal life.

Observing the Principle of Non-discrimination at Work

The prohibition of discrimination and prevention of sexual harassment and bullying are specified in our Employment Rules, Code of Conduct and other major regulations. We receive employee grievances through grievance handling channels and other appropriate methods, promptly investigate the concerns raised, and take stringent measures including disciplinary action against the offender when necessary to rigorously comply with the set regulations. To prevent sexual harassment and bullying at work, we provide all employees with prevention training at least once a year pursuant to our Employment Rules. As sexual harassment prevention training is mandated by the Act on Equal Employment for Both Sexes, we conduct such training each year as stipulated in our Employment Rules and Manual on the Prevention of Sexual Harassment at the Workplace. Prevention training is offered mainly in virtual format to make it more readily accessible for employees and improve management efficiency for the training department. Our Employment Rules specify that those accountable for sexual/workplace harassment are subject to disciplinary action, and even to disciplinary dismissal if the misconduct is severe or persistent or causes serious disruptions to the moral order of the workplace, making it clear that stringent disciplinary and prevention actions will be taken as needed. In 2023, one case of sexual harassment at work was submitted, and disciplinary action was taken following the investigation.

Human Rights Impact Assessment Process



Human Rights Impact Assessment Process

Human Rights Impact Assessment

We conduct human rights impact assessments once a year throughout all global operations (Headquarters, domestic/overseas plants, R&D Center, and overseas subsidiaries and offices). This aims to preemptively identify human rights concerns that may adversely impact employees and stakeholders, and make improvements on identified issues to protect human rights. We analyzed the human rights grievances collected over the past two years to select vulnerable areas and developed an in-depth questionnaire specific to our human rights conditions. In 2023, intensive assessments were made on operational sites identified as high-risk based on assessment results of the previous year. We also made human rights impact assessments available on our intranet for anyone wishing to participate to raise their voice for human rights issues while introducing our human rights management for global employees along with training. Such efforts helped us achieve a 100% response rate at all 54 operational sites around the world. In establishing new business relationships, we review them for their human rights practices to ensure there are no human rights issues involved.

Human Rights Impact Assessment Results

No significant human rights risks were identified through our human rights impact assessments performed on our 54 organizations around the globe. To further advance human rights management, we selected nine organizations in need of improvement and developed improvement plans. ‘Awareness for and trust in grievance mechanisms’ was chosen as an issue posing a relatively greater need for improvement for two consecutive years. In response, we engaged in various activities in 2023 including taking stock of our global company-wide operations, conducting training for responsible personnel, and communicating with employees to upgrade our grievance mechanism. In 2024, we plan to further promote our grievance mechanism so that it is clearly recognized and even more trustworthy at our various sites around the world. Looking ahead, we will step up our efforts for all Hankook Tire & Technology employees to recognize and internalize human rights management in their day-to-day routines.



Recognized as a great employer for people with disabilities



Awarded with the Presidential Citation in the worker category at the
Inclusive Employment Promotion Awards

Overview of Female Employees

(Unit: %)

Category	2023	2030 Target
Female employees	11.2	13.0
Female managers (total)	16.7	22.5
Female managers (assistant and senior manager positions)	17.1	30.0
Female managers (top positions)	2.8	7.5
Female employees in revenue-generating departments	19.6	40.0
Female employees in STEM* positions	10.5	30.0

* STEM: Science, Technology, Engineering, Mathematics

Diversity Management

Facilitating the Employment of People with Disabilities

Hankook Donggeurami Partners was established in 2015 as a subsidiary-type standard worksite for people with disabilities. It provides the underprivileged with an opportunity to explore their untapped potential and broaden their horizons to contribute to the growth and development of communities. Since its inception, Hankook Donggeurami Partners has engaged in range of activities to continuously increase employment and job security for people with disabilities, improve treatment to retain long-term employment, create a safe and pleasant working environment, operate an onboarding program, and raise awareness on disability. In recognition of such efforts, we received the Minister of Health and Welfare Award for People with Intellectual Disabilities in 2018 while winning the Prime Minister's Award for promoting inclusive employment and achieving certification as a great employer for people with disabilities in 2019.

Hankook Donggeurami Partners serves as an outsourcing service provider for Hankook Tire & Technology in the four areas of inhouse welfare operations, including laundry, bakery, coffee & beverage service, and administrative support. The company expanded its business footprint by opening the 'Donggeurami Car Wash' at the Headquarters in Pangyo in 2020, and additionally launched a car wash and a café at the Hankook Engineering Lab located in Jang-dong, Yuseong-gu, Daejeon in 2022. Opening a car wash at Technodome in 2023, the company remains committed to exploring new business opportunities to create jobs for people with disabilities. Its achievements in providing employment for people with disabilities were highly praised as the company received the Presidential Citation in the worker category at the Inclusive Employment Promotion Awards in 2023 and was named a great employer for people with disabilities in 2023 by the Ministry of Employment and Labor and the Korea Employment Agency for Persons with Disabilities.

Nurturing Female Talent

We have continued to increase the proportion of female employees to ensure gender-based diversity, and set a mid/long-term goal of reaching 20% in the percentage of global female leaders by 2030. In 2023, we held conferences with domestic organizations and overseas regional headquarters to highlight the importance of this goal and discuss ways to strengthen our execution towards this goal. As part of such efforts, we improved upon the criteria for calculating variable compensation for employees returning from parental leave who had no performance assessment results prior to their leave.

We also provided organizational heads with detailed individual guidance on our family-friendly programs that align with different phases of our employees' lifecycle (engagement/married life-pregnancy-childbirth-childcare-family care) to encourage the active use of such programs. To facilitate the use of such programs and help employees clearly understand their details, we are upgrading our posts and application menu for our family-friendly programs. Work is also underway to review the introduction of new programs that will help preemptively prevent career discontinuation for women who often have to juggle home and work responsibilities. A range of development programs are also being prepared to support the growth of

female leaders. This includes leadership mentoring (between executives and female middle managers), the Hankook Leadership Program (for leader candidates), and other internal development programs as well as conferences, forums, and external development programs to nurture competent and skilled female leaders.

Ensuring Employee Diversity

As a company that respects the diversity of its employees, we create a thriving corporate culture for our employees, irrespective of nationality, gender, race or any other discriminatory markers, so that all our employees can freely pursue and champion what they excel in. As part of such efforts, we strive to nurture competitive female talent in job functions where women are usually a minority.

One example of this is in our nurturing of female talent in motorsports which is disproportionately dominated by men. This allowed us to produce a female motorsports leader recognized by the ABB FIA Formula E World Championship, the world's most prestigious all-electric racing series, on International Women's Day in 2023. To externally expand opportunities for women to participate in motorsports, we joined the FIA Girls on Track program hosted by the FIA (Fédération Internationale de l'Automobile) as a Presenting Partner. Going forward, we will blaze the trail as a pioneer in encouraging more women to participate in motorsports.

We strive to bring in talent from diverse nationalities and ethnicities in the recruitment process. We continued to attend international student job fairs in 2023 to make use of varying recruiting channels, and were able to hire new employees from different countries and ethnicities, which helped boost our overall diversity. We will continue to explore ways to ensure diversity in our workforce.

Training on Diversity and Inclusive Leadership

Continuing from 2022, we operated a range of training programs in 2023 to ensure that diversity and inclusion anchor our organization management and leadership execution. Open training courses were provided on such topics as teamwork facilitation and coordination/integration, and DEI training was conducted for team leaders with the goal of 'creating great, collaborative team'. In particular, 51 employees assigned to expatriate positions received two sessions of special training on DEI to help facilitate cross-cultural understanding. In 2024, we will focus on the diversity pillar of DEI to operate female leader nurturing programs. In response to the need to focus on the development of competent and skilled female leader candidates, we are preparing level-based programs and will operate tailor-made programs for each of the working-level, middle manager, and leader groups to help talented female employees with competency development.

Employee Care

Hankook Tire & Technology puts the growth and satisfaction of its employees first. This philosophy drives our efforts to make the entire work life positive - from recruiting and nurturing talented employees all the way to performance assessments, compensation, and welfare & benefits. Not only do we support a work-life balance, but we also pursue ceaseless innovation in our corporate culture to provide an environment where individual employees thrive and unlock their full potential.



Support for the Growth of Employees

Building up Training Content

We operate the Promotion Minimum Requirement (PMR) system and other various training courses to strengthen our employee training program. The PMR system consists of performance reviews, language proficiency, innovation mileage, and learning mileage as the minimum promotion requirements, and provides leadership, common job competency, digital, and other training programs required to earn learning mileages. In 2023, this system was overhauled into ‘Customized Training Programs’ to meet the career growth needs of our employees. This was achieved by reflecting employees’ improvement proposals to set schedules in consideration of training efficiency and effectiveness, diversify content, open training courses by difficulty level, and expand the scope of competencies. The upgraded system also provides employees an opportunity to choose training courses based on the voluntary assessment of their own learning competency and level to strengthen self-directed learning capabilities.

Leadership courses are designed to enhance employee coaching, collaboration & conflict management, and communication skills (11 courses, 20 sessions, completed by 410 employees). Common job competency courses aim to help enhance overall job competencies, covering planning, problem-solving, and document preparation (13 courses, 27 sessions, completed by 534 employees). On/offline courses are also provided on data analytics and Python among others to disseminate a digital culture across the board and seek productivity improvement, with the addition of AI training on ChatGPT and other topics in 2023 (11 courses, 73 sessions, completed by 717 employees). In 2024, we plan to open additional specialized job courses to help employees enhance their job competency. Meanwhile, promotion training, which was previously conducted as part of PMR training, was separated to open ‘promotion courses’. These courses were enriched with leadership training on level-specific roles to help promoted employees fully recognize their new role, and provide mandatory common job competency training by job level to assist promoted employees in furthering their growth. In 2023, 27 and 62 employees promoted to P2 and P3 positions respectively completed the training.

Systematizing the Onboarding Programs

We systematized our onboarding programs to facilitate our new hires’ organizational adaptation and help them become productive quickly. Within one year after joining the Company, new hires attend induction/ job training, on-the-job training (OJT) and mentoring, the Refresh Session, the improvement proposal project, and the Value Up program to progressively advance their growth. Induction training is structured in a way to help new recruits understand our organization and core values to feel connected while training in a fun and gamified way alongside other new hires. Once assigned to a team, new hires receive OJT for three months to settle in their role. Our mentoring program provides a range of activities for mentees to develop rapport with their mentors, and is made more engaging as each completed mission is given a score. The improvement proposal project allows new hires to propose their ideas from a fresh perspective in the four areas of strategic tasks, company system, work execution, and new business, and provides an opportunity for new recruits to directly present their ideas and seek growth through recognition. The Value Up program for refresher training consists of work skill training to enhance one’s performance competency

and retention training to redefine one’s growth plan and vision. In 2023, a total of 83 new hires completed our onboarding programs. We will continue to upgrade and operate our onboarding programs in 2024.

Expanding Digital Training

Industry-Academia Cooperation Program at KAIST

We have conducted the industry-academia cooperation program with KAIST since 2019 to provide employees with digital competency enhancement training. In 2023, we provided ‘basic AI training’ to employees with 2+ years of working-level experience with a basic understanding of Python codes at the Chief Technology Office, the Safe Production & Engineering Staff Office and the Quality Staff Office. Basic AI training consisted of basics and application of database, SQL, and AI/ML with the goal of enhancing AI-focused competency. In 2024, we will provide ‘advanced AI training’ to build on basic AI training to progressively strengthen employees’ AI/ML use competencies.

Hosting the Hankook & Company-KAIST AI Competition

Hankook Tire & Technology hosted the AI competition under the leadership of our holding company, Hankook & Company to promote interest in AI and big data analytics and application among employees and help them enhance working-level application capabilities. The competition was attended by 40 teams which proved that it was of intense interest among employees. The 20 teams that passed the paper-based screening teamed up with students from the KAIST Graduate School of Data Science for a 5-week project and received one-on-one advice from KAIST professors to bolster their competency and produce exceptional outcomes. The 15 finalist teams continue to apply their project experience to their work routines even after the competition. This provided employees with an opportunity to execute projects combining cutting-edge AI technology and graduate students with hands-on experience of actual data produced in industrial settings, contributing to enhancing digital capabilities, nurturing future generation talents, and promoting community development. In December 2023, we were honored with the Inclusion Award granted by the President of the National Information Society Agency at the 4th iNews 24 D.N.A. Innovation Awards in recognition of such achievements.



Industry-academia cooperation program at KAIST



Hankook & Company-KAIST AI Competition



(from top) R&D learning CoP Awards / R&D technical advisor seminar / R&D Tech-Day / Basics on pneumatic control

Developing Job Expertise

T-ACADEMY for Online R&D Self-learning System

T-ACADEMY that we introduced in December 2022 as an online R&D self-learning system, provides 192 types of tailor-made learning content for our R&D workforce. Its aim is to lay the basis for establishing self-directed learning for our R&D staff and facilitate their growth. The entire curriculum is categorized into Beginner, Basic, Intermediate, and Advanced to support customized learning content depending on the target and level of course needed. The technology seminars held at our R&D Center are recorded and uploaded on the T-ACADEMY platform to facilitate the cross-functional sharing of R&D efforts and achievements.

Learning from Others: R&D Learning CoP

Our R&D Center supports CoPs (Community of Practice) that bring together researchers to share knowledge with each other. In 2022, 12 CoPs were established for six months with 135 participants, which resulted in 14 patent applications made across tire design, material technology and other diverse areas. To facilitate communication among different CoPs, we opened an online communication channel on the Teams platform. In 2023, 102 participants joined seven CoPs for eight months to generate 53 patent applications on tire designs and performance technology among others. These CoPs are categorized into participation-based CoPs and open-type CoPs: participation-based CoPs are joined by patent personnel and engage in patent lawyer meetings to enhance their patent activities.

Learning from Experts: R&D Tutoring

R&D Tutoring is our small-group, intensive learning program for researchers from different fields to share their expert knowledge and elevate job expertise. In 2022, 27 senior researchers conducted regular individual tutoring sessions, and a total of 296 researchers attended these sessions for eight months. In 2023, 30 senior researchers provided such individual tutoring sessions, with 396 R&D staff participating for seven months. Specifics of each tutoring activity were made available through T-ACADEMY.

R&D Remind Training and Mini-Projects

R&D remind and refresh training targets junior R&D employees who have been with the Company between one to three years, and provides remind sessions (technology/knowledge reviews, initial intention revisits, motivation) and refresh sessions (enhanced sense of belonging and team morale, stress and personal management). In 2023, a 2-day training was provided for 13 hours to 17 employees. In 2024, we will extend the coverage of this training to include experienced employees. This was coupled with Mini-Projects to help narrow the learning gap among newly-hired researchers through R&D refresher training. This helps researchers better understand their ideas and articulate them so that their brilliant and novel ideas can be translated into patent applications.

R&D Technical Advisor Seminars and Tech-Day

With the help of our R&D technical advisors, we hold seminars to share experience-based tips and expert knowledge. In 2023, two courses were conducted in five sessions with 108 employees attending. Tech-Day, which targets our R&D workforce to share tire industry trends and technology, including top R&D

news and major area-specific technology news, was hosted on 50 topics with 2,342 employees attending on a cumulative basis, which meant that an average of 52 employees participated in each session.

Competency Enhancement for Newly-hired Engineers

The Safe Production & Engineering Staff Office provided a broad range of programs to help newly-hired engineers with competency enhancement. This included training courses on basic and advanced Auto-CAD skills, PLC¹⁾, basics on pneumatic control, and fundamentals on motor technology. IFM solution courses were also conducted to help employees learn how to use Revit, Navisworks, and Inventor programs as the foundation for machinery 3D modeling. To expedite their growth as engineers, a short-term plant dispatch program was implemented to offer hands-on experience and shopfloor learning: new hires at the Headquarters were assigned to the Daejeon and Geumsan Plants for two to five months to experience equipment installation and commissioning to improve their overall understanding of plant operations. This was coupled with the support for individual employees to set independent growth goals and enhance job competency accordingly. We will continue to upgrade and operate our competency enhancement programs for engineers.

1) PLC: Programmable Logic Controller

Enhancing Professional Competency for On-site Managers and Operators

Our Daejeon and Geumsan Plants provide a range of internal training to help on-site managers enhance their professional competency. To assist newly-appointed line leaders in developing leadership skills and adapt to their changing role, we conducted training to cover such topics as labor laws, safety, and HR systems (2 sessions, completed by 18 employees). The leadership training curriculum was categorized into group leaders and line leaders: group leader courses addressed topics such as communication with junior employees, prevention of workplace bullying, sharing of safety issues, and details of HR systems to underscore the importance of on-site communication and safety issue prevention (2 sessions, completed by 31 employees) while line leader courses focused on communication skills for middle managers, labor-management issues, identification of safety issues, and HR system training with an emphasis on middle manager roles (4 sessions, completed by 121 employees). We also provide internal technician training to help operators develop facility management and improvement skills required for shopfloor innovation activities and develop our corporate culture in a way that encourages positive thinking. This training consists of in-house grade 1 technician courses covering equipment and machinery disassembly/assembly methods, PIPE processing methods, oxygen cutting, bending methods, and welder installation and use methods as well as in-house grade 2 technician courses that help learn basic mechanical knowledge, names and use methods of tools and measuring instruments, and oxygen cutter use methods, among others. In 2023, a total of 96 employees completed such training for grade 1 and grade 2 technicians. Our 2024 plan is to expand the participants and sessions of existing training programs while introducing HCIWAY innovation training and innovation leader training to support our employees in enhancing their professional competency and pursue our sustained growth as a company.

Leadership Skills Development for Global Employees

Hankook Tire & Technology's Empower Leadership Workshop has been hosted since 2021 to support global employees with leadership skills development. This program was developed and piloted in 2021 and has been launched for all leader groups since 2022. Intended to take stock of our organizational leadership status and issues and provide solutions, the Workshop has been hosted in 34 sessions with 271 participants, including 29 sessions for team leaders/PLs and 5 sessions for executives including C-level leadership.

To help understand and disseminate the leadership workshop process, we provided Global Leadership Agent Development Courses in Korea for Local Leadership Agents selected by overseas region in April 2023. Returning to their respective regions, these agents led a total of 53 workshop sessions in a way that meets their distinctive local needs for global leaders across our global headquarters and plants in China, the Americas, Hungary, and Germany, among others.

In 2023, the Team Building program was developed and operated as an advanced version of this workshop with team leaders, PLs, and team members participating. This team-level program brings together team members as well as leaders to discuss their strengths and necessary improvements on the topic of 'creating a great, collaborative team' and to organize a task list. This followed the process of preliminary survey (identify as-is status and issues), team building activity, and follow-up (survey at the 3-month mark, before/after gap monitoring), and 29 sessions were held between March and October (51 departments, 400 employees), nine out of which were internalized with the use of in-house trainers. In 2024, we plan to upgrade the curriculum based on team building process results of 2023 and operate 18 sessions (29 departments, 199 employees) with our in-house trainers leading the entire process. Going forward, we vow to continue with program development and provide unsparing support to further support our global employees with leadership skills enhancement.

Global Talent Program

Our Global Talent Program aims to nurture top talent around the world, as well as right in Korea. This provides employees from various countries an opportunity to develop their competency and build a global network to eventually promote stable localization. G.PLC (Global Proactive Leadership Camp) that targets top-performing overseas employees was first initiated in 2018 to disseminate our core values (strategy, mission & vision, corporate culture) and present a vision for future global leaders. In 2022, this was enriched with the Function Workshop to support overseas employees to work with their counterparts at the Headquarters in Korea to discuss pending issues at overseas operations and share work knowledge, develop a sense of belonging as a member of a global company and network across diverse job functions. The GCP (Global Career development Program) also serves to offer outstanding overseas employees the opportunity to work at the Global HQ in Korea to broaden their horizons at work and enhance job competency to grow into future global leaders. Selected employees are given a chance to work at our operations in Korea including the Headquarters and the R&D Center for least six months to develop their job competency and career paths.



Participants at the 2023 G.PLC



Marketing strategy training under the G.PLC



Global leadership and communication training under the G.PLC



Working at the HQ under the GCP

Work & Life Balance

Flexible Work Arrangements

We continue to extend the application of flexible work arrangements to ensure our employees better engage in their work and generate performance through a good work-life balance. Since 2015, our R&D Center has implemented 'staggered hours' to allow employees to choose when to start and finish their work. The '2-week cycle flexible work hours' has been also made available for operators at domestic plants since July 2018: this allows employees to arrange their work hours flexibly within the average of 40 hours per week for the duration of two weeks. 'Selective work hours' was piloted from April 2020 for the Accounting Team and the Corporate Management Team at the Headquarters, and its satisfaction survey results guided our efforts to develop a flexible work arrangement application system and expand its coverage to the Global OE Innovation Headquarters, the Internal Control Team, and trade management projects in 2021. Staggered hours have been also made available for office workers at the Safe Production & Engineering Staff Office since 2022, and were expanded from two to four different types for employees with children aged 8 and under or in grade 2 and below. For overseas operations, flexible work arrangements are provided at the NA Headquarters and the European Headquarters: employees with children working the NA Headquarters are free to apply in advance for staggered hours, and all employees are eligible for flexible work arrangements at the European Headquarters as long as they satisfy the core work time during the given working hours. In addition, we established a VPN (virtual private network) system to enable employees to work outside the Company when the need arises for business purposes.

Family-friendly Programs

To help employees juggle the responsibilities of work and childrearing, we established in-house infrastructure including breastfeeding/lactation facilities, and provide up to one year of parental leave for employees with children in grade 2 and below. We also offer a family care vacation of up to 10 days and a family care leave of up to 90 days per year to help meet the urgent care needs of our employees arising from illness, accidents or the deteriorating conditions of aging family members. Employees can also opt to reduce their work hours to 20 hours per week (4 hours/day) or five hours per week (1 hour/day, reserved for the caretaking period) to care for their child and family members without taking a leave of absence, which protects our employees from career discontinuation while providing them with sufficient time to care for their children and family. To make our family-friendly programs widely recognized and accessible, we provided executives and team leaders with individual guidance on such programs that are available along the lifecycle of employees, and created a single window of information on our family-friendly programs to help employees easily access relevant information at any given time and location. We expect this will support even more employees to actively seek assistance through our family-friendly programs.

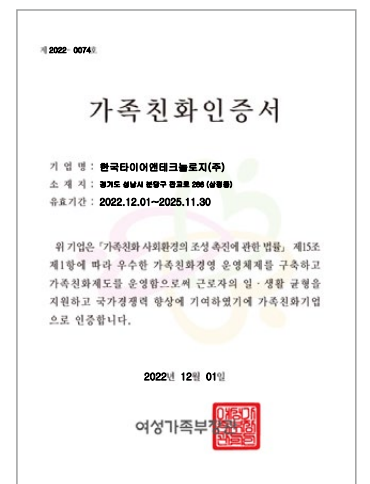
Operating In-house Daycare Centers

We operate our own in-house daycare centers at all our major operations, including at the Headquarters, the R&D Center and plants, to help our employees engage in their work while tending to their parenthood duties. Aside from governmental subsidies, all operational expenses of these daycare centers are shouldered by the Company. Teachers are trained regularly along with teacher appraisals and management, which generates trust on the part of employees in the operation of such centers. The centers also offer information on childcare/educational programs and manage food supplies/menus, hygiene, and safety. Our daycare centers provide a systemic curriculum that fosters physical and emotional development by age group, along with nutritiously balanced meals made from organic ingredients. We also provide our employees priority parking spaces to ease their use of our daycare centers. Along with a range of educational and experience activities implemented through age-specific tailor-made programs, outdoor field trips, and expert invitations, these daycare centers also conduct developmental and physical assessments on enrolled children to monitor their physical development while operating family programs each year including parent lectures.

Such efforts earned us the highest A rating (four ratings from A to D) in the daycare facility assessments (3-year cycle) performed by the Korea Childcare Promotion Institute in June 2021, and our employees are highly satisfied with the overall operation of our in-house daycare centers. The annual parent satisfaction surveys conducted in 2023 produced 4.52 points out of five in overall satisfaction: 4.56 points in parental and family support, 4.59 in teacher satisfaction, 4.55 points in health, nutrition and safety, 4.38 points in childcare programs, and 4.52 points in facility and operation. The year-over-year increase in the number of enrolled children in 2024 proved just how satisfied our employees are with our in-house daycare centers. Furthermore, we provide KRW 200,000 in kindergarten tuition support per child every quarter to employees with children aged 4 to 6. This helps us provide our employees with a better work environment while they care for their children, both for parents with children at our in-house daycare centers as well as for those who send their children to other daycare centers or kindergartens. In 2023, we hosted a two-night science camp for children of our employees and supplier employees to support their digital skill development.

Family-friendly Management Certification

In 2022, Hankook Tire & Technology achieved the Family-friendly Management Certification granted to companies and public institutions in recognition of their exemplary operation of family-friendly systems to support childbirth and rearing, provide flexible work arrangements, and create a family-friendly corporate culture. The certification audit process itself served to identify the strengths and weaknesses of our family-friendly programs currently under operation and employees' satisfaction with such programs. Audit data will play an instrumental role in creating a great workplace and aligning our HR systems to ensure diversity.



Family-friendly management certificate



2023 Family Day



Junior Board

Corporate Culture in Pursuit of Change

Improving Our Corporate Culture

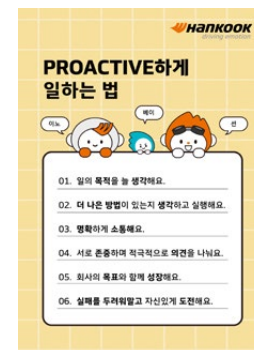
We conduct Global Engagement Survey regularly to improve our corporate culture (2-year cycle) and internal employee surveys to identify and improve organizational cultural issues from multiple angels. The Engagement Survey conducted in the first half of 2024 targeted all global employees: the questionnaire covers 14 areas including overall immersion, work environment, career development, effective communication, organizational efficiency, and diversity & inclusion to measure employees' job satisfaction, goals, happiness, stress, and other general organizational issues. This survey reached a high response rate of 92% and showed a 6%p increase in positive responses to 66% from the previous survey, The survey results were shared with all employees, and steer our efforts to develop key improvement initiatives at the organizational and company-wide level and continuously pursue cultural innovation. Such efforts are coupled with various events, including Family Day, New Year's events, and promotion celebration events, to foster a sense of pride and loyalty among employees. This also helps their family members better understand our employees' working environment and allows us to proactively support work-life balance as a family-friendly company.

Proactive LAB for Innovative Ideas

Proactive Studio serves as our in-house idea suggestion platform to reinforce a cultural environment where employees feel free to voluntarily bring forward their creative ideas and put them into action. This essentially encourages a culture that welcomes failure as multiple attempts are often needed to push the limit and discover innovative solutions. As part of this initiative, we operate Proactive LAB to cultivate prospective in-house venture teams directly created by our employees to execute selected exceptional ideas through project undertaking. A total of 21 chosen teams consisting of 77 members participated until 2022, and 12 teams of 18 members joined the initiative through open competition in 2023. A wide array of ideas in the areas of new business, marketing, and new technology were reviewed at the working-level and are executed in day-to-day operations following their development.

Innovating the Way We Work

We announced 'The way we Work Proactively' as our new action principle that aligns with our overarching Group mission, corporate vision, and core values, and are communicating these methods through diverse internal communication channels, including briefings, workshops, and campaigns, so that they can be easily internalized among all our global employees. Our aim is to define and pursue the mindset expected of Proactive Leaders, our ideal employee, and their approach to thinking, communication, and working based on company-wide consensus and understanding. Our Less for Better campaign, launched for corporate culture improvement, also serves to address inefficient and unnecessary work while continuously implementing change management for employees.



Proactive Approach to Work

Meanwhile, we develop and monitor cultural metrics for each key cultural initiative covering change in work methods, meeting/reporting practices, and addressing each other by "Mr./Mrs.". Our 'Do as I Promise' campaign helps us constantly go over basic etiquette and work principles as upstanding members of society. The Leader's Letter is issued for executives and team leaders each month, and in-house channels are used for communication, along with the development of diverse content to pursue change management and induce actual behavioral change on the part of employees.

Since 2022, Junior Board has been up and running to heed the varying voices of millennial and Gen Z opinion leaders and establish a smart corporate culture in so doing. This helps us identify ideas to improve our communication culture and inefficient work processes, implement these improvement solutions and seek the transformation and innovation of our corporate culture through voluntary employee engagement. Junior Board has produced 56 work improvement ideas to date, and many of them were implemented to improve recruitment experiences, add employee benefits, and expand company-wide communication programs.

Innovating the Way We Communicate

To build a culture of horizontal communication at all levels, our employees address one another by "Mr./Ms." rather than by job title, and interactive communication is bolstered through wide-ranging channels. We opened TA-NEW (tires delivering news) on the Teams platform, a collaboration tool used by all employees, to update our employees each week on corporate news and employees' stories in an informal newsletter format. Proactive Concert brings together all employees for offline communication to keep our employees up to date with key corporate policies and strategic directions, share company-wide news, and provide an opportunity for even closer communication among employees from different organizations. Since 2023, we have launched a range of cultural programs to support positive experiences for employees through immersion and active communication, including 'Special Mix-matched Lunch' where employees can casually dine with executives over lunch, and 'Knowledge Sharing' to promote a creative and autonomous culture of sharing knowledge and communication based on shared interests and hobbies. Knowledge Sharing events were initiated in the latter half of 2023 and have been held each month for team members to voluntarily share ideas on diverse topics such as their P.LAB participation experience, recent trends, and CoP experience. To communicate corporate news, Monthly Hankook Tire videos have been produced and made available at all levels since 2024 to share internal news and business insights each month, and our self-developed in-house animated character INNO, VEI, SEAN (INNOVATION) help guide more friendly and lighthearted communication so that we reach even closer to employees.



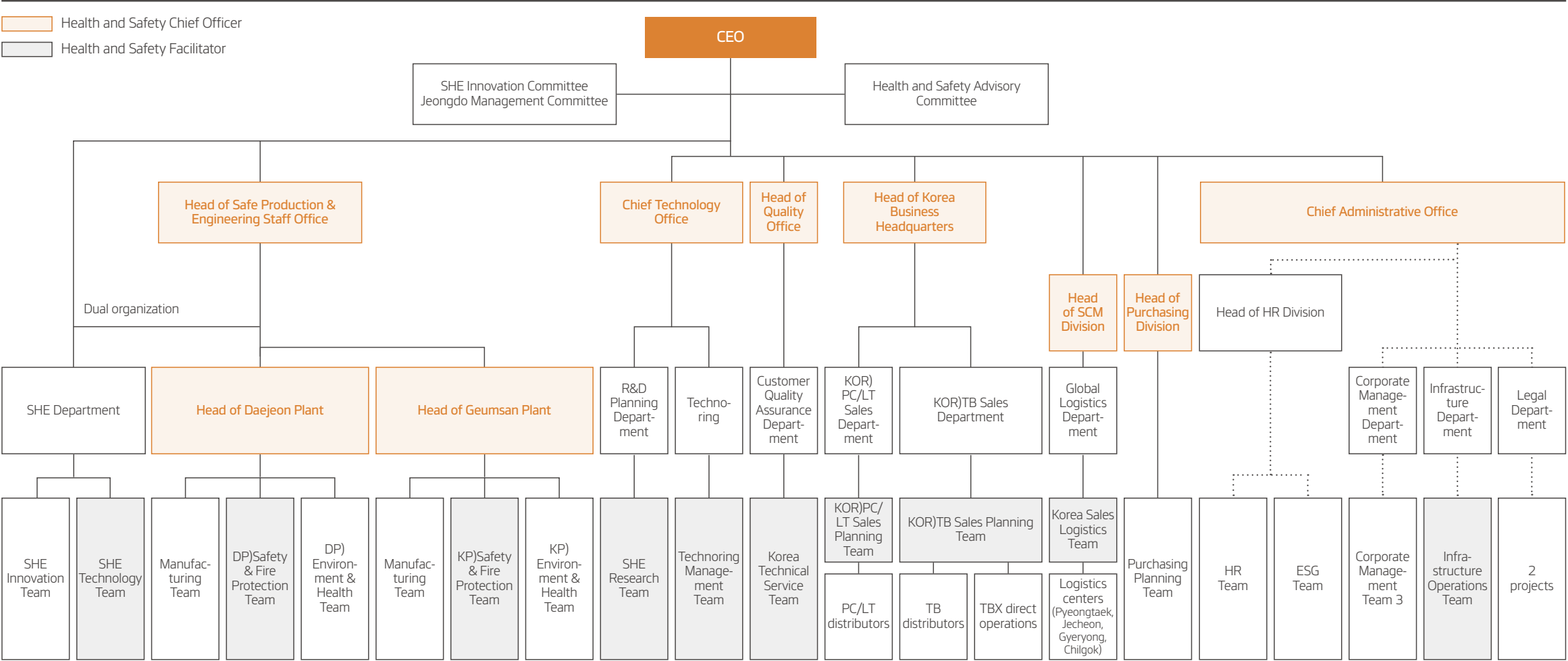
Less for Better poster

Health and Safety System

Health and Safety Governance

To create a safe and healthy workplace, Hankook Tire & Technology placed our health and safety organization under the direct leadership of the CEO. We ensure the effective operation of our health and safety management system through continuous reviews performed at the chief executive level on our compliance with health and safety regulations. We also appoint health and safety managers at respective operational sites to manage and oversee their health and safety management system and to handle overall matters concerning the development and implementation of occupational injury prevention plans.

Organizational Chart for Our Health and Safety System



Safety, Health and Environment Policy

1. We shall remove the risk factors through investment and operational improvement in safety, health, and the environment to reduce risks and protect the environment.
2. We shall provide safe and healthy working conditions to prevent work-related injuries and medical problems. We shall promote the efficient use and recycling of resources. Through these activities, we shall minimize the impact of our business activities on safety, health, and the environment.
3. To help our employees understand and continuously improve the safety, health, and environment management system, we shall provide education and competency improvement activities to our employees, and disclose our policies and management performance to stakeholders and communicate with them.
4. We shall establish and faithfully implement internal management standards that satisfy domestic and foreign laws and regulations as well as other requirements pertaining to safety, health, and the environment. Our employees shall evaluate the impact on safety, health, and the environment, and set and implement safety, health, and environment goals, to ensure continuous improvements.

Essential Health and Safety Principles

1. Associated organizations and reporting systems shall be responsible for the prevention and occurrence of accidents.
2. All employees shall be under the duty to work without causing any safety-related accidents to occur from their initial date of employment.
3. The company shall formulate and train all safety regulations and standards, which shall be strictly complied with by all employees.
4. All employees shall make an effort to discover potential risks in advance, and the company shall take action to make improvements.
5. The company shall continuously improve harmful risk factors to protect the safety and health of all employees, including those of its business partners.
6. Safety outside of working hours shall be equally considered as safety during working hours.
7. The company shall make efforts to develop the technology for optimal safety and health management.
8. The company shall advance its safety and health management system through continuous system improvement.

Health and Safety Communication Channel

SHE Innovation Committee

- Operational cycle: Twice/year
- Composition: Top management (CEO, Chief Administrative Office, Chief Innovation Office), head of HR Division, Corporate Management Department, Legal Department, executives at the Safe Production & Engineering Staff Office
- Role: Serve as a decision-making body to share and deliberate and decide on SHE metrics, strategies, investments, and key issues with top management

SHE Communication Meeting

- Operational cycle: Weekly
- Composition: Head of Safety Production & Engineering Staff Office, heads of Daejeon/Geumsan Plants, health and safety facilitator organizations at operational sites
- Role: Share SHE issues among operational sites and consult on the decisions made

Health and safety advisory activities

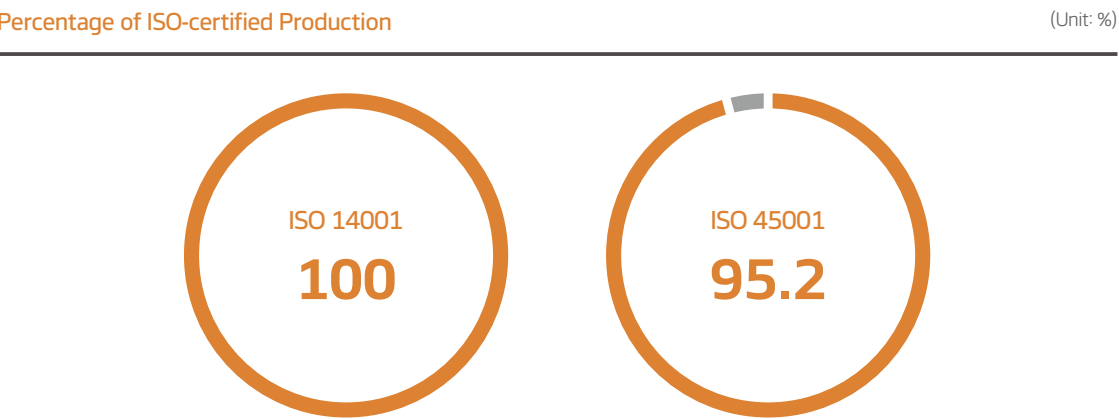
- Operational cycle: Year-round (SHE workshops and when issues occur)
- Composition: SHE organization of Safety Production & Engineering Staff Office, health and safety facilitator organizations at operational sites
- Role: Offer technical and policy direction & guidance and training on SHE strategies, policies, and activities

Health and Safety Communication Channel

To place the production line at the center of our workplace health and safety management system, we increased our staffing of safety managers to monitor health and safety operations. The roles of health and safety working group members and team-level health and safety committees were clarified to facilitate the discovery and improvement of health and safety issues and strengthen our safety management system in so doing. The risk prevention center is also up and running to operate a 24/7 risk response system. As part of the ‘health and safety keeper’ campaign led by manufacturing managers, health and safety personnel and supplier managers, we shifted the focus of our health and safety management from one that was reactive to one that is preventive through joint and theme-based inspections. Furthermore, we monitor unsafe behaviors on the shop floor, identify and improve unsafe conditions, and provide instructions on safe work methods to make doubly sure we prevent accidents before they occur. Meanwhile, the supplier health and safety council meets monthly to discuss disaster evacuation methods, risk assessment and training, agenda items proposed by subcontractors, and other health and safety activities. In 2024, we opened a safety hotline through social media to heed the voice of employees on hazards and risks in real time and proactively prevent risks in the process. The concerns raised will be addressed by responsible personnel by communicating feedback and improvement results.

Health and Safety Certification

Hankook Tire & Technology pursues the integrated certification of both health and safety management (ISO 45001) and environmental management (ISO 14001) systems. We are certified to ISO 45001 at our domestic plants (Daejeon, Geumsan) and R&D Center (Technodome) and at our overseas plants (Jiangsu, Jiaxing, and Chongqing in China, Hungary, and Indonesia), and are certified to ISO 14001 at our domestic plants (Daejeon, Geumsan) and overseas plants (Jiangsu, Jiaxing, and Chongqing in China, Hungary, Indonesia, and Tennessee in the US). Our dedicated health and safety organization fully cooperates in ensuring that all our health and safety operations follow the PDCA (Plan-Do-Check-Act) cycle of the ISO system in principle.



Health and Safety Risk Management

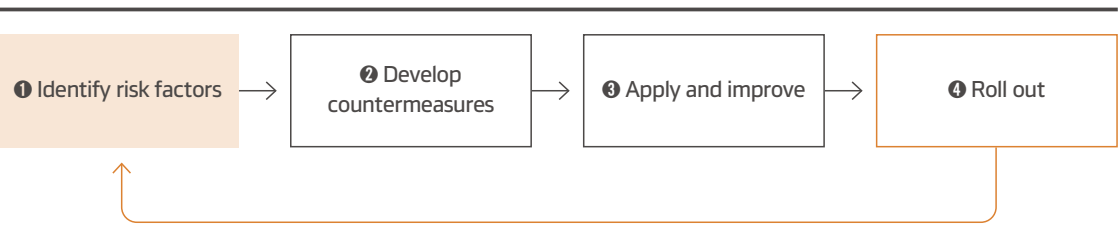
Risk Management Process

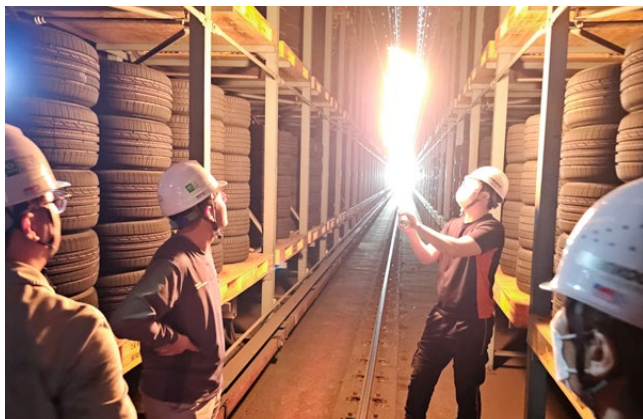
Hankook Tire & Technology created a dedicated health and safety organization under the direct leadership of the CEO, and designated health and safety facilitator organizations at each operational site to ensure prompt and systemic responses to health and safety issues. To handle key risks in a preemptive and efficient manner, periodic action plans are developed to assess our compliance with SHE regulations, monitor our implementation of health and safety obligations, operate SHE meetings, and bolster facility safety inspections to maintain and improve our employee health and safety management system. We also hired more safety experts responsible for operating a dedicated production line safety system to support efficient management between health and safety management departments and shopfloor operations, further reinforcing our workplace safety management system.

To reduce health and safety risks within our employee’s work environment, we perform regular risk assessments that engage all our employees to identify risks in the workplace and identify how to prevent and handle them. This is further complemented by non-routine risk assessments to address changes in the working environment, the discovery of near-misses, or the occurrence of health and safety issues. All workers in a given process participate in anticipating the magnitude of hazards by considering the questions of how often it occurs and how serious a resulting injury could be. They also prioritize hazards identified through risk assessment, develop implementation plans, and make improvements accordingly. Such activities are reflected and managed in the specifics of the quantified goals and implementation plans of our operational sites.

To perform annual regular risk assessments, we provide trainings and presentations on the pertinent process to boost employees’ understanding and to develop and implement effective responses for anticipated hazards. The improvements made are communicated to employees through postings and trainings to encourage their continuous participation. Since 2023, we have rolled out TBMs (Tool Box Meeting) at all our plants to assess the risk of both routine and non-routine work beforehand so that appropriate safety management measures can be applied according to the risk level. We also extended the scope of risk management to all supplier employees to support the mitigation of health and safety risks and perform regular inspections.

Risk Management Process





Safety Inspection Activity

Creating a Safety-first Culture

Hankook Tire & Technology aims to achieve ‘zero serious accidents’ by establishing an advanced safety culture that puts safety above all else and abiding by health and safety principles. As part of such efforts, we have stipulated ‘five golden rules’ to prevent unsafe behaviors that could potentially lead to high-consequence injuries - no access to equipment under operation, no unauthorized disassembly of or damage to safety devices, mandatory use of designated PPE, mandatory compliance with posted speed limits for forklifts and battery-operated cars, and no smoking outside designated areas. We continue with training, promotion, and management activities for employees to make it clear that these five golden rules must be observed for the safety of all. To improve employees’ safety awareness, we produce accident prevention videos by type of task and injury while regularly publishing safety newsletters and broadcasting or posting them in areas frequented by employees. In tandem with this, we continuously invest in our safety experience facility to provide our employees with hands-on experience opportunities with VR, first aid practice, and mock fire drills. Health and safety education is also provided to third-party companies or personnel visiting our operational sites as part of the entry application procedures.

To bolster our execution of health and safety management system inspections, we develop high-consequence risk inspection plans at the operational site level and perform routine and non-routine inspections to ensure intensive monitoring on shop floor operations. Furthermore, improvement activities are led by respective business functions to embed health and safety management into our day-to-day routines. In 2023, we operated the ‘SHE Patrol (daily safety supervisor)’ program under which our own employees served as safety supervisors to identify necessary improvements. This system helps our employees improve their understanding on safety and view their work environment from a fresh perspective to raise safety awareness. Health and safety working group members also receive training to ensure the stable and systemic operation of our health and safety management and environmental management systems. In 2023, a total of 39 participants - managers, working-level personnel, and subcontractor employees at domestic plants - attended a workshop to receive training on the Serious Accidents Punishment Act and ISO requirements, along with risk management practice sessions.

Establishing a Safe Working Environment

The LOTO (Lock-Out Tag-Out) system¹⁾ is Hankook Tire & Technology’s proprietary system designed to ensure the safety of equipment operating at domestic plants and upgrade the safety for each of the risk factors for serious accidents. In 2023, we deployed and operated the LOTO system on the sample equipment selected for each process while establishing manuals and providing worker training. We continue with training, execution, and promotion activities to lay down and facilitate LOTO procedures to ensure that these procedures are mandated for troubleshooting. In 2024, we aim to roll out the LOTO system at all our domestic plants and across overseas plants. Enhancing existing production equipment with the LOTO system and process is expected to prevent accidents by unauthorized workers. Meanwhile, we are installing additional safety CCTVs in selected high-risk areas in the workplace and increasing the proportion of automated equipment to reduce the musculoskeletal strain as part of our continued improvement efforts. Along with expanding equipment protection measures in reflection of risk assessment results, we are also phasing in facility safety upgrade activities to deploy safety PLC²⁾ to prevent any equipment from malfunctioning.

1) LOTO (Lock Out Tag Out) system: A safety procedure to protect workers from energy sources during equipment maintenance to prevent equipment from functioning against the intention of the worker

2) Safety PLC: Equipment control parts with programmable safety functionality



Safety Inspection Activity

Employee Health Management

Establishing a Prevention Response System for Musculoskeletal Issues

To prevent musculoskeletal health issues among employees, we investigate tasks and processes performed at our domestic plants to determine if they pose a threat to musculoskeletal health and perform task analysis through the use of ergonomic analysis programs. This helps us identify improvements to pursue in terms of weight and movements that could potentially burden workers. We are continuously pursuing engineering improvements, such as automation and workload reduction through equipment improvement as well as administrative enhancements which include the production of videos detailing standards that govern repetitive tasks and physically demanding tasks and the provision of training based on such videos to inform workers about the hazards of strenuous tasks, investigate and manage hazard factors and their outcomes, and review task reallocation. We also operate the musculoskeletal injury mitigation council to promote and share our proactive efforts to make improvements and raise awareness on this issue both internally and externally. We support workers suffering from musculoskeletal pain with personalized rehabilitation treatments and workout prescription programs. In-house treatment is provided through our in-house clinic, oriental medicine, and exercise physiologists, along with rehabilitation treatment including manual therapy administered by external specialized medical institutions. This ensures proactive pain management to prevent further progression and keep musculoskeletal diseases at bay.

Health Check-ups and Psychological Counseling for Employees

To help prevent diseases and promote the overall health for our employees, we support annual health check-ups in addition to statutory health check-ups. Through labor-management consultations, we have expanded the range of choices by offering optional screenings from which one can choose from seven alternative screening options, including colonoscopy, along with essential cancer screenings involving upper endoscopy, abdominal ultrasound, and chest CT scans. Additionally, we have extended the scope of spousal screenings by adding abdominal ultrasounds to the existing upper endoscopy and colonoscopy panel. For employees identified as requiring health promotions based on health check-up results, we provide health promotion programs such as the smoking cessation fund and the exercise fund. The wellness centers run at key operational sites help our employees regularly check their blood pressure, glucose levels, and body fat to monitor their daily personal health conditions. We also make a variety of programs available to help employees stay healthy mentally and physically in their daily lives. The fitness centers at Technodome and Technoplex assist employees in maintaining their health through workouts. The GX program made available since 2023 provides our employees with a systemic exercise program consisting of Pilates and functional training among others. Each of our operational sites also implements counseling programs for the mental health of employees, which helps employees address work-related stress and relationship stress. This is coupled with in-home family counseling and gardening for healing to help employees with stress management.

Establishing a Disease Management System

To create healthy working conditions for employees and minimize any disruption to the plant's production and operation, relevant departments at all our operational sites hold weekly meetings to share their current responses and guidelines at the site level. For infectious disease management, we operate detailed quarantine guidelines that exceed those of the government standards to prevent infections from spreading.

Bolstering Work Environment Management

To safeguard the health of our employees and create a pleasant working environment, we conduct biannual work environment measurements in the first and second half of the year: we identify exposure levels in terms of air quality, noise, brightness, temperature, humidity, chemicals, and other hazards, and post the results on the bulletin board where they can be viewed by our employees. Measurement results inform our proactive efforts to improve equipment and facilities to ensure our employees are kept safe from any hazardous substances. In 2023, we focused on repairing and improving local ventilation devices and checking and calibrating airing balances to improve the indoor working environment while mapping noise levels in the workplace to eliminate key sources of noise for each process. This ensures intensive management on any noise that exceeds the set decibel limits and the continued implementation of hearing conservation programs. As part of our efforts to improve the thermal environment, we ensure chillers are periodically maintained to improve cooling performance for heat-intensive processes during heatwaves. We also selected concentrated cooling zones primarily for processes exposed to relatively high temperatures to promote the comfort of our employees.



Wellness center

Community Engagement

Our Corporate Philanthropy Charter makes it clear that corporate profits originate from the society in which it operates. It is with this belief that we engage in a wide array of corporate philanthropic activities. We support the growth of the communities where we are based and promote employee volunteering across our domestic and overseas operations, fulfilling our role and responsibility as a responsible corporate member of society.



Employee Engagement

Operating Employee Volunteer Groups

Hankook Tire & Technology transformed spontaneously formed volunteer circles at some of our plants into company-wide employee volunteer groups in 2013. To help resolve various social issues facing our society, our employees have stepped forward to engage in continuous and genuine volunteer activities rather than offering one-off support. This commitment allows us to give back to society and further develop our employee volunteer groups.

Employees at domestic operations in Daejeon, Geumsan, and Pangyo reach out to less-privileged groups to share the warmth of giving. In 2023 alone, our employees volunteered over 10,000 cumulative hours, leading the charge in embodying the value of sharing. Our employee volunteers continue to paint murals with their family members, create forests for special education institutions, and record audio books for children facing difficulties with reading. They also participate in the ‘Kimchi-making Volunteering for Warm Winter’ event during the kimchi-making season, donating kimchi to seniors living alone and low-income families. To improve the residential environment for elderly individuals living alone who are more vulnerable to the cold snaps of winter, we delivered flowers and terrariums directly prepared by our employees, along with home heating devices to 200 households nationwide. During Christmas, our employees volunteered with their family members to create Christmas wreaths and donated 600 wreaths to 24 local children’s centers, using their skills to help underprivileged children feel the warmth of the winter holidays and alleviate some of the social isolation they might experience.



Our Forest project



Christmas wreath donation



Employees from the Hungary Plant volunteering at a nearby school

Our overseas operations continue to help others through volunteering. The employee volunteer group at our Hungary Plant assisted with painting and repair work for Rosti Pál High School located nearby, and donated their time and skills to replace projectors, repair blackboards, and create gardens for Jankovich Miklós Elementary School. The volunteer group at our Chongqing Plant in China visited a local twisted donut museum with students from Yuzui Elementary School on Father’s Day for the ‘Little Salesperson’ program, where they made and sold twisted donuts together. Employee volunteers at the Jiaxing Plant helped organize communal bikes and vehicles on the road to maintain road safety, while employee volunteers at the Indonesia Plant donated food products to orphanages. We remain committed to expanding our volunteering initiatives with the goal of reaching 13,000 volunteer hours by 2025 and 15,000 hours by 2030 in volunteer hours.

Employee Volunteering in 2023

Category	Korea	Hungary Plant	Chinese Headquarters	Indonesia Plant
Volunteering employees per year on a cumulative basis	2,446	84	125	33
Volunteering employees on a non-cumulative basis	580	84	125	33
Total volunteer hours	10,610	581	397	66
Volunteer hours per employee	1.69	0.19	0.06	0.04



Interview with Volunteer Group Members

**DP)PCR Sub Team 1, One Family Volunteer Group**
Sang Yun Won

Q1 Please briefly introduce yourself and tell us about the One Family Volunteer Group you are working with.

I'm Sang Yun Won, and I work at DP)PCR Sub Team 1. I have been a member of the One Family Volunteer Group for five years and currently serve as the Secretary General. Our volunteer group was established by like-minded employees at the Daejeon Plant. Since 2011, we have voluntarily reached out to those in need in Daejeon, and helped them improve their homes. We hang new wallpaper, repair or replace their floors, clean and do other activities such as make kimchi for them or help them recover from disasters.

Q2 What are some of the most special and memorable volunteer activities you've been involved with?

It's actually no one specific activity that comes to mind: because each and every one was special and meaningful in its own way. Whenever I have reached out to those people in need, it has been such a rewarding experience. When they express their thanks, we are even more grateful. Once I volunteered to help people with disabilities who found it particularly challenging to go on outings. We gave them piggyback rides during the trip, and they expressed their gratitude by saying, "Thank you for your hard work and for this whole experience." I was grateful to be healthy enough to help them enjoy the moment, go on a picnic, and create a great memory.

Q3 Do you have any advice for people who think volunteering is too difficult or feel hesitant to try?

Taking the first step is critical. Don't ever think 'why me?' but instead, look around and find people who need your help. Your time is worthwhile and so is your effort to spread altruistic warmth. I wish more people could join us so that we could share this wonderful experience together.

Q4 Anything that you would like to add?

I would like to take this opportunity to express my heartfelt gratitude to the members of our One Family Volunteer Group for their dedication to this great team. Together, we have a common mission and I greatly appreciate their continued volunteer work with us, and to the other social welfare organizations including the Volunteer Federation in Daejeon. I also want to thank those who find happiness and pleasure in their encounter with us, for giving us the opportunity to discover yet another level of meaning in life.

**MP)HR Team**
David Morva

Q1 Please briefly introduce yourself.

I'm David Morva, and I'm with the MP)HR Team My role is to manage our employee volunteer work, and I have been volunteering with my family to upgrade aging school facilities in the Recalmás region of Hungary.

Q2 What kinds of volunteer activities do you primarily engage in?

I mostly volunteer to repair facilities for kindergartens and elementary schools. It is rewarding to transform worn-out, unattended, improperly maintained facilities into comfortable and well-equipped places that children can enjoy. We beautify neglected gardens and install safety mats in run-down playgrounds so they are safe for kids to run around. We also repaint faded classroom walls or ones covered in graffiti and replace old blackboards and desks with new sturdy ones to create a welcoming classroom environment.

Q3 Do you have any advice for people who either think volunteering is too difficult or feel hesitant to try?

In 2023, our employees volunteered for Fekete István Elementary School and Rosti Pál High School in Recalmás which have both fallen into a state of disrepair over the past 20 to 25 years. By directly engaging in renovating these facilities, our employees played a leading role in the promotion of our company. Teachers and students were happy and have come to recognize our company positively. This also made us aware that employee volunteering is a very effective way to publicize our company in our community in Hungary. I wish even more employees would join our efforts and share the joy of volunteering while also enhancing our corporate brand reputation.



Employee volunteers at the Hungary Plant



Employee volunteers at the Chongqing Plant

Expanding Company-wide Corporate Philanthropic Initiatives

Corporate Philanthropic Programs at Overseas Operations

To serve as a global corporate citizen contributing to the development of our community, Hankook Tire & Technology continues to search for ways we can meet the needs of neglected community areas all around the world. We proactively leverage our global network and resources to serve as a force for good and meet the most pressing needs by taking into account the specificities of various regions around the world.

The Hungary Plant is most actively engaged in corporate philanthropic activities, ranging from employee volunteer group activities to tire donations and community sponsorships. In particular, the Plant has been donating tires for 12 years since 2012. As of the end of 2023, a cumulative total of 1,366 tires have been donated to 185 organizations, with 300 of them delivered to government agencies operating ambulances and fire trucks to enhance the nation's disaster response capabilities.

Our China and North America Headquarters are focused on community safety and health management. The Chinese Headquarters supports leukemia and uremia patients, along with road safety campaigns. The NA Headquarters sponsors the Make-a-Wish campaign, which grants the wishes of children suffering from incurable diseases, while also supporting local communities in various ways, including police stations, fire stations, and emergency medical services. Our Indonesia Plant donates tires to 144 hospitals and relief agencies, and continues to provide school supplies to underprivileged children.

Corporations that are relatively small in size are also proactive in their corporate philanthropic initiatives. Our Germany Sales Subsidiary makes donations in connection with promotional activities, and our Serbia Sales Subsidiary donates to orphanages and hospitals. Our Australia Sales Subsidiary engages in Christmas charity donations for vulnerable individuals through Green Hope. Hankook Tire & Technology's overseas plants and regional headquarters will continue to roll out a variety of corporate philanthropic activities tailored to their local conditions to contribute to community development and forge even closer ties with local community members.

Supporting the Growth of Local Communities

Acting on the Value of Co-prosperity for Local Communities

As a member of the community in which we are based, Hankook Tire & Technology serves as a force for good in various ways for the less-privileged and brings the value of co-prosperity to life. Our sharing-driven community activities are most prominent in Daejeon where our R&D Center and Daejeon Plant are located.

Our Daejeon Plant engaged in a broad spectrum of activities to help vulnerable individuals experience a greater sense of daily fulfillment through new experiences. This involved helping immigrants go on beach trips in Korea and providing underprivileged children with an opportunity to participate in the Aerospace Healing Festival held at the Cheongju Air Base. The Hope Sharing Camp we hosted on four occasions helped 300 children from orphanages and facilities for children with disabilities in Daejeon with much-needed vacations during the hot summer season. Participating children attended diverse programs, including water sliding, feeding animals, recreational activities, and magic shows to help them weather the scorching hot days. Our Daejeon Plant continued with its sharing-driven activities heating devices worth KRW 10 million were donated to vulnerable groups in Daedeok through the local volunteer center to help alleviate their burden of surging heating costs and inflation in the winter season, along with mobility assistance services and in-home care services for seniors living alone in Sintanjin.

Our Geumsan Plant focuses on providing at-risk children affected by domestic violence with psychological counseling, vocational education, and scholarships. This helps these affected children become more self-reliant in terms of emotional well-being and financial independence. In addition, the Plant donated residential firefighting equipment, such as fire extinguishers and fire detectors, to 401 vulnerable and single-person households in its vicinity to help prevent fires. Additionally, our Geumsan Plant remains committed to improving dilapidated houses and donating winter clothing to children from multicultural families, ensuring vulnerable groups in nearby communities stay warm throughout the winter.

1,366

Total cumulative number of tires donated
by the Hungary Plant

(Unit: Tires)

401

Households provided with firefighting equipment
in Geumsan-gun in 2023

(Unit: Households)

1,075

Households supported with kimchi-making
in 2023

(Unit: Households)



Yellow Bus



Support for recovery from torrential downpours

Disseminating a Road Safety Culture for Children

Hankook Tire & Technology has been working to disseminate a culture of road safety for children and raise awareness in this regard in connection with ‘mobility’ which forms the core of our business for 17 years. This stems from our belief that protecting children, who are the most vulnerable on the road, is one of the greatest social responsibilities we can assume as a mobility company.

In 2023, we partnered with Yellow Bus, a school bus ride-sharing service, to operate 21 school buses in Gwanggyo New Town, Suwon-si, as well as Bundang-gu, Seongnam-si in Gyeonggi-do to support safe mobility for children. As the campaign slogan ‘making safety even safer’ states, we bolstered the safety of school buses and raised social awareness on how to prevent road accidents involving children. The buses operated by Yellow Bus were equipped with four-point safety belts, which are uniformly standard in race cars, to prevent safety accidents that may occur during transportation. These buses were also fitted with our truck and bus radial tires to ensure greater safety in rain and snow. The bus exteriors are covered in yellow so that drivers can identify them from afar. The buses are even equipped with yellow umbrellas so that crossing guards can protect the children from getting soaked in the rain.

We operate the Driving School at the Daejeon Traffic Culture Institute which opened in Yuseong-gu, Daejeon in 2022, to provide specialized road safety training for less-privileged children in the Daejeon region. Training that is customized from the viewpoint of children is conducted, from learning how to safely cross the crosswalk and driving engine karts, to watching road safety videos and answering quizzes before karting. This program will go beyond helping children at social welfare facilities in Daejeon to include children who go unnoticed in efforts to ensure road safety across the nation. In tandem with this, we launched a road safety campaign for an elementary school in Geumsan-gun, where our Geumsan Plant is situated to provide training on how to use crosswalks and distribute transparent umbrellas for road accident prevention.

Sponsoring the 815 Run Campaign for Descendants of Those Who Fought for the Liberation of Korea

We sponsored the ‘815 Run’ campaign, a donation marathon event hosted to thank those who fought for the liberation of Korea for their sacrifice and dedication. The campaign is attended by 8,150 participants who independently choose the time, location, and course. They run during the month of August and prove they completed the course by posting a mandatory hashtag on Instagram. There are three courses to choose from: 3.1km, 4.5km, and 8.15km, each signifying the Independence Movement Day (Mar. 1), the year of independence (1945), and Independence Day (Aug. 15). Donations and all the proceeds from the campaign go towards improving the residential environment for the descendants of those who fought for the nation's liberation through the non-profit, Habitat Korea. Hankook Tire & Technology will lead the charge in engaging in a range of activities to help the descendants of independence movement activists.

Disaster Support

According to the World Meteorological Organization which analyzed key climate change metrics across the globe in 2023, the average temperature rose by nearly 1.5 degrees from pre-industrial levels, making 2023 the warmest year since global records began. Sea temperatures also reached an all-time high, melting glaciers and reducing Antarctic sea ice to the lowest levels ever recorded since satellite observations began in 1979. As a result, 2023 saw a plethora of typhoons, heatwaves, extreme droughts, and mega-scale wildfires all over the world. In response, Hankook Tire & Technology provides in proactive support and relief aid to help with disaster recovery in Korea and abroad.

In 2023, we donated KRW 100 million to the Community Chest of Korea in Seoul to help recover Chungcheong-do and Gyeongsangbuk-do and assist displaced people in these regions in restoring the damage from extreme downpours. We also teamed up with the Korea Disaster Relief Association to provide emergency relief kits containing toiletries, underwear, blankets and other daily necessities. Our employees volunteered to clear away mud and debris from farming households and recover flooded facilities in Osong, in Chungcheongbuk-do. Hankook Donggeurami Partners, our subsidiary-type standard worksite for people with disabilities, donated nearly 9,000 slices of bread made by its own employees to Federation of volunteer in Daejeon, Nonsan Volunteer Center, Buyeo Volunteer Center, Cheong-yang Volunteer Center, and Gongju Volunteer Center to support volunteers and recovery staff working in the areas damaged by heavy rainfalls.

Our Tennessee Plant in the US provided relief aid to those affected by tornadoes in partnership with the Red Cross, and our Japan Sales Subsidiary has been donating winter tires to a relief aid organization supporting individuals affected by disasters through a car-sharing program operated with donated used cars. Such initiatives serve as a clear example of how we proactively aid in disaster recovery at our widespread overseas operations.

APPENDIX

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Performance Summary

Economic Performance (consolidated)

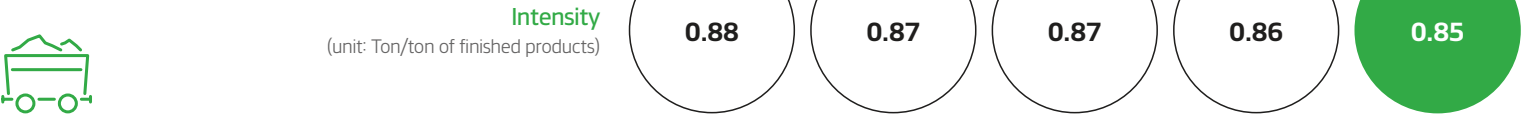
Item		Unit	2019	2020	2021	2022	2023
Sales		KRW million	6,883,269	6,453,072	7,141,137	8,394,203	8,939,621
Sales breakdown by region ¹⁾	Europe	%	34.2	35.6	37.9	37.6	39.3
	Americas	%	33.5	31.6	32.4	31.4	29.7
	Korea	%	12.3	12.6	11.0	10.7	10.2
	China	%	11.9	12.9	12.6	11.0	11.3
	Middle East, Africa, Asia Pacific	%	8.0	7.3	6.1	9.3	9.5
Cost of sales		KRW million	4,961,117	4,550,060	5,193,837	6,291,656	6,043,640
Gross income		KRW million	1,922,151	1,903,012	1,947,299	2,102,547	2,895,982
Operating income		KRW million	543,965	628,270	642,193	705,818	1,327,945
Income before tax		KRW million	589,884	578,268	712,853	858,354	1,171,219
Income tax		KRW million	160,269	193,063	118,139	152,579	442,426
Net income		KRW million	429,615	385,205	594,714	705,775	728,793
Other comprehensive income		KRW million	27,621	(43,441)	272,900	9,576	122,695
Total comprehensive income		KRW million	457,235	341,764	867,613	715,351	851,488
Total assets		KRW million	10,164,608	10,658,548	11,694,297	12,581,364	12,763,306
Total liabilities		KRW million	2,977,391	3,246,400	3,498,782	3,705,655	3,133,753
Total equity		KRW million	7,187,217	7,412,148	8,195,514	8,875,709	9,629,553
Patent registrations granted	Korea	Cases	48	53	67	68	47
	Overseas	Cases	34	76	57	62	55
Patent applications made	Korea	Cases	88	85	85	77	92
	Overseas	Cases	69	67	38	23	15

1) Based on tire sales

Environmental Performance

Item		Unit	2019	2020	2021	2022	2023
Percentage of products that received LCAs (based on quantities)		%	21.9	25.2	30.1	32.0	38.7

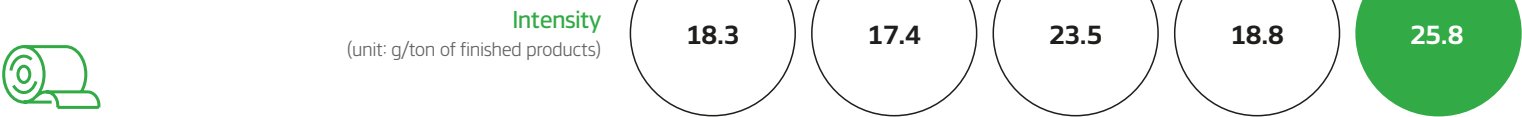
Consumption of Key Raw Materials



Item		Unit	2019	2020	2021	2022	2023
Natural rubber		Ton	315,990	290,076	284,071	298,923	283,580
Synthetic rubber		Ton	268,354	240,218	238,013	240,599	226,024
Carbon black		Ton	271,877	245,082	242,373	253,044	236,776
Textile-cord		Ton	50,079	45,952	45,942	47,543	40,301
Steel-cord		Ton	116,821	107,939	105,516	110,132	103,880
Bead wire		Ton	51,774	48,179	47,888	50,633	48,933
Total		Ton	1,074,895	977,446	963,803	1,000,874	939,494

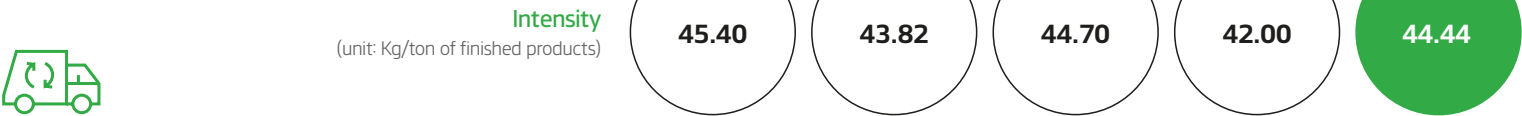
Environmental Performance

Discharge of Suspended Solids (SS)



Item		Unit	2019	2020	2021	2022	2023
Daejeon Plant		Ton	0.3	0.4	0.3	0.3	0.8
Geumsan Plant		Ton	1.0	0.2	0.7	0.7	0.7
Jiangsu Plant		Ton	6.4	3.2	3.5	5.8	5.6
Jiaxing Plant		Ton	4.0	3.6	5.9	6.0	6.5
Chongqing Plant		Ton	2.0	3.7	5.4	2.2	7.5
Hungary Plant		Ton	2.4	1.3	1.0	0.4	0.5
Indonesia Plant		Ton	0.1	1.4	2.7	1.8	0.3
Tennessee Plant		Ton	6.2	5.7	6.6	4.6	6.9
Total		Ton	22.3	19.5	26.0	21.8	28.7

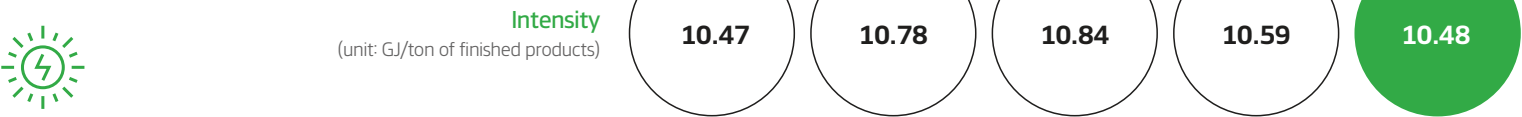
Waste Treatment



Item		Unit	2019	2020	2021	2022	2023 ¹⁾
Recycling	Non-hazardous waste	Ton	38,639	35,879	36,496	34,703	35,214
	Hazardous waste	Ton	4,306	2,385	2,942	2,572	2,845
Incineration	Non-hazardous waste	Ton	4,155	3,407	2,982	4,540	4,928
	Hazardous waste	Ton	1,864	2,573	1,820	2,307	2,611
Landfill	Non-hazardous waste	Ton	5,825	4,415	4,980	4,274	3,569
	Hazardous waste	Ton	445	419	383	254	226
Total		Ton	55,233	49,077	49,603	48,650	49,394

1) Do not include 86,751 tons of waste generated from the fire which occurred at the Daejeon Plant

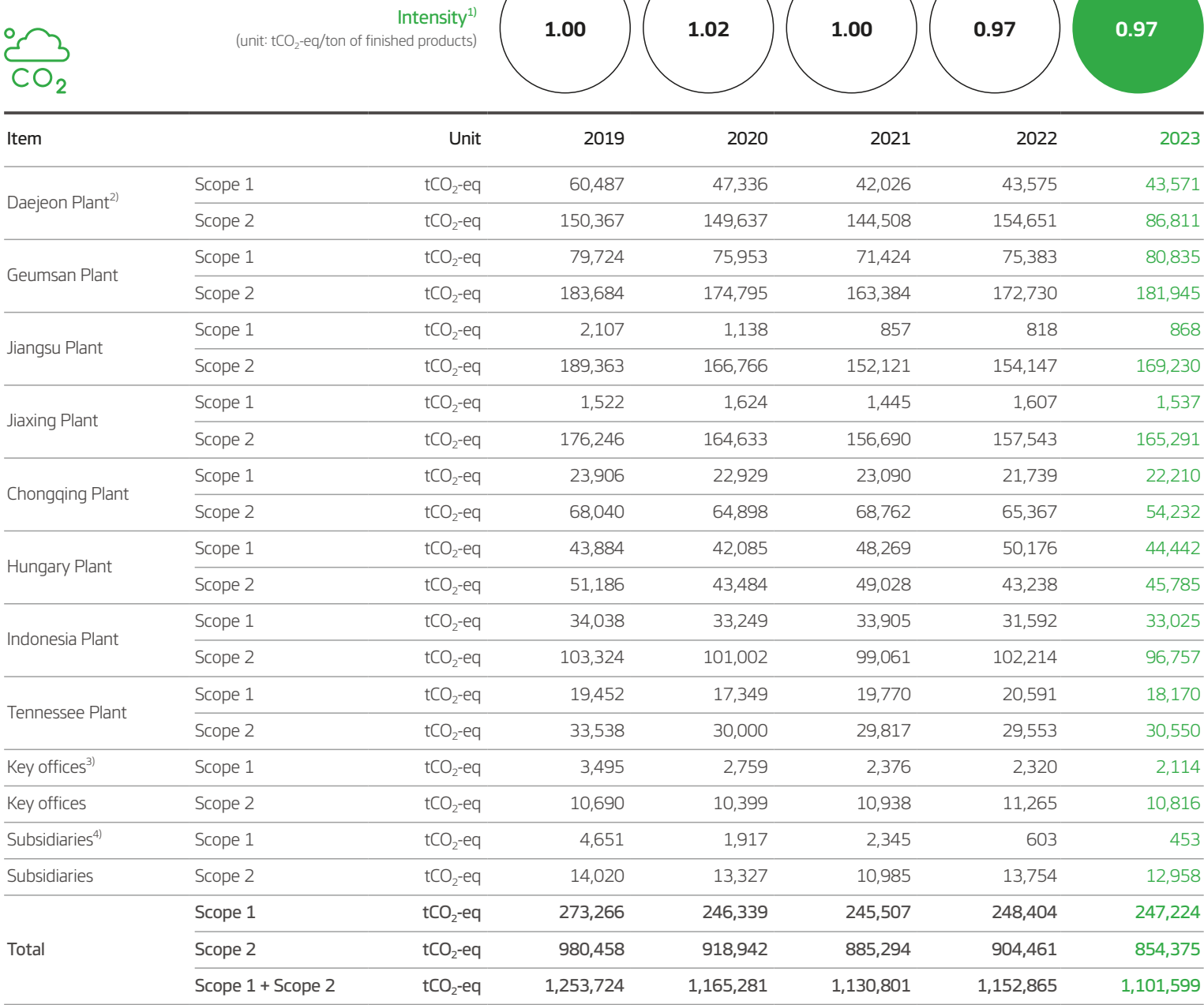
Energy Consumption



Item		Unit	2019	2020	2021	2022	2023
Fuel		GJ	4,545,475	4,257,385	4,501,513	4,572,434	4,760,054
Non-renewable electricity		GJ	5,787,774	5,374,855	5,322,029	5,409,855	5,224,239
Renewable electricity		GJ	2,422	53,337	65,859	134,957	67,515
Purchased steam		GJ	2,405,978	2,381,085	2,136,910	2,154,324	1,596,851
Total		GJ	12,741,649	12,066,662	12,026,312	12,271,571	11,648,660

Environmental Performance

GHG Emissions



1) Based on eight plants
2) Restated the Scope 1 and 2 emissions data for 2019 and the Scope 2 emissions data for 2022 due to data input errors
3) Technoplex, Technodome, and Engineering Lab
4) Hankook Precision Works, Hankook Engineering Works, Model Solution, Hankook Donggeurami Partners

Reduction of GHG Emissions

Item	Unit	2019	2020	2021	2022	2023
Plants in Korea	tCO ₂ -eq	25,169	31,810	19,830	23,817	12,845
Plants overseas	tCO ₂ -eq	29,481	11,879	34,658	31,816	12,482
Total	tCO ₂ -eq	54,650	43,689	54,488	55,633	25,237

Savings in Energy and Carbon Expenses

Item	Unit	2019	2020	2021	2022	2023
Plants in Korea	KRW 100 million	16.83	26.30	16.37	33.13	37.28
Plants overseas	KRW 100 million	48.39	5.11	63.48	43.00	36.02
Total	KRW 100 million	65.22	31.41	79.85	76.13	73.30

Energy Saving Project Investment Expenses

Item	Unit	2019	2020	2021	2022	2023
Plants in Korea	KRW 100 million	16.84	7.53	2.64	7.37	13.46
Plants overseas	KRW 100 million	48.35	4.79	11.94	29.78	38.37
Total	KRW 100 million	65.19	12.32	14.58	37.14	51.82

Item		Unit	2019	2020	2021	2022	2023	
By region	Korea	Persons	6,761	6,503	6,744	6,781	6,485	
	China	Persons	6,857	6,620	6,385	6,388	6,306	
	Europe	Persons	3,658	3,549	3,464	3,511	3,594	
	Americas	Persons	1,302	1,277	1,235	1,243	1,317	
	Middle East and Asia Pacific	Persons	2,006	1,951	1,765	1,864	1,812	
	Total	Persons	20,584	19,900	19,593	19,787	19,514	
By age group	Under 30	%	23.4	20.1	18.2	18.2	16.6	
	30~50	%	67.6	69.5	70.1	69.1	69.9	
	Over 50	%	9.0	10.4	11.7	12.8	13.5	
By gender	Male	%	90.6	90.3	89.9	89.6	88.8	
	Female	%	9.4	9.7	10.1	10.4	11.2	
Workers who are not direct employees (suppliers) (workers not employed by Hankook Tire)		Subcontractors for plants in Korea	Persons	1,449	approx. 1,400	approx. 1,400	approx. 1,400	approx. 1,130
Parental leave (Korea)	Employees who applied for parental leave (to return to work)		Persons	57	96	90	128	90
	Employees who returned to work		Persons	55	89	85	120	83
	Rate of return		%	96	93	94	94	92
	Employees eligible for parental leave by gender	Male	Persons	2,229	2,129	2,015	1,881	1,704
		Female	Persons	92	97	101	99	89
	Employees who took parental leave by gender	Male	Persons	38	69	95	145	90
		Female	Persons	19	27	30	24	26
	Employees who returned to work after parental leave by gender	Male	Persons	37	66	66	109	70
		Female	Persons	18	23	19	19	13
	Employees who returned and worked 12 months after parental leave by gender	Male	Persons	24	38	67	62	70
		Female	Persons	17	20	24	16	7
	Parental leave (overseas)	Employees who applied for parental leave (to return to work)		Persons	34	43	32	33
Employees who returned to work		Persons	6	27	27	33	33	
Rate of return		%	17.6	62.8	84.4	100.0	100.0	
Female employees	Percentage of females		%	9.4	9.7	10.1	10.4	11.2
	Percentage of female leaders ²⁾		%	7.4	7.5	8.4	7.7	8.0
	Percentage of female managers (assistant and senior manager positions)		%	15.2	15.9	16.6	17.0	17.1
	Percentage of female managers (in assistant manager and higher positions)		%	15.7	15.5	16.2	16.6	16.7
	Percentage of females in STEM positions		%	-	8.2	9.7	10.9	10.5

Social Performance

Employee Overview

Item			Unit	2019	2020	2021	2022	2023	
Female employees	Percentage of female employees at sales management departments		%	-	19.1	19.2	19.9	19.6	
	Female executives		Persons	1	2	2	2	3	
Diversity	Employees with disabilities (Korea) ³⁾		Persons	139	139	141	163	154	
Recruitment ⁴⁾	New hires by gender	Male	Persons	1,153	1,091	1,158	1,550	1,226	
		Female	Persons	362	284	312	409	401	
	Percentage of new hires by gender	Male	%	76.1	79.3	79.0	79.1	75.4	
		Female	%	23.9	20.7	21.0	20.9	24.6	
	New hires by age group	Under 30	Persons	829	865	826	1,196	858	
		30~50	Persons	621	458	558	662	677	
		Over 50	Persons	65	52	86	101	92	
	Percentage of new hires by age group	Under 30	%	54.7	62.9	56.0	61.0	52.7	
		30~50	%	41.0	33.3	38.0	33.8	41.6	
		Over 50	%	4.3	3.8	6.0	5.2	5.7	
	New hires by region	Korea	Persons	115	270	361	718	232	
		China	Persons	302	243	274	255	214	
		Europe	Persons	602	433	409	503	648	
		Americas	Persons	365	384	364	318	448	
		Middle East and Asia Pacific	Persons	131	45	62	165	85	
	Percentage of new hires by region	Korea	%	7.6	19.6	24.6	36.8	14.3	
		China	%	19.9	17.7	18.6	13.1	13.2	
		Europe	%	39.7	31.5	27.8	25.8	39.8	
		Americas	%	24.1	27.9	24.8	16.3	27.5	
		Middle East and Asia Pacific	%	8.6	3.3	4.2	8.5	5.2	
	Overseas recruitment	Number of total employees overseas		Persons	13,218	13,397	13,070	13,006	13,236
		Number of expatriates		Persons	246	226	221	209	207
		Number of locally hired employees		Persons	12,972	13,171	12,849	12,797	13,029
		Percentage of locally hired employees		%	98.1	98.3	98.3	98.4	98.4
		Number of locally hired managers		Persons	1,007	993	1,021	954	1,228
		Percentage of locally hired managers		%	80.4	81.5	82.2	82.0	85.6

Item			Unit	2019	2020	2021	2022	2023
Turnover	Turnover rate		%	14.8	10.7	13.5	13.7	9.7
	Turnover by gender	Male	Persons	2,472	1,792	2,218	2,209	1,497
		Female	Persons	446	340	429	507	400
	Turnover rate by gender	Male	%	84.7	84.1	83.8	81.3	78.9
		Female	%	15.3	15.9	16.2	18.7	21.1
	Turnover by age group	Under 30	Persons	1,648	1,077	1,263	1,188	610
		30~50	Persons	1,062	874	1,127	1,269	952
		Over 50	Persons	208	181	257	259	335
	Turnover rate by age group	Under 30	%	56.5	50.5	47.7	43.7	32.2
		30~50	%	36.4	41.0	42.6	46.7	50.2
		Over 50	%	7.1	8.5	9.7	9.5	17.7
	Turnover by job category	Office workers	Persons	651	478	681	685	468
		Operators	Persons	2,267	1,654	1,966	2,031	1,429
	Voluntary turnover rate		%	10.4	7.3	10.7	11.0	7.4
	Percentage of internal hiring		%	93.3	85.6	74.5	71.5	85.1
Average years of employment (Korea)			Years	15.6	16.2	16.4	16.1	17.3
Performance and compensation (Korea)	Percentage of employees who received regular performance assessments		%	97.9	99.3	99.4	99.5	99.4
Grievance handling (Korea)	Number of grievances handled		Cases	29	19	8	4	4
Labor union (Korea)	Number of employees eligible for union membership		Persons	4,473	4,352	4,309	4,430	4,410
	Number of unionized employees		Persons	4,301	4,111	4,206	4,317	4,082
	Percentage of unionized employees		%	96.2	94.5	97.6	95.0	92.6
Health and safety ⁵⁾	LTIFR (employees) ⁶⁾		%	4.9	5.4	8.0	8.8	10.2
	LTIFR (suppliers) ⁷⁾		%	4.0	3.7	5.5	9.3	12.7
	OIFR (employees) ⁸⁾		%	2.59	3.11	5.68	5.62	7.48
HC ROI (Human Capital Return on Investment)			%	1.54	1.20	1.57	1.59	2.12

1) Restated the 2019 and 2021 data due to data errors
2) Restated the historical data due to change in criteria
3) Based on the number of employees with disabilities in December as specified in the specifics of inclusive employment levy calculations
4) Restated the 2020 data due to data errors
5) Calculated the number of employees based on global plant employees only until 2021, and have calculated based on total employees in Korea and employees at overseas plants since 2022
6) LTIR: Lost-Time Injuries Frequency Rate
7) Based on the Daejeon and Geumsan Plants
8) OIFR: Occupational Illness Frequency Rate
9) Employee breakdown by nationality: Korean 33.2%, Chinese 32.3%, Hungarian 15.4%, Indonesian 8.5%, American 6.3% / Breakdown of employees in management positions by nationality: Korean 58.0%, Chinese 23.3%, Hungarian 5.9%, American 6.1%, Indonesian 2.0%

Social Performance

Female to Male Wage Ratio by Job Position¹⁾

Item		Unit	2020	2021	2022	2023
Executives (based on total salary)	Female to male wage ratio (female/male)	%	94	97	95	94
	Female to male wage ratio for identical job positions (female/male)	%	99	101	101	100
Executives (based on total salary + incentives)	Female to male wage ratio (female/male)	%	79	93	85	84
	Female to male wage ratio for identical job positions (female/male)	%	98	99	100	100
Managerial positions (based on total salary)	Female to male wage ratio (female/male)	%	79	80	79	80
	Female to male wage ratio for identical job positions (female/male)	%	93	98	98	87
Managerial positions (based on total salary + incentives)	Female to male wage ratio (female/male)	%	80	80	80	81
	Female to male wage ratio for identical job positions (female/male)	%	95	99	97	89
Non-managerial positions	Female to male wage ratio (female/male)	%	88	91	91	91
	Female to male wage ratio for identical job positions (female/male)	%	86	93	94	91

1) The data has been calculated since 2020. There are no gender wage gaps for entry level salaries, and salary adjustments are based on assessments and service years.

Employee Training

Item		Unit	2019	2020	2021	2022	2023
Training hours per person	Office workers	Hours	83.4	24.7	65.4	60.1	60.7
	Operators	Hours	12.4	17.6	27.1	23.5	30.7
	Total	Hours	29.4	20.5	36.0	32.0	38.8
Training expenses per person		KRW 1,000	154	107	171	106	112
Sexual harassment prevention and human rights training (Korea)		Persons	6,545	6,445	6,347	6,507	6,098

Suppliers

Item		Unit	2019	2020	2021	2022	2023
Supplier ESG assessment	Korea	Companies	147	86	213	210	296
	Overseas	Companies	26	24	108	203	119
	Total	Companies	173	110	321	413	415
Supplier complaints handled ¹⁾		Cases	-	11	19	10	12

1) Have disclosed the data since 2020

Customers

Item		Unit	2019	2020	2021	2022	2023
Consumer feedback and complaints (Korea) ¹⁾		Cases	-	-	84	78	83
Customer complaints concerning data privacy (Korea)		Cases	11	4	2	5	6
Recalled products (based on the number of vehicles) ²⁾		Vehicles	287	107	68	67.5	24
Recall expenses against sales		%	0.002	0.001	0.006	0.004	0.0001
Tires subject to non-voluntary recalls		Tires	0	0	0	0	0

1) Have disclosed the data since 2021

2) Calculations for the 2021 and 2022 data were based on the number of vehicles as the data were collected based on tires. The exact quantities are 272 and 270 tires respectively.

Ethical Management

Item		Unit	2019	2020	2021	2022	2023
External investigations		Cases	0	1	1	1	0
Non-compliance with fair trade principles		Cases	1	0	0	1	0

GRI Index

General Disclosure

Disclosure	no.	Reporting Requirement	Page	Note
The organization and its reporting practices	2-1	Organizational details	p. 13	
	2-2	Entities included in the organization's sustainability reporting	p. 11	
	2-3	Reporting period, frequency, and contact point	p. 11	
	2-4	Restatements of information	p. 76~78	
	2-5	External assurance	p. 90~92	
Activities and Workers	2-6	Activities, value chain and other business relationships	p. 13, 21, 53~54	
		Employees	p. 77	
		Employee breakdown by age group	p. 77	
	2-7	Employee breakdown by gender and by type of employment contract	p. 77	
		Employee breakdown by region and by type of employment contract	p. 77	
		Employee breakdown by gender and by type of employment	p. 77	
Governance	2-8	Workers who are not employees	p. 77	
	2-9	Governance structure and composition	p. 23, 26~28	
	2-10	Nomination and selection of the highest governance body	p. 27~28	
	2-11	Chair of the highest governance body	p. 26~28	
	2-12	Role of the highest governance body in overseeing the management of impacts	p. 23	Financial Report (Korean) 
	2-13	Delegation of responsibility for managing impacts	p. 26, 86	
	2-14	Role of the highest governance body in sustainability reporting	p. 23	
	2-15	Conflicts of interest	p. 27~28	Corporate Governance Report (Korean) 
	2-16	Communication of critical concerns	p. 26, 86	
	2-17	Collective knowledge of the highest governance body	p. 28	
	2-18	Evaluation of performance of the highest governance body	p. 28	
	2-19	Remuneration policies	p. 29	
	2-20	Process to determine remuneration	p. 29	
	2-21	Annual total compensation ratio	p. 29	

Disclosure	no.	Reporting Requirement	Page	Note
Strategy, policies and practices	2-22	Statement on sustainable development strategy	p. 12	
	2-23	Policy commitments	p. 56	
	2-24	Embedding policy commitments	p. 56~57	
	2-25	Processes to remediate negative impacts	p. 33~35, 42~46, 48~51, 54~57	
	2-26	Mechanisms for seeking advice and raising concerns	p. 31~32, 57	
	2-27	Compliance with laws and regulations	p. 79	
	2-28	Membership associations	p. 80, 89	
Stakeholder engagement	2-29	Approach to stakeholder engagement	p. 37	
	2-30	Collective bargaining agreements	p. 78	
Disclosure on material topics	3-1	Process to determine material topics	p. 38	
	3-2	List of material topics	p. 39	
	3-3	Management of material topics	p. 39	

Ranking	Material Issue	Disclosure	no.	Reporting Requirement	Disclosure	Page	Note
3	Enhanced ethics/compliance management	Anti-corruption	205-1	Operations assessed for risks related to corruption		p. 31	
	205-2		Communication and training about anti-corruption policies and procedures		p. 32		
	205-3		Confirmed incidents of corruption and actions taken		p. 32		
	Enhanced ethics/compliance management including anti-corruption, fair trade, whistleblower protection, prohibition of unfair competition and bribery	Anti-competitive behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		p. 79	
4	Eco-friendly product development	Materials	301-1	Materials used by weight or volume		p. 21, 73	
	301-2		Recycled input materials used		p. 21		
	301-3		Reclaimed products and their packaging materials		p. 21, 49~51		
	Discovering eco-friendly materials and developing their application technology, planning and providing eco-friendly products, Taking an LCA approach to product development, considering the minimization of environmental impact in the manufacturing/ use/disposal phases	Waste	306-1	Waste generation and significant waste-related impacts		p. 44, 75	
			306-2	Processes used to treat waste and manage its impacts		p. 44	
5	R&D and technology innovation R&D investment, technology development for sustainable mobility innovation, open innovation culture	Corresponding GRI disclosure requirements are not available at this time				p. 16~17, 21, 60 Financial Report (Korean)  p. 46~53	
6	Management of environmental pollutants and hazardous chemicals	Water and Effluents	303-2	Management of water discharge-related impacts		p. 44, 75	
	Enhanced chemicals management including reducing and managing the discharge of air/water pollutants, preventing chemical spills and handling chemicals with care	Emissions	305-6	Emissions of ozone-depleting substances		0 tons of CFC-11	
			305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		p. 44	
7	Human resources development and management	Training and Education	404-1	Average hours of training per year per employee (by gender, by employee category)		p. 79	
	404-2		Programs for upgrading employee skills and transition assistance programs (Skills training and lifelong education programs to maintain employment and assist post-retirement management)		p. 59~61		
	404-3		Percentage of employees receiving regular performance and career development reviews (by gender, by employment category)		p. 78		

Material Topics

Rank-ing	Material Issue	Disclosure	no.	Reporting Requirement	Disclosure	Page	Note
8	Respect for human rights and diversity Managing human rights risks for employees, supply chains, and communities, ensuring the prevention of discrimination/harassment, enhancing diversity and inclusion	Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees		p. 27~28, 77~78	
			405-2	Ratio of basic salary and remuneration of women to men		p. 79	
		Non-discrimination	406-1	Incidents of discrimination and corrective actions taken		p. 32, 57, 78	
		Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor		p. 56~57	
		Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		p. 56~57	
9	Product and service quality safety management Communicating accurate product information, appointing product and service quality safety management personnel, operating channels to receive and report defective products	Customer Health and Safety	416-1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement		100%	All plants were certified to IATF 16949
			416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		-	Zero incidents of non-compliance
10	Supplier ESG management Managing supplier ESG risks including human rights & labor, ethical management, health & safety, and environment & climate change, and ensuring sustainable supply chains	Activities and workers	2-6	Activities, value chain and other business relationships		p. 13, 21, 53~54	
		Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria		p. 53, 79	
			308-2	Negative environmental impacts in the supply chain and actions taken		p. 53~54	
		Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor			Supplier sustainability guidance
		Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor			
		Supplier Social Assessment	414-1	Percentage of new suppliers screened using social criteria		p. 53, 79	
			414-2	Negative social impacts in the supply chain and actions taken		p. 53~54	

Others

Disclosure	no.	Reporting Requirement	Page	Note
Economic Performance	201-1	Direct economic value generated and distributed	p. 21, 29~30, 73, 80	
Tax	207-1	Approach to tax	-	Tax policy 
Employment	401-1	Number and rate of new employee hires and employee turnover	p. 78	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 67, 77	
	401-3	Number and rate of employees that returned to work after parental leave ended that were still employed by gender	p. 77	
Occupational Health and Safety	403-1	Occupational health and safety management system	p. 64~67	
	403-2	Hazard identification, risk assessment, and incident investigation	p. 34, 64~67	
	403-3	Occupational health services	p. 64~67	
	403-4	Worker participation, consultation, and communication on occupational health and safety	p. 65	
	403-5	Worker training on occupational health and safety	p. 56, 65~67	
	403-6	Promotion of worker health	p. 67	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 67	
	403-8	Workers covered by an occupational health and safety management system	p. 64~67	
	403-9	Work-related injuries (injury rate)	p. 78	
	403-10	Work-related ill health	p. 78	
Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	p. 78	There was no risk of serious violations of freedom of association or collective bargaining during the reporting period
Local Communities	413-1	Percentage of operations with local community engagement, impact assessments, and development programs	p. 8, 68~71	
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	Zero

※ In 2023, there was no significant fines or penalties related to the environment (USD 10,000 and above in fines or penalty)

SASB

Transportation Sector - Auto Parts

Category	Code	Accounting Metric	Page
Energy Management	TR-AP-130a.1	(1) Total energy consumed	p. 75
		(2) Percentage of grid electricity	p. 75
		(3) Percentage renewable	p. 75
Waste Management	TR-AP-150a.1	(1) Total amount of waste from manufacturing	p. 75
		(2) Percentage hazardous	p. 75
		(3) Percentage recycled	p. 75
Product Safety	TR-AP-250a.1	(1) Number of recalls issued, total units recalled	p. 79
Design for Fuel Efficiency	TR-AP-410a.1	(1) Revenue from products designed to increase fuel efficiency and/or reduce emissions	p. 49
Materials Sourcing	TR-AP-440a.1	(1) Description of the management of risks associated with the use of critical materials	p. 54~56
Materials Efficiency	TR-AP-440b.1	(1) Percentage of products sold that are recyclable	Specified in our Financial Report (Korean) 
	TR-AP-440b.2	(2) Percentage of input materials from recycled or remanufactured content	
Competitive Behavior	TR-AP-520a.1	(1) Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulation	Not disclosed

Activity Metrics	Content
Activity Metrics	Number of parts produced
	Weights of parts produced
	Area of manufacturing plants
Not disclosed	

Sustainable Development Goals

Hankook Tire & Technology endorses the Sustainable Development Goals (SDGs) pursued by the UN and the global community, and is actively engaging in the resolution of the universal challenges of humanity and the biological and environmental issues plaguing the planet. We vow to take diverse actions to contribute to the betterment of our society.

SDGs	Our Action	Page
	End poverty	Ensure basic rights by supporting disaster recovery p. 71
		Engage in employee volunteering and support vulnerable groups in the local communities where our global operations are based p. 68~70
	Zero hunger	Ensure the sustainable management of natural rubber cultivation areas through support activities and trainings for natural rubber producers p. 55
	Good health and well-being	Create a safe and pleasant workplace through safety risk management and other measures p. 64~66
		Ensure health management for employees through health check-ups and psychological counseling support p. 67
		Engage in corporate philanthropy to support the health of local communities (e.g., emergency medical services, campaigns for children with incurable diseases) p. 70
		Improve road safety for children by disseminating a culture of traffic safety p. 71
	Quality education	Provide workplace trainings and scholarships for arts and sports p. 70
		Operate science camps for employees' children p. 62
		Provide human rights training for employees p. 56
	Gender equality	Nurture female talent p. 58
	Clean water and sanitation	Protect water quality by providing formic acids for natural rubber producers p. 55
	Affordable and clear energy	Introduce new technology, use renewable energy, and establish an energy management system p. 42
		Optimize process energy efficiency, manage energy leaks, and improve equipment operation methods for energy savings p. 43
	Decent work and economic growth	Invest in mobility startups and support their growth p. 17
		Expand and stabilize employment of people with disabilities through Hankook Donggeurami Partners, our subsidiary-type standard worksite for people with disabilities p. 58

SDGs	Our Action	Page
	Industry, innovation and infrastructure	Conduct product lifecycle environmental impact assessments p.49
		Enhance the competency of R&D workforce p.48
	Sustainable cities and communities	Install air pollutant control facilities to prevent air pollution p. 44
		Minimize waste generation and manage waste through professional outsourcing companies p. 44
	Sustainable consumption and production	Install air pollutant control facilities to prevent air pollution p. 44
		Expand waste recycling for resource circularity p. 50-51
		Develop sustainable raw materials p. 48
		Join end-of-life tire initiatives p. 50
	Climate action	Report sustainability data through ESG reporting p. 11
		Implement the 2050 carbon neutral roadmap, join the TCFD, operate the Climate Change Committee, and support suppliers with net zero activities to enhance climate change response capabilities p. 86-88
	Life below water	Reduce the use of water resources p. 44
	Life on land	Engage in SNR activities to protect the natural rubber ecosystem p. 55
		Assess biodiversity risks and conserve biodiversity p. 45-46
	Peace, justice, and strong institutions	Advance Jeongdo Management and ethical management, ensure compliance risk management p. 31~32
	Partnerships for the goals	Join global partnerships for sustainable development (UNGC, WBCSD, TIP, GPSNR, etc.) p. 89

Category		Horizon			Key Risks	Potential Risks	Potential Financial Impacts	Response and Plan	CDP Mapping
		Short-term	Mid-term	Long-term					
Transition risk	Policy and legal (current)	✓	✓	✓	Policies associated with GHG emissions reduction regulations	- Enhanced GHG emissions reduction rates and allowance auctioning	- Estimated cost of carbon credit purchases at nearly KRW 10 billion (~2025, Hungary Plant is implementing the EU-ETS)	- Implement energy and GHG emissions reduction activities at the operational site level - Tighten allowances management, including allowance trading strategies and allowance cancellation	C2,2, C2.2a, C2.3a
	Policy and legal (emerging)				Legislation of climate disclosures	- Rigorous stakeholder monitoring and emerging green washing issues	- Increased indirect costs (regulatory response) - Decreased profits (failure to meet stakeholder needs)	- Establish a Scope 3 inventory and a data management system - Analyze climate change risks and enhance response to the TCFD	
			✓	✓	Supply chain due diligence laws	- Supply chain management risks and securing sustainable suppliers	- Increased direct/indirect costs (on-site due diligence, regulatory response)	- Establish supplier sustainability guidance and a supplier due diligence system	
					CBAM (Carbon Border Adjustment Mechanism)	- Limitation on imports of carbon-intensive products	- Increased direct costs (tariff, etc.), decreased profits	- Engage in R&D for low-carbon products and raw materials and achieve certification - Implement GHG emissions reduction activities in the manufacturing phase	
	Technology			✓	Transition to low-carbon technology and raw materials, resource circulation (recycling and others) technology development	- Risk of failure in investing in low-carbon technology/business - Increased R&D investment expenses to secure low-carbon technology and raw materials - Leading companies dominating the market and monopolizing core technology - Risk of weakened cost and price competitiveness	- Increased direct/indirect costs and capital expenditures (investment and transition expenses)	- Secure low-carbon raw material technology (preemptively discover sustainable raw materials) - Conduct R&D on eco-friendly products (lightweight, improved rolling resistance) and consider their commercialization - Review resource circulation technology (tire pyrolysis, recycling, etc.)	
		✓	✓	✓	Increased customer demand for carbon emissions reduction and eco-friendly production	- Increased costs of purchasing renewable energy - Increased demand to manage product carbon footprint and use low-carbon raw materials - Contract failure with customers	- Increased direct/indirect costs (purchase of RECs and renewable energy, increased raw material prices)	- Establish renewable energy use strategies and review long-term contracts (PPAs, etc.) - Pursue product LCAs - Procure low-carbon raw materials and pursue certification (ISCC PLUS, etc.) - Purchase renewable energy certificates including Green Premiums and RECs	
	Market	✓	✓		Increased fluctuations in fossil fuel prices	- Unstable energy prices (electricity, LNG, etc.)	- Increased annual electricity purchase prices of nearly KRW 14 billion (against 2021 prices, for the Hungary Plant)	- Use renewable energy power with relatively stable energy prices (install solar power generators, PPA, etc.)	
			✓	✓	Prevalent disapproval for the use of petroleum-based raw materials	- Increased demand to use eco-friendly (bio-based)/low-carbon raw materials	- Increased direct costs (raw material costs), decreased profits when failing to meet customer requirements	- Conduct R&D on bio-based raw materials (silica derived from rice husks, raw materials extracted from dandelions, etc.)	
			✓	✓	Changing trends in the automotive market and consumption	- Shift in demand from summer/winter tires to all-weather tires - Demand for change in existing tire products in line with the increased adoption of EVs	- Decreased sales profits from main products (ICE car tires, summer/winter tires)	- Diversify tire product lines (develop EV-only tires, expand all-weather tire production, etc.)	
		✓	✓	✓	Implementation of net zero commitments	- Declining external credibility due to substandard implementation	- Declining corporate value	- Lay the basis for continued implementation (ESG management, internalization, management system)	
	✓	✓	✓	Expansion in ESG assessments and increased demand to respond to ESG requirements	- Lower scores/ratings in external ESG assessments - Declining corporate investment value/stock prices/credibility	- Declining corporate value and investments	- Identify and implement improvement tasks based on ESG assessment results - Proactively respond to the CDP and other global initiatives		
Physical risk	Acute	✓	✓		Increased frequency of abnormal and extreme weather events such as typhoons, torrential downpours, heavy snowfall, and hurricanes	- Impairments to production/infrastructure facilities resulting from cold snaps and typhoons affecting the areas in which we operate		- Conduct routine workplace maintenance (leak prevention, waterproofing, etc.)	
	Chronic			✓	Change in climate/ecosystem environments resulting from rising average temperatures	- Disruption to raw material supply/demand and rising prices resulting from abnormal weather conditions affecting the areas supplying imported raw/subsidiary materials (natural rubber and others) - Increased frequency of physical risks materializing and direct damage to operational sites resulting from rising sea levels	- Increased direct/indirect costs (plant maintenance, damage recovery, rising production costs, etc.)	- Strengthen safety training for emergency preparedness - Support GPSNR (Global Platform for Sustainable Natural Rubber) activities	

Strategy

Disclose the impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning over the short, medium, and long term

Climate-related Opportunities

Category	Horizon			Key Opportunities	Potential Opportunities	Potential Financial Impacts	Response and Plan	CDP Mapping	
	Short-term	Mid-term	Long-term						
Opportunity	Energy source	✓	✓	✓	Participation in carbon markets Use of low-carbon energy	- Profit generation through the sales of surplus allowances - Profit-making opportunity through external reduction business development - Decreased energy costs resulting from the increased efficiency of process energy - Participation in renewable energy programs and use of government subsidies	Increased profits from allowances trading and decreased direct/indirect costs (operating costs)	- Develop GHG emissions reduction strategies including the carbon neutral roadmap - Manage allowances and engage in strategic trading - Build reduction track records through energy efficiency improvement and energy transition - Review external reduction business development	C2.4, C2.4a
	Resource efficiency		✓	✓	Efficient use of resources and recycling/reuse	- Development of resource circulation technology (pyrolysis, end-of-lite tire recovery, etc.) - Improvement in raw material efficiency	Decreased direct/indirect costs (raw material purchase, waste treatment expenses, etc.)	- Review investment in tire pyrolysis equipment and endeavor to reduce waste - Participate in technology research through the TIP (Tire Industry Project) - Improve process efficiency and yields	
	Markets, products, and services		✓	✓	Increased demand for low-carbon products and services Creation of eco-friendly businesses	- Facilitated EV product market resulting from the transition to EVs - Secured comparative advantages resulting from reduced product carbon footprint - New business discovery through business diversification	Increased profits resulting from the growing demand for eco-friendly/low-carbon products and services	- Develop and produce EV-only tires and launch brands - Develop and apply eco-friendly product technology (lightweight, improved rolling resistance) - Manage product carbon footprint through LCA - Continue with efforts for new business investments/discoveries and business diversification	
	Resilience		✓	✓	Secured and diversified alternative resources	- Development of eco-friendly raw materials and technology procurement	Increased investment returns through new technology procurement and others	- Conduct R&D on bio-based raw materials (silica derived from rice husks and materials extracted from dandelions) - Secure low-carbon raw material technology (preemptively discover sustainable raw materials)	

Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Hankook Tire & Technology referred to the IEA NZE 2050 and RCP 8.5 scenarios in assessing transition risks and physical risks resulting from climate change.

CDP Mapping — C3.2a, C3.2b, C3.3, C3.4

NEA NZE 2050 Scenario

The IEA's Net Zero Emissions (NZE) 2050 Scenario describes a proactive scenario consistent with the goal of the Paris Agreement limiting the global temperature rise by no more than 1.5°C. This scenario presents a pathway for the global energy sector to reach net zero CO₂ emissions by 2050. Its key assumptions cover the global economic size, global populations, and energy supply and demand, and the data disclosed include a change in energy mix to reach net zero by 2050, contributions of different reduction measures, and projected carbon prices.

Hankook Tire & Technology prioritized prospects and technology contributions in areas most closely associated with our business - energy mixes, carbon prices, and transport - and the results are integrated into our carbon neutral roadmap implementation strategy. According to analysis results, GHG emissions reduction regulations (e.g., emissions trading schemes) were identified as the risk that brings the most direct impact. Carbon prices are projected to reach USD 140 per ton by 2030 and to USD 250 by 2050 for advanced countries: if our GHG emissions remain at their current levels, our expenses are expected to increase more than five-fold. This prompted us to develop and implement plans to opt for renewable energy while reducing energy consumption and GHG emissions first with sites operating in countries implementing the ETS (Korea, Hungary). We keep our carbon neutral roadmap up to date regularly, and its implementation results are managed through the ESG Strategy Committee and the Climate Change Committee.

CDP Mapping — C3.2a, C3.2b, C3.3, C3.4

RCP (Representative Concentration Pathways) 8.5 Scenario

The Representative Concentration Pathway (RCP) 8.5 was proposed in the IPCC's 5th Assessment Report under the assumption that GHG emissions will continue at the current level: this scenario predicts that human activity will cause CO₂ concentrations to reach 940ppm by the end of the 21st century (2070 - 2099), with the average global temperature rising by 4.8°C and precipitation by 6.0%. If the RCP 8.5 is realized in Korea, Korea's average temperature will increase by 6.0°C and precipitation by 20.4%, indicating Asia's relative vulnerability to climate change compared to the rest of the world.

Presently, we operate eight plants, five of which are located in Asia. Extreme weather conditions that occur frequently as a result of climate change (torrential downpours, typhoons, heat waves) may damage our production and infrastructure facilities and disrupt the supply of raw materials. In particular, natural rubber presents sizeable potential risks as it is mostly imported from Southeast Asia and represents the highest share of the total tire raw material purchase costs. According to IPCC's reports, extreme climatic conditions including heatwaves and heavy downpours are projected to occur more frequently in Asia. This could reduce the cultivation area for natural rubber, give rise to diseases affecting rubber trees, and alter the cultivation environment, disturbing natural rubber harvests in the process. This may eventually lead to rises in raw material prices due to reduced natural rubber supply, which in turn may increase procurement costs and impact our overall cost competitiveness.

Accordingly, we are strengthening our organization's strategy through physical risk scenario analysis. Our strategies to address the key risks identified, such as raw material supply and infrastructure damage, are as follows: First, we reduce our dependency on climate risks affecting specific areas through supply chain diversification and inventory management, and maintain an appropriate inventory level of raw materials to brace for possible supply disruptions. Second, we expand the use of alternative raw materials and sustainable materials. To this end, we are reinforcing research efforts on diverse alternatives to natural rubber while participating in GPSNR (Global Platform for Sustainable Natural Rubber) activities to increase the use of sustainable natural rubber. Activities associated with sustainable raw materials are included in our carbon neutral roadmap (set a goal of reaching 40% use of sustainable raw materials by 2030), and are managed through the Product Environment Committee. Third, we further protect our infrastructure and production facilities. This involves routine inspections and maintenance to make our production facilities and infrastructure more durable in preparation for heavy downpours and rainy spells. We also develop comprehensive emergency response plans for emergency situations and provide regular training to employees to build preparedness against emergencies.

Implementing these strategies will drive our efforts to effectively manage climate-related risks and boost our response capabilities.

※ For further details on Hankook Tire & Technology's Carbon Neutral roadmap, refer to p.4 of the ESG Report 2021/22

CDP Mapping — C3.2a, C3.2b, C3.3, C3.4

Risk Management

Describe the organization's processes for identifying and assessing climate-related risks

We periodically identify and assess climate change issues and risks to ensure effective response. The ESG team analyzes climate-related risks, internal/external issues, stakeholder requirements, and recent trends to systematically identify related risks and opportunities. The identified risks are prioritized according to their impact, urgency, and likelihood. Key risks and opportunities are reported to top management and the ESG Strategy Committee, and reflected in key ESG tasks and budgets. Additional identified risks concerning institutional changes in Korea and abroad and internal/external issues affecting our operational sites are also regularly reported to responsible executives and the CAO as deemed necessary. In 2023, the ESG Strategy Committee analyzed the latest trends and their projected impact on the Company regarding the revision of emissions trading systems, climate-related disclosure systems, supply chain management issues, and renewable energy transition policies. The Committee also reported them to the CEO and senior management and discussed our response approaches. When the need arises to communicate with external associations or to announce our public stance concerning climate change, this is reviewed by the ESG Team and is subject to the final review by the Chief Administrative Officer before release. We ensure that our public positions and activities align with our climate change response strategies in the review process, and details of any lobbying activities undertaken are made public through our ESG disclosures. The associations and government-invested organizations Hankook Tire is involved in are outlined on page 80 of this report, and associations related to sustainability management include the WBCSD and the KBSCD.

CDP Mapping — C3.2a

Describe the organization's processes for managing climate-related risks

As climate-related risks occur across the whole of the value chain, they are managed by three out of the eight ESG Steering Committees (Climate Change, Supplier, and Product Environment). The Climate Change Committee develops and implements key initiatives in the manufacturing phase which corresponds to Scope 1 and 2 emissions, and the Supplier Committee and the Product Environment Committee do the same for risks for supply chains, raw material acquisition, product development, and lifecycle assessments, which fall into the Scope 3 emissions category. Initiatives from all Steering Committees are proposed and presented as agendas to the ESG Strategy Committee, and their progress is monitored through ESG Steering Committees at least three times a year. The ESG Team manages the operation of the ESG Strategy Committee and all the Steering Committees, and shares the risks additionally identified year-round apart from the established initiatives, and ensures they are also integrated into our ESG tasks.

CDP Mapping — C2.1, C2.1a, C2.1b, C2.2

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management

To ensure company-wide risk management, we compile the types of possible risks at relevant departments and their specifics, responsible personnel, deadlines, and assessment methods on an annual basis. The ESG Team shares key issues out of the identified climate-related risks so that they are reflected in our company-wide management system, and shared risks anticipated in relation to the emissions trading system in 2022. Our CEO and CAO identify emerging issues and potential risks each year through the ESG Strategy Committee, and executives responsible for equipment, research, procurement, finance, and other relevant functions identify and implement key tasks as the Chair of the respective ESG Steering Committee to manage risks accordingly.

CDP Mapping — C2.1, C2.2, C3.3, C3.4

Metrics & Targets

Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process

We manage both total volumes and intensity as assessment metrics based on Scope 1, 2, and 3 emissions (tCO₂-eq), global production volumes (ton), and energy consumption.

CDP Mapping — C8.2, C8.2a, C8.2b, C8.2c, C8.2d, C8.2g, C11.3a

Disclose Scope 1, Scope 2 and if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks

We systematically manage and disclose our Scope 1, 2 and 3 emissions data through our internal process, and have such data verified externally to enhance data credibility. The scope of Scope 1 and 2 emissions calculation was extended from eight manufacturing sites to include some of our subsidiaries and domestic offices. Our Scope 1 and 2 emissions peaked in 2019 and have been experiencing a general decline, along with steady intensity-based improvements. Scope 3 emissions are managed within eight selected categories taking into account the size of emissions, reduction potential, and significance, and are calculated with reference to GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard. All of our Scope 1, 2, and 3 emissions data that are complete with external verifications are fully disclosed through the Carbon Disclosure Project (CDP).

(Unit: tCO ₂ eq)			
Category	2021	2022	2023
Purchased goods and services	2,586,742	2,594,189	2,581,936
Capital goods	107,186	156,972	189,687
Fuel and energy-related activities not included in Scope 1 and Scope 2	317,397	335,798	239,281
Upstream transportation and distribution	489,077	432,253	504,126
Waste generated in operations	7,493	10,136	11,003
Downstream transportation and distribution	2,481	7,476	8,697
Use of sold products ¹⁾	27,320,917	25,501,726	25,825,175
End-of-life treatment of sold products	14,606	14,092	7,557
Investments	52,038	52,038	51,481
Total	30,897,938	29,104,680	29,418,944

1) While tires do not directly consume fuel and do not correspond to this category according to the GHG Protocol, we made calculations on this category as optional emissions to check our yearly emissions trajectory and did not include this in our SBTi target.

CDP Mapping — C6.1, C6.2, C6.3, C6.5, C7.1, C7.2, C7.3, C7.3a, C7.5, C7.6, C7.6a

Describe the targets used by the organization to manage climate-related risks and opportunities and their performance against targets

In line with the SBTi, we aim to reduce our Scope 1 and 2 emissions from our operations by 46.2% by 2030 and scope 3 emissions generated from the value chain by 27.5% by 2030 from the 2019 base year to eventually achieve net zero emissions by 2050. To mitigate our Scope 1 and 2 emissions, we pursue the use of highly efficient equipment, optimize energy, and opt for renewable energy. To reduce our Scope 3 emissions, we opt for eco-friendly materials, provide suppliers with a net zero guide, and embrace eco-friendly product designs on an ongoing basis. In 2023, we posted a nearly 12.1% reduction in Scope 1 and 2 emissions against 2019.

※ For further details on our reduction activities undertaken in 2023, see pages 42 to 43.

CDP Mapping — C4.1, C4.1a, C4.2, C4.2c

UNGC and Memberships

UN Global Compact (UNGC)

Since joining the UN Global Compact in 2012, Hankook Tire & Technology has endorsed its Ten Principles and has remained committed to abiding by these principles. We report our progress towards the UNGC 10 principles through this report, and will fully act on these principles to fulfill our role as a responsible corporate citizen.

Principle		Report Content	Page
Human rights	Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights; and	Human rights and diversity management	p. 56~58
	Principle 2. make sure that they are not complicit in human rights abuses.		
Labor	Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;		
	Principle 4. the elimination of all forms of forced and compulsory labour;		
	Principle 5. the effective abolition of child labour; and		
	Principle 6. the elimination of discrimination in respect of employment and occupation.		
Environment	Principle 7. Businesses should support a cautionary approach to environmental challenges; and	Eco Value Chain, Sustainable Product	p. 41~51
	Principle 8. undertake initiatives to promote greater environmental responsibility; and		
	Principle 9. encourage the development and diffusion of environmentally friendly technologies.		
Anti-corruption	Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.	Jeongdo Management and ethical management	p .31~32

Membership in Associations and Organizations Related to Sustainability Management

Association/Organization
Korea Enterprises Federation
Korea International Trade Association
Korea Chamber of Commerce and Industry
Korea Tire Manufacturers Association (KOTMA)
European Tyre&Rubber Manufacturers Association (ETRMA)
U.S. Tire Manufacturers Association (USTMA)
Japan Automobile Tyre Manufacturers Association (JATMA)
Korea Rubber Industry Association
Korea Industrial Safety Association
UN Global Compact (UNGC)
Korea Business Council for Sustainable Development (KBCSD)
World Business Council for Sustainable Development (WBCSD), TIP (Tire Industry Project),
Global Platform for Sustainable Natural Rubber (GPSNR)
Korean Standards Association
Korea Environmental Preservation Association

Third-party Assurance Statement

Third-party Limited Assurance Report on Sustainability Information in Hankook Tire & Technology Sustainability Report

We were engaged by Hankook Tire & Technology Co., Ltd. (“Company”) to provide a limited assurance on the information included ‘2023 Hankook Tire & Technology Sustainability Report’ (“Report”) for the year ended December 31, 2023. The report also includes information on certain significant items that occurred between December 31, 2023, and the issue date of this report.

Subject Matter Information

We have performed assurance procedures on the following sustainability information (“Sustainability Information”) included in the attached Report. Our assurance procedures do not extend to Sustainability Information related to the previous period, including images, audio files, and embedded videos.

- Global Reporting Initiative (GRI) Standards Index’ stated on pages 81~83
- ESG DATA’ in ESG DATA PACK heading stated on pages 73~80

Criteria Used as the Basis of Preparation

The criteria (“Criteria”) used as the basis of preparation includes GRI standards issued by the Global Reporting Initiative. The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure Sustainability Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time. Consequently, the Sustainability Information needs to be read and understood together with criteria as the basis of preparation which the Company has used to prepare the Sustainability Information.

Our Conclusion

Based on the procedures we have performed as described under the ‘Summary of the work we performed as the basis for our assurance conclusion’ and the evidence we have obtained, nothing has come to our attention that causes us to believe that Company’s Sustainability Information included in the report for the year ended December 31, 2023 is not prepared, in all material respects, in accordance with the criteria used. As we have not performed assurance procedures on Sustainability Information related to the previous period, including images, audio files, and embedded videos, we do not express an assurance conclusion regarding them.

Inherent Limitations

Sustainability Information includes forward-looking information such as climate-related scenarios that is subject to inherent uncertainty because of incomplete scientific and economic knowledge about the likelihood, timing or effect of potential future physical and transitional climate-related impacts.

Company’s Responsibilities

The management of the Company is responsible for selecting and establishing suitable criteria for preparing the Sustainability Information, considering applicable regulations related to sustainability reporting. They are also responsible for designing, implementing, and maintaining internal controls over information relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We are responsible for planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error, forming as independent conclusion, based on the procedures we have performed and the evidence we have obtained, and reporting our conclusion to the management of the Company. As we are engaged to form an independent conclusion on the Sustainability Information as prepared by management, we are not permitted to be involved in the preparation of the Sustainability Information as doing so may compromise our independence.

Assurance Standards Applied

Our assurance engagement has been performed in accordance with ISAE 3000 (Assurance Engagements Other than Audits or Reviews of Historical Financial Information) issued by the International Auditing and Assurance Standards Board (“IAASB”).

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements

Summary of the Work we Performed as the Basis for our Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Sustainability Information, we:

- established whether the financial information included in the Report was appropriately extracted from the audited financial statements of the Company
- inquired about the process for selecting significant issues considering the Company's key stakeholders
- understood the Company's processes for preparing sustainability information and obtained and reviewed related evidence through inquiries

Independent Verification Opinion

Hankook Tire & Technology Co., Ltd

Introduction

DNV Business Assurance Korea Ltd. (“DNV”) was commissioned by Hankook Tire & Technology Co., Ltd (“Company”) to perform third party verification for the Greenhouse Gas Statement (“the statement”) of the Company. The Company is responsible for the preparation of the GHG statement on the basis set out within the ‘ISO 14064-1:2018’, ‘WRI/WBCSD GHG Protocol: A Corporate Accounting and Reporting Standard/The Corporate Value Chain (Scope 3) Accounting and Reporting Standard’ and ‘IPCC Guidelines: 2006’. Our responsibility in performing this work is to the management of the Company only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this verification opinion.

Objectives and scope of verification

The purpose of this verification is to present an independent verification opinion on the company's Greenhouse Gas Statement, and the scope of verification is as follows;

- Organizational Boundary: Six overseas business sites, domestic business sites and four subsidiaries of Hankook Tire & Technology Co., Ltd
 - * Scope 1, 2 emissions : Domestic subsidiaries(HPW, HEW, MS, HDP), Overseas business sites (JP, HP, CP, MP, IP, TP)
 - * Scope 3 emissions : Domestic and overseas business sites
- Operational Boundary: Scope 1 (Direct emissions), Scope 2 (Indirect emissions), Scope 3 (Other indirect emissions -Category : 1, 2, 3, 4, 5, 9, 11, 12, 15)
- Reporting period: 2023.01.01 ~2023.12.31

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the 'ISO 14064-3:2019', based upon a reasonable level of assurance for the domestic companies and a limited level of assurance for the overseas companies. We planned and performed our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level. As part of the verification process, we have reviewed as follows;

- Process to generate, aggregate and report the emissions data
- The data and information supporting the report were based on historical in nature. May include partially hypothetical and projected data and information

Conclusions

Based on the process and procedures conducted, there is no evidence that the GHG statement is not materially correct and is not a fair representation of GHG data and information;

- DNV presents an 'Unmodified' opinion on Greenhouse Gas Emissions

					(Unit: tCO ₂ -eq)
Company	Accounting Method	Direct Emissions (Scope 1)	Indirect Emissions (Scope 2)	Scope 1 + Scope 2 ³⁾	Other Indirect Emissions (Scope 3)
Hankook Tire & Technology	Location-based ¹⁾	120,705	574,802	695,507	29,418,944
	Market-based ²⁾				

1) The 'Location-based' refers to greenhouse gas emissions reported in Scope 2 based on electricity use based on the national power grid.

2) The 'Market-based' refers to Scope 2 greenhouse gas emissions reflecting the purchase of renewable energy power.

3) The above greenhouse gas emissions may differ by less than $\pm 1 \text{ tCO}_2\text{eq}$ due to rounding for reporting as whole numbers.

13 June 2024
Seoul, Korea



Jang-Sub Lee

Country Representative
DNV Business Assurance Korea

J.S. / 

Awards

Category	Awards	Details	Host
Sustainability management	CDP	Awarded in the Consumer discretionary category, 2023 CDP Carbon Management Sector Honors	CDP Korea Committee
	Dow Jones Sustainability Index	 Listed on the Asia Pacific Index for 11 straight years and on the Korea Index for 13 straight years	S&P Global
	LACP 2023 Spotlight Awards	 Won the Gold Prize in the ESG Report category and named in the worldwide Top 100	League of American Communications Professionals (LACP)
	2023 Great Employer of People with Disabilities	Named a great employer of people with disabilities (Hankook Donggeurami Partners)	Ministry of Employment and Labor, Korea Employment Agency for Persons with Disabilities
	2023 Government Awards for Outstanding Contribution to Employment of People with Disabilities	Presidential Citation in the workers with disabilities category (Hankook Donggeurami Partners)	
	Korea Human Resources Development Awards 2023	Grand Prize in the private sector category	Human Resource Development Association
Quality & technology	Korean Standards-Quality Excellence Index (KS_QEI)	 Ranked 1st in the automotive tire sector for 15 straight years	Korean Standard Association (KSA)
	3D Printing Best Practice Competition 2023	Won the Minister of Science and ICT Award - next-generation cuff-integrated tire mold printing technology	Ministry of Science and ICT
Brand value	Korea Brand Power Index (K-BPI)	 Ranked 1st in the passenger tire sector for 21 straight years Ranked 1st in the tire shop sector for 15 straight years	Korea Management Association Consultants (KMAC)
	National Brand Competitiveness Index (NBCI)	 Ranked 1st in the tire sector for 15 straight years	Korea Productivity Center
	Korea's Most Admired Company Awards	 Ranked 1st in the tire business sector for 14 straight years	Korea Management Association Consultants (KMAC)
Design	iF Design Award	Awarded in the Product Design category in 2023 - iON evo	iF International Forum Design GmbH
		 Awarded in the Professional Concept Design category in 2023 - Urban Reshaping Concept, WheelBot Concept	
		Awarded in the Communication category in 2023 - Official website	
	Red Dot Design Award	Awarded in the Product Design category in 2023 - iON, iON evo, iON evo AS, iON i*cept	Design Zentrum Nordrhein Westfalen
		 Awarded in the Brand and Communication Design category in 2023 - Hankook Tire website	
		Awarded in the Product Design category in 2024 - iON GT, e-SMART City AU56	
		Awarded in the Concept Design category in 2024 - Upcycle Longboard	

Contributors

Contributors to the Hankook Tire & Technology ESG Report 2023/24

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Korea



Global

Reference

Financial Report (Korean)	
Corporate Governance Report (Korean)	
CDP Report	
ESG Policy	
Code of Ethics	
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