

Hankook & Company

# **2022 ESG Factbook**



## Intro

### ESG Factbook Overview

Hankook & Company publishes ESG Factbook 2022 to share its ESG management status with external stakeholders before publishing the 2024 Sustainability Management Report. This Factbook contains faithful descriptions of essential details and core data, focusing on activities and achievements in the environmental, social, and governance areas.

### Reporting Period and Scope

The reporting period for ESG Factbook 2022 is from January 1, 2022 to December 31, 2022, and quantitative data for two years from 2021, the year the merger with AtlasBX Corp. was completed (Apr. 01, 2021), to 2022 are presented.

For significant achievements outside of the reporting period, major issues from 2021 to the first half of 2023 are included, and the scope of the report covers all of Hankook & Company's global business sites, including Jeonju and Daejeon in Korea and Tennessee in the United States. If the reporting period and scope require attention or a separate explanation, they are clearly indicated in annotations.

### Inquiries about the Report

Please download the ESG Factbook 2022 from Hankook & Company's website. If you have any further questions or need information about the report, please contact us using the contact details below. We look forward to opinions and advice from our stakeholders.

Hankook & Company ESG Factbook 2022

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## Overview

Hankook & Company is the holding company of Hankook Tire & Technology and a leading global mobility company that actively responds to changes in the eco-friendly energy market through ES Business Headquarters (formerly Hankook AtlasBX), which focuses on battery business.

We envision better lives by delivering on the most important values we stand for.

The ES Business Headquarters has provided customers worldwide with the best products and services for over 80 years thanks to our advanced technology and expertise. We are solidifying our position as a major battery supplier to international businesses by supplying OE batteries to automotive manufacturers, building a plant in Tennessee, and expanding our global network.

## Innovation

We study the ways to bring innovation to life with the most advanced technology.

We stay ahead of the curve to empower you to realize your own innovations.

## Future

We constantly push the boundaries of the new tomorrow.

We pioneer a new paradigm to create a future where innovation is realized.

We drive toward a sustainable tomorrow for people and the planet today to shape the mobility business of the future.

## Environmental

### 1. Environmental Management

Based on the mission, “Future Innovated, Innovation Realized,” Hankook & Company is a smart energy solution provider that aims to realize the future envisaged by customers through innovation. As a “Smart Energy Solution Provider,” we consider environmental management as a top priority in our business strategy. We are committed to completing a circular economy.

To achieve this, we have formed the ESG Project, an organization dedicated to ESG strategy formulation and management, and ESG Operational TFT, in addition to dedicated organizations such as the Environmental Safety Team and the SHE Team at existing business sites. The newly formed groups establish a more systematic ESG strategy, such as establishing mid- to long-term ESG strategies, carrying out product life cycle assessment (LCA), responding to global ESG evaluations, publishing ESG reports, and carrying out related activities.

We have established the highest level of circular economy systems in the world through cost-effective and sustainable smart energy solutions based on safety that customers can trust. In particular, the majority of lead and polypropylene (PP), the core raw materials for lead-acid batteries, are recycled through a circular supply chain, which is a more efficient process in terms of energy consumption and greenhouse gas emissions compared to obtaining raw materials from mines. Hankook & Company plans to build a more systematic, eco-friendly circular economic system that continues to advance through innovations and cutting-edge technology.

We specify and stipulate the responsibilities and authorities of the top management related to environmental management through policies and internal regulations. We also regularly conduct comprehensive ESG assessments of suppliers to diagnose and evaluate their environmental management risks.

## **Hankook & Company Environmental Management Policy**

Hankook & Company's environmental management policy is to protect and improve the business domains, local communities, and the global environment as the highest priority, implement a management philosophy with environmental protection and improvement as a management task and develop continuous activities to reconcile with business activities.

To achieve it, we make the following resolutions and actions.

- Develop environmental improvement activities to voluntarily comply with external laws, regulations, and agreements related to business activities.
- Identify and evaluate elements that significantly impact the environment in business activities and take corrective actions to minimize these factors.
- Fulfill our environmental commitments, including stakeholders, and establish and implement environmental management plans to continuously improve them.

All executives and employees understand this environmental policy and fulfill their responsibilities to achieve the set goals.

### **Global Environment Protection**

We are making generous investments and continuous efforts for the future of the global environment.

### **Business Site Environment**

We minimize the environmental impact at business sites by reducing the use of resources required in the manufacturing process of products and preventing the leakage of harmful and polluting substances. Furthermore, we will expand resource recycling and recovery to open the Green Survival era, where human survival and corporate activities can coexist.

### **Reduce Water Use**

- Waste reduction and resource recovery
- Air/water pollutant management
- Hazardous chemical management

### **Product Liability**

Since the environment is an essential management element for corporate sustainability, we recognize the environmental impact of the manufacturing process and product use as our responsibility. We are continuously researching ways to reduce environmental impact by considering the entire product life cycle starting from the design stage.

- Eco-friendly product research and development

- Expanding the use of sustainable raw materials

**Climate Change**

We recognize that climate change is an urgent issue on a global level and poses an existential threat to humanity and ecosystems. Our companywide commitment is to fulfill our corporate roles and responsibilities. We support the Paris Agreement and will participate in reducing global greenhouse gas emissions and implementing climate change responses to curb global temperature rise to within 1.5°C.

- Reducing energy use
- Using clean energy
- Introducing innovative reduction technology

## Primary Environmental Management Certifications

### ISO 14001 (Environmental management system)

ISO 14001 is the international standard for energy management systems. We have obtained ISO 14001 certification (valid until January 30, 2025) to efficiently manage environmental risks by systematically identifying, evaluating, managing, and improving ecological aspects through an environmental management system.



### ECO LABEL Certification

ECO LABEL certification is granted to products that reduce energy and resource consumption and minimize the generation of pollutants in each stage of the entire product process, and we received the certification for EL603 (Jeonju Plant).



### LEED Certification

LEED (Leadership in Energy and Environmental Design) certification is an evaluation scheme developed by the U.S. Green Building Council (USGBC) and is one of the most reputable and recognized certification systems among eco-friendly certification systems for architecture and interiors worldwide. Hankook Technodome, where Hankook & Company's R&D division is located, received LEED Gold certification in 2016.



### <Major Environmental Management Certification>

Certification Name	Business site/target for certification	Expiration date
ISO 14001	Daejeon Plant, Jeonju Plant /Sites	Jan. 30, 2025
ECO LABEL Certification	Jeonju Plant/Product (EL603)	Jun. 24, 2024
LEED Gold certification	Hankook Technodome/Building	None



### Violation of Environmental Regulations

Hankook & Company promptly discloses any environmental regulation violations and accident recurrence preventive measures to DART through the environmental information disclosure system. There were no violations of environmental regulations in 2022.

## 2. Greenhouse Gas

### ■ GHG Emission

Unit: tCO<sub>2</sub>e / %

Item	Scope	Production facilities	2021	2022
GHG Emission	Scope 1	Jeonju Plant	3,895.3	4,119.0
		Daejeon Plant	5,218.0	5,359.0
		Technoplex*	50.4	83.4
		Tennessee Plant	3,107.8	2,870.0
		Other facilities**	358.9	280.4
		Subtotal	12,630.3	12,711.8
	Scope 2	Jeonju Plant	32,750.6	30,986.0
		Daejeon Plant	28,827.0	27,003.0
		Technoplex	304.3	306.4
		Tennessee Plant	5,626.7	6,074.2
		Other facilities	1,680.9	2,402.9
		Subtotal	69,189.5	66,772.5
GHG emission reduction rate compared to the previous year	Scope 1 & 2	Jeonju Plant	-	4.2%
		Daejeon Plant	-	4.9%
		Technoplex	-	-9.9%
		Tennessee Plant	-	-2.4%
		Other facilities	-	-31.6%
		Subtotal	-	3.0%

※ Due to the Hankook & Company – AtlasBX merger in 2021, the reduction rate for 2020-2021 was not calculated.

2021 Tennessee Plant performance: Pilot operation performance

\* Applicable to 12.5% of Technoplex's total GHG emissions (based on the percentage of area used by the site)

\*\*Other facilities: Yeoksam Office, Korea Academy House, Hankook Technodome (R&D Office), warehouse (Gimhae and Busan 1~4), direct sales office (Bucheon and Sanggye), parking lot (Daejeon), and pilot line (Daejeon)

## ■ GHG emissions targets

Unit: tCO<sub>2</sub>e / %

Item	Scope	Production facilities	Target	Performance	Rate
GHG emissions target	Scope 1 & 2	Jeonju Plant	30,789.4	35,105.0	114.0%
		Daejeon Plant	29,447.7	32,362.0	109.9%
		Tennessee Plant	14,833.4	8,944.2	60.3%
		Subtotal	75,070.5	76,411.2	101.8%

※ Scope 3 is scheduled to be managed through LCA (LCA in progress in the first half of 2023).

GHG emission-related targets are calculated based on production facilities only.

## ■ GHG emissions intensity\*

Unit: tCO<sub>2</sub>e/thousand units

Item	Scope	Production facilities	Performance
GHG emissions intensity (based on production volume)	Scope 1 & 2	Jeonju Plant	6.2
		Daejeon Plant	5.2
		Tennessee Plant	10.9
		Subtotal	6.0

※ Intensity = GHG emissions / Production

## ■ Ownership of Eco-friendly Vehicles

We have 12 vehicles (11 passenger cars and 1 van) in our fleet, but none of them are eco-friendly.

## 3. Energy

### ■ Energy Consumption

Unit: TOE\*

Item	Production facilities	2021	2022
Energy Consumption	Jeonju Plant	31.9	30.6
	Daejeon Plant	29.6	28.1
	Technoplex	0.3	0.3
	Tennessee Plant	8.6	12.4
	Other facilities	2.5	2.3
	Subtotal	72.9	73.7
Energy use reduction rate	Jeonju Plant	-	4.3%
	Daejeon Plant	-	5.0%
	Technoplex	-	-7.1%
	Tennessee Plant	-	-45.1%
	Other facilities	-	7.2%
	Subtotal	-	-1.2%

※ Due to the Hankook & Company – AtlasBX merger in 2021, the reduction rate for 2020-2021 was not calculated.

Energy consumption in 2022 increased due to the pilot operation of the Tennessee plant in 2021.

\* TOE (ton of oil equivalent): the amount of energy released by burning one metric ton of crude oil.

### ■ Energy use targets and achievement rates

Unit: TOE

Item	Production facilities	Target	Performance	Rate
Energy use target	Jeonju Plant	34.7	30.6	88.1%
	Daejeon Plant	31.5	28.1	89.2%
	Tennessee Plant	14.7	12.4	84.4%
	Subtotal	80.9	71.1	87.9%

※ Energy use targets are based on the production facilities only (excluding offices and other facilities).

■ Energy use intensity

Unit: TOE/thousand units

Item	Production facilities	Performance
Energy use intensity (based on production)	Jeonju Plant	0.00537
	Daejeon Plant	0.00455
	Tennessee Plant	0.01514
	Subtotal	0.00560

#### 4. Raw and Subsidiary Materials

■ Use of raw and subsidiary materials

Unit: Ton

Item	Production facilities	Performance
Use of raw and subsidiary material (lead)	Jeonju Plant	54,526.2
	Daejeon Plant	60,609.0
	Tennessee Plant	38,908.5
	Subtotal	154,043.7

■ Use of reclaimed raw and subsidiary materials in primary components

Unit: Ton

Item	Production facilities	Performance
Use of primary raw and subsidiary materials* (based on domestic business sites)	Total raw material use	129,033.0
	Reclaimed raw material use	110,058.0
Use rate of primary raw and subsidiary materials	Subtotal	84.3%

※ Primary raw and subsidiary materials: Lead and PP

In the case of sulfuric acid, a primary raw material other than lead and PP, it is used twice during manufacturing, and all of the sulfuric acid used in the Hwaseong Plant is recycled internally.

Hankook & Company is conducting various research and development activities to expand the amount of reclaimed raw and subsidiary materials used in products to establish a sustainable resource recycling system.

## 5. Waste

### ■ Waste generation

Unit: Ton / %

Item	Production facilities	2021	2022
General waste generation	Jeonju Plant	628.6	857.5
	Daejeon Plant	681.0	679.8
	Subtotal	1,309.6	1,537.3
Designated waste generation	Jeonju Plant	1,656.7	1,478.7
	Daejeon Plant	1,558.5	1,617.2
	Subtotal	3,215.2	3,095.9
Waste generation reduction rate	Jeonju Plant	-	-2.2%
	Daejeon Plant	-	-2.6%
	Subtotal	-	-2.4%

※ Due to the Hankook & Company – AtlasBX merger in 2021, the reduction rate for 2020-2021 was not calculated.

Waste-related performance is calculated based on the domestic production facilities only.

### ■ Waste generation target and achievement rate

Unit: Ton / %

Item	Production facilities	Target	Performance	Rate
Waste generation target	Jeonju Plant	1,961.7	2,336.2	119.1%
	Daejeon Plant	1,726.2	2,297.0	133.1%
	Subtotal	3,687.9	4,633.2	125.6%

## ■ Waste resource recycling performance

Unit: Ton

Item	Production facilities	Performance
Amount of waste resource (lead) recycling*	Jeonju Plant	54,526.1
	Daejeon Plant	60,069.6
	Tennessee Plant	12,155.7
	Subtotal	126,751.5

\* Waste resource recycling: Circular economy that melts down waste resources (lead by-product) and reuses them as raw materials.

## ■ Waste recycling amount

Unit: Ton / %

Item	Production facilities	2021	2022
Waste discharge	Jeonju Plant	2,285.4	2,336.2
	Daejeon Plant	2,239.5	2,297.0
	Subtotal	4,524.8	4,633.2
Waste recycling amount	Jeonju Plant	2,185.7	2,212.7
	Daejeon Plant	2,176.9	2,240.6
	Subtotal	4,362.6	4,453.3
Waste recycling rate	Jeonju Plant	95.6%	94.7%
	Daejeon Plant	97.2%	97.5%
	Subtotal	96.4%	96.1%

※ Waste-related performance is calculated based on the domestic production facilities only.



## 6. Water

### ■ Water use (total amount basis)

Unit: Ton

Item	Production facilities	2021	2022
Water use (total amount)	Jeonju Plant	232,220.73	267,491.0
	Daejeon Plant	229,869.0	245,052.0
	Tennessee Plant	28,686.6	27,084.6
	Subtotal	490,776.3	539,627.6
Water use reduction rate	Jeonju Plant	-	-15.2%
	Daejeon Plant	-	-6.6%
	Tennessee Plant	-	5.6%
	Subtotal	-	-10.0%

※ Due to the Hankook & Company – AtlasBX merger in 2021, the reduction rate for 2020-2021 was not calculated.

Water use is calculated based on the production facilities only.

### ■ Water use (basic unit basis)

Unit: Ton/thousand units

Item	Production facilities	2021	2022
Water use (basic unit)	Jeonju Plant	34.7	47.0
	Daejeon Plant	33.4	39.7
	Tennessee Plant	56.1	32.9
	Subtotal	30.5	42.5
Reduction rate of water use basic unit	Jeonju Plant	-	-35.4%
	Daejeon Plant	-	-18.9%
	Tennessee Plant	-	41.4%
	Subtotal	-	-39.3%

※ Due to the Hankook & Company – AtlasBX merger in 2021, the reduction rate for 2020-2021 was not calculated.

## ■ Water use target

Unit: Ton

Item	Production facilities	Target	Performance	Rate
Industrial water use	Jeonju Plant	240,513.0	233,115.0	96.9%
	Daejeon Plant	196,112.4	202,653.0	103.3%
	Tennessee Plant	59,305.2	27,084.6	45.7%
	Subtotal	495,930.6	462,852.6	93.9%
Water service and sewage use	Jeonju Plant	36,778.14	34,376.00	93.5%
	Daejeon Plant	45,086.00	42,399.00	94.0%
	Tennessee Plant	-	-	-
	Subtotal	81,864.1	76,775.0	93.8%
Total use amount	Jeonju Plant	277,291.2	267,491.00	96.5%
	Daejeon Plant	241,198.4	245,052.00	101.6%
	Tennessee Plant	59,305.2	27,084.62	45.7%
	Subtotal	577,794.7	539,627.6	93.4%

※ Due to the nature of the region, the Tennessee Plant does not classify industrial water and water supply separately and thus states only industrial water.

## ■ Water recycling amount

Unit: Ton

Item	Production facilities	2021	2022
Water recycling amount	Jeonju Plant	-	-
	Daejeon Plant	28,754.0	29,744.0
	Tennessee Plant	0	0
	Subtotal	28,754.0	29,744.0
Water recycling rate	Jeonju Plant	-	-
	Daejeon Plant	12.5%	12.1%
	Tennessee Plant	0.0%	0.0%
	Subtotal	12.5%	12.1%

※ The Jeonju Plant reuses Hwaseong/cleaning process water using its wastewater treatment system, but detailed data are not available because no flow meter has been installed.

7. Environmental Pollution

7.1 Air Pollution

■ Air pollutant management criteria

Item		Legal acceptance criteria		Internal management criteria	
		Dust: Melting furnace Nitrogen oxides: Boiler	Other discharging facilities	Dust: Melting furnace Nitrogen oxides: Boiler	Other discharging facilities
Dust	Facilities constructed before January 31, 2007	25mg/Sm <sup>3</sup>	30mg/Sm <sup>3</sup>	20mg/Sm <sup>3</sup>	24mg/Sm <sup>3</sup>
	Facilities constructed after February 1, 2007	15mg/Sm <sup>3</sup>	30mg/Sm <sup>3</sup>	12mg/Sm <sup>3</sup>	24mg/Sm <sup>3</sup>
	Facilities constructed after January 1, 2015	10mg/Sm <sup>3</sup>	30mg/Sm <sup>3</sup>	8mg/Sm <sup>3</sup>	24mg/Sm <sup>3</sup>
Nitrogen oxides	Facilities constructed before December 31, 2014	60 ppm	150 ppm	48 ppm	120 ppm
	Facilities constructed after January 1, 2015	40 ppm	150 ppm	32 ppm	120 ppm
Lead (Pb)		1.5mg/Sm <sup>3</sup>	0.8mg/Sm <sup>3</sup>	1.2mg/Sm <sup>3</sup>	0.64mg/Sm <sup>3</sup>
Copper (Cu)		4mg/Sm <sup>3</sup>		3.2mg/Sm <sup>3</sup>	
Cadmium (Cd)		0.2mg/Sm <sup>3</sup>		0.16mg/Sm <sup>3</sup>	
Arsenic (As)		0.5 ppm		0.4 ppm	
Sulfur oxide (SOx)		200 ppm		160 ppm	
Hydrogen sulfide (H2S)		6 ppm		4.8 ppm	
Benzene		6 ppm		4.8 ppm	
Hydrogen chloride (HCl)		4 ppm		3.2 ppm	
Formaldehyde		8 ppm		6.4 ppm	

※ Air pollutants are managed at 80% of the legal acceptance criteria.

■ Air pollutant generation

Unit: Ton

Item	Production facilities	2021	2022
Air pollutant (NOx) discharge	Jeonju Plant	0.8	2.7
	Daejeon Plant	0.4	3.1
	Subtotal	1.2	5.8
Air pollutant (SOx) discharge	Jeonju Plant	0.0	1.2
	Daejeon Plant	1.0	2.0
	Subtotal	1.0	3.2
Air pollutant (dust) discharge	Jeonju Plant	10.9	8.3
	Daejeon Plant	5.3	6.2
	Subtotal	16.2	14.4
Total air pollutant discharge	Jeonju Plant	11.8	12.2
	Daejeon Plant	6.6	11.2
	Subtotal	18.4	23.5

※ Air pollutants are calculated based on the domestic production facilities only.

## 7.2 Water Pollution

### ■ Internal water pollutant management criteria

Item	Legal acceptance criteria		Internal management criteria	
	Daejeon Plant	Jeonju Plant	Daejeon Plant	Jeonju Plant
TOC	75mg/l	170mg/l	37.5mg/l	85mg/l
SS	120mg/l	400mg/l	60mg/l	200mg/l
Pb	0.5mg/l	0.5mg/l	0.25mg/l	0.25mg/l
N-H (minerals)	5mg/l	5mg/l	2.5mg/l	2.5mg/l
N-H (animals and plants)	30mg/l	30mg/l	15mg/l	15mg/l
pH	5.8 ~ 8.6	5.8 ~ 8.6	5.8 ~ 8.6	5.8 ~ 8.6

※ Water pollutants are managed to 50% of the legal acceptance criteria.

### ■ Water pollutant generation

Unit: Ton

Item	Production facilities	2021	2022
Water pollutant (TOC) discharge	Jeonju Plant	0.0	0.2
	Daejeon Plant	0.0	0.0
	Subtotal	-	0.2
Water pollutant (BOD) discharge	Jeonju Plant	0.2	0
	Daejeon Plant	0.3	0.4
	Subtotal	0.5	0.4
Water pollutant (SS) discharge	Jeonju Plant	0.5	1.0
	Daejeon Plant	0.3	0.6
	Subtotal	0.8	1.6
Total water pollutant discharge	Jeonju Plant	0.7	1.2
	Daejeon Plant	0.6	1.0
	Subtotal	1.3	2.1

※ Water pollutants are calculated based on the domestic production facilities only.

## 7.3 Chemical Substances

Unit: Ton

Item	Production facilities	2021	2022
Chemical substance discharge	Jeonju Plant	0.3	0.1
	Daejeon Plant	0.2	0.2
	Subtotal	0.5	0.4
Reduction rate of chemical substance discharge	Jeonju Plant	-	51.7%
	Daejeon Plant	-	-25.9%
	Subtotal	-	23.5%

※ Due to the Hankook & Company – AtlasBX merger in 2021, the reduction rate for 2020-2021 was not calculated.

Chemical substances are calculated based on the domestic production facilities only.

## 7.4 Hazardous Chemicals

Unit: Ton

Item	Production facilities	2021	2022
Use of hazardous chemicals	Jeonju Plant	75,130.0	67,440.9
	Daejeon Plant	86,558.0	77,193.4
	Tennessee Plant	35,359.4	41,377.4
	Subtotal	394,094.7	372,023.5

※ Hazardous chemicals are calculated based on the domestic production facilities only.

## Social

### 1. Human Rights/Diversity

Hankook & Company aims to hire and retain diverse human resources to lead the global battery and mobility industry based on a proactive culture. In particular, we have adopted a blind recruitment method for hiring human resources, which means we do not require potentially biasing information such as appearance, race, nationality, religion, and gender identity.

To train professionals and develop competencies in various fields to realize innovation, we support customized education programs for individuals ranging from new hires to management and operate multiple benefit programs for work-life balance.

In particular, we support family care leaves that go beyond legal obligations and operate daycare centers at major business sites such as the head office (Technoplex) and research center (Technodome) to create a flexible and family-friendly work environment.

In addition, we operate the Labor Council for smooth communication between labor and management and actively respond to stakeholders' opinions by establishing communication channels for handling grievances, such as online ethical management reports and the Voice of Employees.

We plan to conduct a company-wide human rights impact assessment in the second half of 2023 to identify specific risk factors that may affect human rights in corporate management activities and implement activities that can prevent, stop, and mitigate them.

### **Hankook & Company Human rights management declaration**

Hankook & Company endorses and respects the protection of internationally proclaimed human rights, and fully endeavors to avoid any involvement in the human rights violations.

#### **Human Rights Management Declaration of Hankook & Company**

1. Hankook & Company is fully aware that human rights, a universal value for humankind, are important, and that we can realize such value in our business activities. Based on this, we will continue to respect and protect the human rights of all workers, including irregular workers, temporary workers, and foreign workers, and, by extension, all stakeholders, Customer and Local Community who come into contact with us through our products, services, and business activities.

2. To realize this responsibility to respect human rights, Hankook & Company will continue to endorse and abide by the principle under the Universal Declaration of Human Rights, the UN Global Compact, and the International Labor Organization's Fundamental Principles and Rights at Work.

3. In addition, Hankook & Company endorses the UN Guiding Principles on Business and Human Rights of the UN Human Rights Council, and to abide by the Principles, it will operate a human rights management system, encompassing the diagnosis, improvement activities and monitoring, internal and external communications, grievance settlement, and relief procedures.

4. As a company that is oriented towards fulfilling its social responsibilities and pursuing the happiness of all workers and stakeholders, Hankook & Company will comply with the laws of each country under any circumstances, and respect and protect human rights to contribute towards the sound development of society.

### **Hankook & Company Human rights principle**

#### **Respect for human rights**

Hankook & Company shall endorse and respects the protection of internationally proclaimed human rights, and fully endeavors to avoid any involvement in the human rights violations.

#### **Prohibition of Forced Labor**

Hankook & Company shall not use or get involved in any kind of forced labor through physical and mental suppression of freedom of any person, including bonded labor, slavery and human trafficking.



**Prohibition of Child Labor**

Hankook & Company shall comply with the minimum employment age regulations of each country where it operates and not designate tasks with safety and health hazards to individuals under the age of 18.

**Prohibition of Discrimination**

Hankook & Company shall not discriminate in hiring, compensation, or promotion on the basis of race, age, gender, nationality, disability, religion, pregnancy, unionization, marital status, social status, or sexual orientation.

**Guarantee of Freedom of Association**

Hankook & Company shall offer opportunities for communication between the company and its workers, guarantee the freedom of association, and not retaliate for unionization activities of its workers.

**Decent Wage Payment and Stabilization of Livelihood**

Hankook & Company shall contribute to the stabilization of the livelihood of its workers by complying with the minimum wage, overtime, social insurance and employee rest and leave regulations of each country where it operates, and supporting decent living wages.

**Health and Safety**

Hankook & Company shall establish a safe, clean work environment for all workers and protect its workers against various harmful substances.

■ Hankook & Company employee status

Unit: persons

Item	Production facilities	2021	2022
Number of employees	Headquarters	195	209
	Jeonju/Daejeon Plant	833	870
	Technodom	43	46
	Tennessee Plant	149	261
	Subtotal	1,220	1,386
By age	20s	216	244
	30s	420	488
	40s	370	394
	Over 50	214	260
	Subtotal	1,220	1,386
By gender	Female	103	162
	Male	1,117	1,224
	Subtotal	1,220	1,386
By nationality	Korea	1,082	1,134
	United States	136	248
	Other nationalities	2	4
	Subtotal	1,220	1,386

## ■ Female employee status

Unit: persons

Item	Classification	2021	2022
Number of employees (Total)	Total employees	1,220	1,386
	Female Employees	103	162
	Rate of female (%)	8.4%	11.7%
Number of employees (Office)	Total executives	21	20
	Female executives	2	2
	Rate of female (%)	9.5%	10.0%
	Total middle managers*	179	190
	Female middle managers	14	19
	Rate of female (%)	7.8%	10.0%
Employees in strategy positions**	Total employees	32	45
	Female Employees	12	22
	Rate of female (%)	37.5%	48.9%

\* Middle managers: P3 office workers with 3 years or longer experience

Strategy position: Staff in the Strategic Innovation Team, Digital Strategy Team, Future Strategy Team, Technology Strategy Team, Business Strategy Team, HR Team, HR Innovation Team, and Communication Team

## ■ Voluntary turnover rate status

Unit: persons

Item	Classification	2021	2022
Number of employees who left the company (Total)	Retirement	4	19
	Firing	30	30
	Voluntary turnover	190	211
	Miscellaneous	0	0
	All employees who left the company	287	353
	Voluntary turnover rate (%)	88.2%	86.1%

## ■ System to create a flexible and family-friendly working environment

Unit: persons

Item	Classification	2021	2022
Employees who used the flexible working system	Staggered commuting system	-	21
	Selective working hours system	-	10
Subtotal		-	31

※ Since the flexible working system was implemented in 2022, there is no data for it in 2021.

## ■ Employee education program

Unit: persons

Item	Classification	2021	2022
Job competency development (Office)	Office work	339	868

※ Job competency education for production workers is conducted as needed.

Excluding statutory mandatory education (sexual harassment prevention, workplace harassment, etc.) and statutory safety education (occupational safety and health training, management supervisor/safety manager, etc.)

## ■ Outcome of employee education

Item	Classification	2021	2022
Job competency development (Office)	Total number of education sessions (times)	62	75
	Budget (KRW thousand)	72.7	231.3
	Number of completing employees (persons)	339	868

■ Regular communication channel between labor and management

Unit: times

Item	Classification	2021	2022
Labor-Management Council meetings	Daejeon/Jeonju Plant	4	4
	Subtotal	4	4

※ Persons to participate in Labor-Management Council meetings Head of safe production departments, plant manager, labor union chairperson, and labor union senior vice-chairperson and secretary (Daejeon/Jeonju Plants)

## 2. Safety/Health

To protect the right of all workers, including employees and suppliers, to work in a safe environment, Hankook & Company prevents potential safety risks and strives to establish the highest level of safety and health systems as well as safety and health laws and requirements at all times.

### Safety and Health Management Policy of Hankook & Company

Hankook & Company's safety and health management policy aims to minimize safety and health risks by preventing work-related injuries and health problems for workers, providing safe and healthy workplaces to eliminate risk factors and implementing effective prevention and protection measures to minimize safety and health risks.

To achieve it, all employees make the following resolutions and actions.

We recognize the highest safety and health management level as a priority in management strategy and continuously develop preventive measures for all injuries and occupational diseases.

We comply with safety and health laws and other requirements, evaluate the impact on safety and health, set safety and health goals, and review and improve them periodically.

To ensure the safety and health of all workers, we eliminate risk factors, reduce safety and health risks, and take the lead in continuous improvement activities and education/training of the safety and health management system.

We establish a communication system with workers, workers' representatives, and all stakeholders to provide information, discuss, and participate actively in safety and health management activities.

Hankook & Company's safety/health policy applies to its employees and all workers, including contractors and outside suppliers.

All employees will understand this safety and health management policy and fulfill their responsibilities in establishing a safety and health management system.

## Key safety and health management certifications

### ISO 45001 (Occupational Health and Safety Management System)

To identify, evaluate, and manage significant social risks in corporate management activities, Hankook & Company has established risk mitigation measures related to safety and health and obtained ISO 45001 certification (valid until September 11, 2025).



### ■ Industrial accident indicators

Item	Classification	2021	2022
Industrial accident rate (%)	Jeonju Plant	2.0	1.3
	Daejeon Plant	1.5	1.3
	Technoplex	0.0	0.0
	Technodome	0.0	0.0
	Subtotal	1.4	1.0
Frequency rate	Jeonju Plant	10.1	6.2
	Daejeon Plant	7.5	6.5
	Technoplex	0.0	0.0
	Technodome	0.0	0.0
	Subtotal	8.6	5.0
Severity rate	Jeonju Plant	0.8	0.6
	Daejeon Plant	1.0	0.8
	Technoplex	0.0	0.0
	Technodome	0.0	0.0
	Subtotal	0.9	0.5

※ Industrial accident rate: The percentage of accidents occurring per 100 workers

Frequency rate: The percentage of accidents occurring per 1 million working hours

Severity rate: The percentage of workdays lost per 1,000 working hours

Furthermore, when selecting suppliers and ordering construction, we verify key indicators and certifications related to industrial accidents, such as the industrial accident rate report.

### 3. Supply Chain Management

Hankook & Company pursues steady and continuous growth with all stakeholders, including customers, business partners, shareholders, local communities, and workers, to fulfill its corporate social responsibilities. To grow with our suppliers, we share the **'Hankook & Company Sustainability Guidelines for Suppliers'** and **'Hankook & Company Conflict Minerals Policy'** with them and require them to respect and comply with these guidelines and policies.

The Sustainability Guidelines for Suppliers and Conflict Minerals Policy apply not only to Hankook & Company's suppliers and agencies, agents, and contractors that have a contractual relationship with Hankook & Company but also to all sub-supply chains that do not have a direct contractual relationship with Hankook & Company.

All suppliers must familiarize themselves with the contents of these Sustainability Guidelines for Suppliers, share them with and educate their workers, and pledge to comply with these Guidelines before entering into any business relationship. The Hankook & Company Sustainability Guidelines for Suppliers and the Hankook & Company Conflict Minerals Policy are available on the Hankook & Company website.

Furthermore, to preemptively identify and respond to supply chain sustainability risks, Hankook & Company implements a **'supply chain sustainability assessment'** when signing new supply chain transaction contracts and conducts regular reassessments and monitoring of suppliers. We also make efforts, such as urging our suppliers to fulfill their social responsibilities and sending a **'sustainability letter'** to respond to ESG risks jointly.



## 4. Local Communities

Hankook & Company contributes to solving problems and continuing the growth of local communities by developing various social contribution activities linked to the business's core competencies to fulfill its corporate citizens' social responsibilities.

Hankook & Company has continued to develop sponsorship activities for places in need, such as local communities and donated KRW 13.55 billion from 2003 to the second half of 2022. In March 2022, we donated KRW 200 million to aid in the recovery from forest fires and support victims in Gangwon and Gyeongbuk provinces. Our donations to the Community Chest of Korea in 2022 benefitted underprivileged neighbors in Seoul, Daejeon, and Chungnam. In recognition of these efforts, we received the **'Happiness Award' in the donation category at the 9th Community Chest of Korea Awards.**

Furthermore, we have continued conducting social contribution activities to coexist with the local community. We have been helping people with disabilities to move more conveniently through a **battery-sharing project for mobility aids** since 2014, and we added support for batteries with higher specifications than prior to 2022, in line with the technological development of aid devices for people with disabilities. Furthermore, we have been implementing the values of sharing and coexistence by annually donating since 2012 to the **Hope Welfare Charity to assist** low-income students and underprivileged neighbors.

We plan to establish a medium- to long-term strategy for community participation and identify negative impacts on local communities by implementing an ESG materiality assessment in 2024.

■ Activities for shared growth with local communities

Unit: KRW thousand

Item	Classification	Amount
Manufacturing of emergency relief kits for victims in cases of disasters	Donation	100,000
Donation to the Community Chest of Korea (Seoul/Daejeon/Chungnam)	Donation	1,500,000
Programs for households vulnerable to recurrence of domestic violence and teenagers in crisis	Donation	10,000
Sponsorship of Jeju IUCN Leaders Forum	Donation	28,000
Programs to share batteries for mobility aids	Battery support	20,610
Donation to Hope Welfare Charity (Jeonju)	Donation	10,000
Scholarship for global human resource education (Daejeon)	Scholarship	20,000
Total		1,688,610

## **Hankook & Company Social contribution charter**

Sound corporate activities are valuable social contribution activities. Hankook & Company offers a solution for the company and local community to co-prosper through social contribution activities that will allow corporate capabilities to create social values.

### **Declaration**

1. Hankook & Company shall continue to create social and environmental values through economic and corporate activities and contribute towards revitalizing the local economy.
2. Hankook & Company shall fully practice contribution activities for quality satisfaction and customer safety with customer-oriented management activities.
3. Hankook & Company shall further enhance its efforts to minimize our environmental impact throughout its business activities and fully take part in conserving the local society and environment.
4. Hankook & Company shall remain entirely dedicated towards supporting the socially underprivileged or the equivalent, such as the disadvantaged in the local community, through the active return of created values to society.
5. Based on the fundamental philosophy of respect for human beings, Hankook & Company shall be at the forefront of building a healthy society by managing the health of its employees and providing medical support to local communities.

### **Characteristics and orientation**

1. Hankook & Company's social contribution activities maximize the interconnection with its core businesses as part of its efforts to ensure that corporate capabilities result in social values.
2. Hankook & Company's social contribution activities refrain from engaging in any inconsistent and aimless activities and focus the company-wide capabilities on its leading social contribution programs.
3. Hankook & Company's social contribution activities set the orientation for practical solutions to the pending issues and problems surrounding local communities.

## Governance

### 1. BOD-Centered Management

Hankook & Company believes that a sound corporate governance structure is the cornerstone of management activities for sustainable growth and has established the **BOD-centered advance governance structure** to protect shareholders' rights and enhance management transparency and expertise. We consider the interests of various shareholders and ensure a transparent decision-making process.

Our commitment to implement a management philosophy centered on the BOD is specified in our Corporate Governance Charter, Articles of Association, and BOD regulations and acts as the foundation of our governance principles and policies.

Moreover, Hankook & Company's BOD continuously tries to internalize ethical management by reviewing ethical risks, providing direction for ethical decision-making, and strengthening the system for reporting unethical behavior.

To implement a transparent governance structure, we disclose information on processing standards, procedures, and results related to governance structures, such as the Corporate Governance Charters, Articles of Association and bylaws, and BOD and committees within the BOD through the Hankook & Company and the electronic disclosure system websites to help stakeholders understand how the governance structure operates.

The 5th BOD meeting in 2022 appointed a non-executive director, Park Jae-wan, as the Chairperson of the Board and strengthened the BOD-centered management and an independent and transparent decision-making process. The 69th Shareholders' General Meeting in 2023 appointed Min Se-jin as the first female non-executive director to strengthen diversity.

## 2. Ethical Management

Hankook & Company operates **various grievance reporting channels**, such as the Voice of Employees and online ethical management reports ([www.hankooktire.com/kr/cyber-audit](http://www.hankooktire.com/kr/cyber-audit)), to handle the grievances of internal and external stakeholders. **There were no reports received through the channels in 2022.**

### ■ Performance of processing reports through human rights-related grievance channels in 2022

Unit: case

Item	Received reports	Processed cases	Processing rate (%)
Voice of Employees and online ethical management reports	0	0	-

The human rights impact assessment in the second half of 2023 plans to identify specific risk factors related to ethical management and implement activities to prevent, stop, and mitigate risk factors.

Furthermore, taking into account the risk factors of unfair trade or unfair competition that may occur in management activities due to the company's superior business positions, such as one-sided subcontracting transactions, price collusion, and abuse of a dominant position in the market, we publish not only **Hankook & Company Ethical Management Policies** and **Hankook & Company Ethical Regulations and Practice Guidelines** through our website, etc., and we regularly conduct education on fair competition for all employees.

### ■ Online education conducted in 2022

Education	Date	Method	Targets
ESG and Ethical Management (1 time)	May 17 - June 24, 2022	Online education	All employees
Ethics Letter (12 times)	Monthly	Posted on the online intranet	All employees

Additionally, an ESG materiality assessment is planned for 2024 to identify and manage major risks associated with unfair trade or competition.

## **Hankook&company Ethical management policy**

Hankook & Company practices ethical management, contributes towards increasing corporate value and national status as a global company, fulfills corporate social responsibilities, and pursues solid and sustainable growth with all of its stakeholders, including customers, business suppliers, local communities, and employees.

Therefore, we shall set the following “Ethical Management Policy” as the standards for our value judgment and the pattern of behavior, and fully implement the policy:

1. Our goal is to become an ethical company that adheres to domestic and foreign laws and regulations, and corporate management policies, and practices the righteous management.
2. We put the customer first and supply good-quality tires, thereby assuring the best driving experience.
3. We strive to raise the value of our shareholders through rational decision-making and righteous management.
4. We provide equal and fair opportunities to our employees for self-realization and bring forth a smart workplace oriented towards innovation in every aspect of our business processes.
5. We comply with international agreements and various regulations, respect local laws and cultures, and take shape as the leading global tire company.
6. We exercise our proactive leadership skills, respect and practice ethical behaviors at the forefront.

### **Transparent, ethical management**

Hankook & Company continuously monitors ethical risks and strives to establish a robust ethical culture internally to raise awareness of ethical management.

### **Regular ethical management education**

We raise the employees’ awareness of ethics through regular ethical management education.

We also support customized education for each position by segmenting education content by rank, job characteristics, and region.

### **Establishment of the Code of Ethics**

We have established and disseminated the Code of Ethics that all employees must comply with and continuously update by gathering the needs of outside stakeholders such as car manufacturers and third-party evaluators. We have established more systematic regulations by updating Zero-Tolerance (action in case of violation of ethical rules), money laundering (contribution to the country and society), internal transactions (partnerships with suppliers), fair trade (responsibility to customers), charitable sponsorship (contribution to the country and society), import/export compliance (contribution to the country and society), and facilitation fees (global companies).

### **Awareness campaign**

Every year, we implement campaigns to raise ethical awareness, such as the “Not Giving or Receiving Holiday Gifts” campaign, to raise awareness about unethical behavior and practice it.