

Hankook & Company

2023 ESG Factbook



Intro

ESG Factbook Overview

Hankook & Company publishes ESG Factbook 2023 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 2023 is from January 1, 2023 to December 31, 2023, and quantitative data for three years from 2021, the year the merger with AtlasBX Corp. was completed (Apr. 01, 2021), to 2023 are presented.

For significant achievements outside of the reporting period, major issues from 2021 to the first half of 2024 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.

Data Scope	
A) Domestic Production Establishments	Daejeon Plant, Jeonju Plant
B) Overseas Production Establishments	USA Tennessee Plant
C) Domestic Other Business Establishments	15 business establishments including Headquarters, 2 Research Centers, Training Center, 3 Distribution Offices, and 8 Warehouses

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 2023 Contact

TEL. +82-31-5178-7102

E-mail. HKNC.ESG@hankookn.com

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Overview

Hankook & Company is the holding company for Hankook Tire & Technology, and is a global mobility leader actively responding to the shift towards the eco-friendly energy market.

This shift is based on the ES Business Division (formerly Hankook AtlasBX), which focuses on battery business. By realizing our most important values, we present a better life.

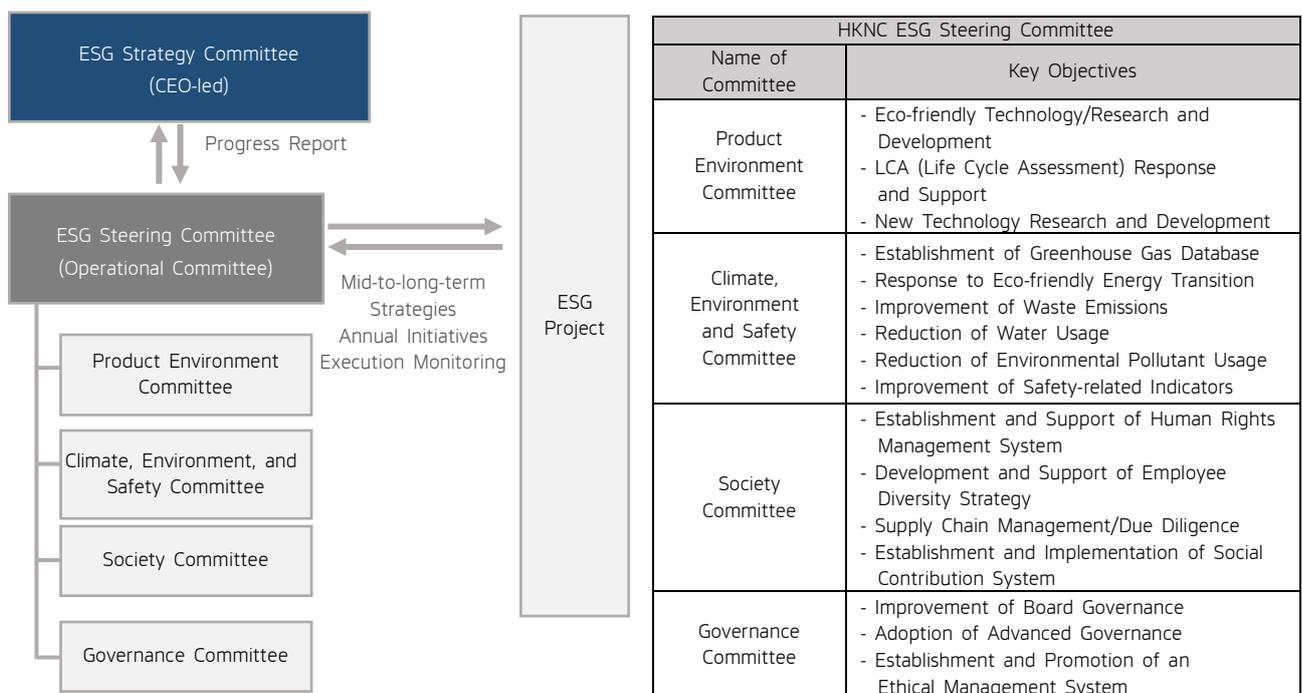
The ES Business Division, with over 80 years of technology and expertise, provides top-notch products and services to customers around the world.

We are accelerating our global business by supplying OE batteries to finished vehicle manufacturers, constructing our Tennessee Plant in the U.S., and expanding our global network in Germany, Santiago, and other locations.

HKNC ESG Management System

Hankook & Company has established an ESG management system for sustainable corporate management. To oversee ESG management, we have formed an ESG Strategy Committee chaired by the CEO (COO) and an operational ESG Committee, which manages sustainability issues and concerns.

[HKNC ESG Management System Diagram]



Innovation

We explore ways to achieve innovation with our top-notch technological capabilities.

We prepare advanced technologies so that more people can realize innovation on their own.

Future

We constantly challenge ourselves towards a new future.

We are pioneering new paradigms to create a unique and better future.

Today, we are still advancing towards leading the future mobility business, striving for a sustainable tomorrow for both people and the planet.

Environment

1. Environmental Management

Based on our mission to realize the future envisioned by our customers through innovation, Hankook & Company prioritizes environmental management as a key component of our business strategy as a "Smart Energy Solution Provider." We are continuously working towards the completion of a circular economy.

[Sustainable Environmental Medium- and Long-term Goals and Strategies]

Hankook & Company has established medium- and long-term strategies to prevent the severe environmental impacts of climate crises and protect ecosystems and climate systems.

We have developed detailed tasks and goals in line with these strategies for a sustainable environment.

Strategies	Strategic Tasks	Details of Tasks	Objectives
Sustainable Environmental Management	2050 Carbon Neutrality	Greenhouse Gas Emission Reduction	Reduce greenhouse gas emissions intensity by 40% by 2030 (compared to 2023)
		Energy Usage Reduction	Reduce energy consumption per unit by 30% by 2030 (compared to 2023)

In addition, we conduct Life Cycle Assessments (LCA) to determine the carbon emissions per unit of our products and actively engage in ESG activities such as responding to global ESG evaluations and publishing ESG factbooks.

Hankook & Company is continuously working to build and improve an eco-friendly circular economy system. Our core business areas, such as automotive and industrial lead-acid batteries, require reliable safety, and we are therefore establishing the highest level of circular economy systems in the world through cost-effective and sustainable smart energy solutions.

In particular, most of the core raw materials for lead-acid batteries—lead, polypropylene (PP) and sulfuric acid—are recycled through a circular supply chain.

This process is much more efficient in terms of energy consumption and greenhouse gas emissions compared to using materials mined from the ground.

We define the responsibilities and authorities related to environmental management for top executives through our environmental management policy.

Additionally, we conduct sustainability assessments of our supply chain to diagnose and evaluate 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

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.



<Key Environmental Management Certifications>

Certification Name	Applicable Facilities/Subjects	Validity Period
ISO 14001 (Environmental Management System)	Daejeon Plant Jeonju Plant	January 30, 2025
Environmental Label Certification	Jeonju Plant / EL603	April 7, 2027
LEED Gold Certification	Hankook Technodome	None

Key Environmental Initiatives

UN SDGs (UN Sustainable Development Goals)

Hankook & Company supports and strives to implement the 17 goals of the UN SDGs,

which are a shared vision for achieving sustainable development.



CDP (Climate Disclosure Project)

CDP is a global initiative that discloses and manages information and data on environmental issues such as climate change,

water resources management, and forest protection.

Hankook & Company participates in CDP evaluations.



BNBP (Biz N Biodiversity Platform)

BNBP is an initiative established in 2016

to make companies recognize their international and social responsibilities towards biodiversity conservation and use.

It aims to support the conservation and sustainable use of biodiversity across all business activities.

Hankook & Company shares responsibility for biodiversity conservation through its membership in BNBP and works towards these goals.



Environmental Management Training

In addition to obtaining ISO 14001 (Environmental Management System) certification, we enhance our environmental management and control capabilities by providing regular training for internal auditors.

This strengthens practical skills in environmental management.

Training Name	Training Institution	Training Achievements
ISO 14001 Internal Auditors Qualification Renewal and New Training	TÜV Rheinland Korea	Daejeon Plant: 17 people / March 9, 2023
		Jeonju Plant: 14 people / March 10, 2023

Emergency Scenario Training

In accordance with Article 3, Clause 8 of the Enforcement Decree of the Serious Accidents Punishment Act,

we have established emergency response regulations (KB-13N-08-00). Based on this, we have developed and conduct monthly emergency response scenario training for all employees across our facilities.

Item	Establishments	Training Instances	Notes
Emergency Scenario Training Achievements	Daejeon Plant	12	Headquarters/Research Institute:Online training posted Daejeon/Jeonju Plant:On-site training conducted
	Jeonju Plant	12	
	HQ	12	
	Research Institute	12	

Response to Major Environmental Laws and Regulations

We carry out various response activities to ensure compliance with key environmental laws and regulations related to our business.

Major Laws and Regulations	Response Activities
<p>Framework Act on Carbon Neutrality and Green Growth for Responding to Climate Crisis The Act aims to prevent the severe impacts of climate crisis, protect ecosystems and climate systems, and contribute to the international community's sustainable development. It outlines key elements necessary for carbon neutrality policies, including international cooperation on climate crisis. It specifies the national carbon neutrality target for 2050 and the greenhouse gas reduction target for 2030 (NDC).</p>	<p>Hankook & Company recognizes the seriousness of the climate crisis and has established strategies and long-term goals for reducing greenhouse gas emissions to contribute to sustainable development. We are reviewing measures to achieve the established targets.</p>
<p>Act on Allocation and Trading of Greenhouse Gas Emission Rights This Act provides the institutional framework for the "Greenhouse Gas Emission Trading System" to efficiently achieve national greenhouse gas reduction targets by utilizing market mechanisms. It regulates the methods for allocating greenhouse gas emission allowances, registration, and management.</p>	<p>Hankook & Company, as a company subject to the emission trading system allocation, manages and reports its greenhouse gas emissions annually through third-party verification. We are committed to reducing greenhouse gas emissions and energy usage.</p>
<p>Chemical Substances Control Act This Act aims to prevent hazards from chemicals used at business sites, manage chemicals appropriately, and respond quickly to accidents involving chemicals to protect people and the environment.</p>	<p>To ensure the safe handling of chemicals, we provide regular training for chemical handlers and staff, and conduct inspections of chemical usage and handling facilities to maintain high standards in chemical management.</p>
<p>Air and Water Quality Conservation Act Established to prevent hazards from environmental pollutants such as air and water pollutants and to sustainably manage and preserve air and water environments.</p>	<p>Hankook & Company measures and manages the discharge of environmental pollutants within its facilities based on strengthened internal management standards for environmental pollutants.</p>
<p>Basic Act on Resource Circulation This Act aims to reduce waste generation and promote the recycling of generated waste by regulating fundamental aspects of sustainable resource circulation.</p>	<p>We recycle lead waste generated during the production process through our own resource circulation procedures. Waste that can't be recycled in-house is handled through proper procedures and entrusted to certified recycling companies.</p>

Environmental Regulation Violations

We disclose information regarding violations of environmental regulations and measures taken to prevent recurrence through our environmental information disclosure system.

In 2023, there were 2 instances of violations related to environmental regulations. Details and corrective actions are provided in the table below.

Establishments	Violation Details	Corrective Actions
Jeonju Plant	Failure to report changes in air emission facilities	Additional air pollutants emitted
	Additional air pollutant discharge (fluorides) exceeding allowable emission standards	Replacement of dust collector filters

2. Greenhouse Gas

■ Greenhouse Gas Emissions

Category			Unit	2021	2022	2023	Data Scope
SCOPE 1	Domestic	Daejeon Plant	tCO ₂ eq	5,218.07	5,359.39	5,190.32	A
		Jeonju Plant	tCO ₂ eq	3,895.24	4,119.03	4,628.17	
		Other Business Establishments	tCO ₂ eq	409.29	363.72	391.11	C
	Overseas	Tennessee Plant	tCO ₂ eq	3,107.79	2,870.04	2,804.99	B
	Subtotal			tCO₂eq	12,630.39	12,712.18	13,014.59
SCOPE 2	Domestic	Daejeon Plant	tCO ₂ eq	28,827.39	27,002.80	28,142.48	A
		Jeonju Plant	tCO ₂ eq	32,750.58	30,986.23	34,872.46	
		Other Business Establishments	tCO ₂ eq	1,985.19	2,709.32	3,014.91	C
	Overseas	Tennessee Plant	tCO ₂ eq	5,627.74	6,074.18	7,977.22	B
	Subtotal			tCO₂eq	69,190.90	66,772.53	74,007.06
Total Greenhouse Gas Emissions			tCO₂eq	81,820.30	79,484.72	87,023.04	A~C

※ Domestic: Based on NGMS (National Greenhouse Gas Management System) standards

※ Overseas: Calculated using the national-specific calorific values by fuel type (as per the Enforcement Rules of the Energy Act)

■ Greenhouse Gas Emission Intensity*

Category			Unit	2021	2022	2023	Data Scope
Scope 1+2 Greenhouse Gas Emission Intensity	Domestic	Daejeon Plant	tCO ₂ eq/ton	0.50	0.52	0.53	A
		Jeonju Plant	tCO ₂ eq/ton	0.59	0.61	0.60	
	Overseas	Tennessee Plant	tCO ₂ eq/ton	0.92	0.57	0.49	B
	Total			tCO₂eq/ton	0.56	0.57	0.55

※ Emission Intensity = Greenhouse Gas Emissions per Unit (Carbon Emissions per Production Weight)

■ Greenhouse Gas Emission Performance Against Targets

Category			Absolute Amount (tCO ₂)	Intensity (tCO ₂ /ton)	Data Scope
Emission Performance Against 2023 Target	Domestic	Target Emission Amount	80,034.89	0.553	A
		Actual Emission Amount	72,833.43	0.563	
	Differences			-7,201.46	0.010

■ Greenhouse Gas Emission Reduction Rate

Category			Unit	Absolute Basis	Intensity Basis	Data Scope
Compared to 2022 Reduction Rate	Domestic	Daejeon Plant	%	3.0 ▲	0.4 ▲	A
		Jeonju Plant	%	12.5 ▲	2.5 ▼	
	Total Reduction Rate		%	8.0 ▲	-0.7 ▼	A

■ Greenhouse Gas Emission Reduction Target

To achieve our [2050 Carbon Neutrality] goal, we have established [2030 Long-term Targets] with 2023 as the baseline year. We have set a target to reduce greenhouse gas emissions by 40% compared to the emissions performance of the baseline year.

Category			Absolute Amount (tCO2)	Intensity (tCO2/ton)	Data Scope
2030 Scope 1+2 Emission Target	Domestic	Daejeon Plant	19,999.68	0.32	A
		Jeonju Plant	23,700.37	0.36	
	Total Reduction Target		43,700.06	0.34	A

■ Emissions Trading System Performance

As a company subject to the emissions trading system, we conduct emissions trading based on the greenhouse gas emissions generated at our facilities.

We manage the purchase, sale, or carryover of excess or remaining emissions through a dedicated emissions allowance budget.

Category			Unit	2021	2022	2023	Data Scope
Emission Rights Trading	Domestic	Emission Rights Purchase	Thousand KRW	12,736.0	0.0	0.0	A
		Emission Rights Sales	Thousand KRW	0.0	1,665.5	0.0	

■ Ownership of Eco-friendly Vehicles

We have 12 vehicles through rentals, and we do not own any eco-friendly vehicles such as electric or hybrid cars.

3. Energy

■ Energy Usage

Category				Unit	2021	2022	2023	Data Scope	
Domestic	Non renewable Energy	Daejeon Plant	Gas Fuel	TJ	101.95	104.76	101.45	A	
			Liquid Fuel	TJ	0.04	0.05	0.05		
			Mobile Fuel	TJ	0.68	0.67	0.65		
			Purchased Electricity	TJ	602.39	564.26	588.07		
			Purchased Heat	TJ	0.00	0.00	0.00		
			Subtotal	TJ	705.06	669.73	690.22		
		Jeonju Plant	Gas Fuel	TJ	76.26	80.52	90.50		
			Liquid Fuel	TJ	0.04	0.05	0.03		
			Mobile Fuel	TJ	0.37	0.48	0.54		
			Purchased Electricity	TJ	684.37	647.50	728.71		
			Purchased Heat	TJ	0.00	0.00	0.00		
	Subtotal		TJ	761.04	728.55	819.78			
	Total				TJ	1,466.10	1,398.28		1,510.00
	Renewable Energy	Daejeon Plant		TJ	0.00	0.00	0.00		
Jeonju Plant		TJ	0.00	0.00	0.00				
Total		TJ	0.00	0.00	0.00				
Total Energy Usage				TJ	1,466.10	1,398.28	1,510.00		
Intensity Based on Production Weight				TJ/t on	0.011	0.012	0.012		
Overseas	Non renewable Energy	Tennessee Plant	Gas Fuel	TJ	62.8	58.0	56.7	B	
			Liquid Fuel	TJ	0.0	0.0	0.0		
			Mobile Fuel	TJ	0.0	0.0	0.0		
			Purchased Electricity	TJ	53.5	57.8	75.9		
			Purchased Heat	TJ	0.0	0.0	0.0		
		Total		TJ	116.30	115.80	132.60		
	Renewable Energy	Tennessee Plant		TJ	0.00	0.00	0.00		
		Total		TJ	0.00	0.00	0.00		
	Total Energy Usage				TJ	116.30	115.80		132.60
	Intensity Based on Production Weight				TJ/t on	0.011	0.007		0.006

※ Intensity = Energy used per unit (Energy consumption / Production weight)

※ Domestic: Based on NGMS (National Greenhouse Gas Management System) standards

※ Overseas: Calculated using the national-specific calorific values by fuel type (as per the Enforcement Rules of the Energy Act)

■ Energy Usage Performance Against Targets

Category			Absolute Amount (TJ)	Intensity (TJ/ton)	Data Scope
Usage Performance Against 2023 Target	Domestic	Target Usage	1,639.63	0.011	A
		Actual Usage	1,466.10	0.012	
	Differences		-173.53	0.001	A

■ Energy Usage Reduction Rate

Category			Unit	Absolute Basis	Intensity Basis	Data Scope
Compared to 2022 Reduction Rate	Domestic	Daejeon Plant	%	3.1 ▲	0.5 ▲	A
		Jeonju Plant	%	12.5 ▲	2.5 ▼	
	Total Reduction Rate		%	8.0 ▲	0.7 ▼	A

■ 2030 Energy Usage Target

To achieve our [2050 Carbon Neutrality] goal, we have established [2030 Long-term Targets] with 2023 as the baseline year. We have set a target to reduce energy usage by 30% compared to the baseline year.

Category			Absolute Amount (TJ)	Intensity (TJ/ton)	Data Scope
2030 Objectives	Domestic	Daejeon Plant	483.15	0.008	A
		Jeonju Plant	573.85	0.009	
	Total Reduction Target		1057.00	0.008	A

4. Raw and Subsidiary Materials

■ Raw and Subsidiary Material Usage

Category		Unit	2021	2022	2023	Data Scope	
Raw and Subsidiary Material (Lead) Usage	Domestic	Daejeon Plant	ton	67,762.00	60,069.00	62,710.98	A
		Jeonju Plant	ton	60,665.00	54,526.15	58,338.59	
		Subtotal	ton	128,427.00	114,595.15	121,049.56	
	Overseas	Tennessee Plant	ton	6,990.22	8,191.02	9,882.63	B
	Total		ton	128,427.00	114,595.15	121,049.56	A~B

■ Usage of Recycled Raw Materials for Key Raw and Subsidiary Materials

Category		Unit	2022	2023	Data Scope
Recycled Raw Material Usage	Key Raw Material Usage	ton	137,252.33	139,961.41	A~B
	Usage of Recycled Raw Materials	ton	108,932.05	111,818.86	
	Recycled Raw Material Usage Rate	%	79.4	79.9	A~B

※ Major raw and subsidiary materials: Lead and PP (polypropylene plastic)

※ Recycled raw material usage rate for 2022 has been corrected due to an error in the data collection.

■ Sustainable Circular System for Raw Materials



For the main raw and subsidiary materials, including lead and PP (polypropylene), sulfuric acid is used twice during the manufacturing process. The sulfuric acid used in the formation process is fully recycled; this is handled internally. To expand the use of recycled raw materials for key raw and subsidiary materials, we are focusing on establishing a sustainable resource recycling system and are conducting various research and development activities.

5. Waste

■ Amount of Waste Emissions

Category			Unit	2021	2022	2023	Data Scope	
Domestic	Daejeon Plant	Disposed Hazardous Waste	Recycle	ton	1,495.92	1,557.22	1,899.12	A
			Incineration	ton	62.58	58.04	81.98	
			Landfilling	ton	-	-	-	
			Subtotal	ton	1,558.50	1,615.26	1,981.10	
		Disposed General Waste	Recycle	ton	429.01	390.34	452.09	
			Incineration	ton	-	-	-	
			Landfilling	ton	-	-	-	
			Subtotal	ton	429.01	390.34	452.09	
	Total Waste Emissions			ton	1,987.51	2,005.6	2,433.19	
	Recycling Rate			%	96.9	97.1	96.6	
	Jeonju Plant	Disposed Hazardous Waste	Recycle	ton	1,557.10	1,355.22	1,857.58	
			Incineration	ton	99.64	106.75	114.47	
			Landfilling	ton	-	-	-	
			Subtotal	ton	1,656.74	1,461.97	1,972.05	
		Disposed General Waste	Recycle	ton	426.04	398.64	442.76	
			Incineration	ton	-	-	-	
			Landfilling	ton	-	-	-	
			Subtotal	ton	426.04	398.64	442.76	
Total Waste Emissions			ton	2,082.78	1,860.61	2,414.81		
Recycling Rate			%	95.2	94.3	95.3		
Total	Disposed Hazardous Waste	Recycle	ton	3,053.02	2,912.44	3,756.70		
		Incineration	ton	162.22	164.79	196.45		
		Landfilling	ton	-	-	-		
		Subtotal	ton	33,215.24	3,077.23	3,953.15		
	Disposed General Waste	Recycle	ton	885.05	788.98	894.85		
		Incineration	ton	-	-	-		
		Landfilling	ton	-	-	-		
		Subtotal	ton	855.05	788.98	894.85		
Total Waste Emissions			ton	4,070.29	3,866.21	4,848.00		
Intensity on Production Weight			ton/ton	0.031	0.032	0.037		
Recycling Rate			%	96.0	95.7	95.9		

■ Waste Emission Performance Against Targets

Category			Absolute Amount (ton)	Intensity (ton/ton)	Data Scope
Emission Performance Against 2023 Target	Domestic	Target Usage	3,953.51	0.027	A
		Actual Usage	4,848.00	0.037	
	Differences		894.49	0.010	A

■ Waste Emission Reduction Rate

Category			Unit	Absolute Basis	Intensity Basis	Data Scope
Compared to 2022 Reduction Rate	Domestic	Daejeon Plant	%	21.3 ▲	18.3 ▲	A
		Jeonju Plant	%	29.8 ▲	12.5 ▲	
	Total Reduction Rate			%	25.4 ▲	15.3 ▲

■ 2030 Waste Emission Reduction Targets

To achieve a reduction in waste emissions, we have established 2023 as the base year and set the [2030 Long-term Targets].

We have set a target to reduce waste emissions by 30% compared to the waste emission performance of the baseline year.

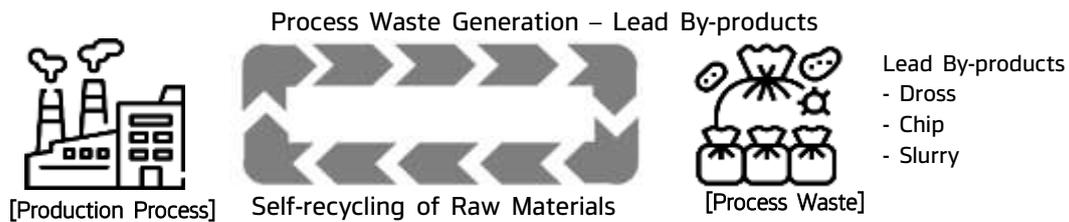
Category			Absolute Amount (ton)	Intensity (ton/ton)	Data Scope
2030 Objectives	Domestic	Daejeon Plant	1,703.23	0.027	A
		Jeonju Plant	1,690.37	0.026	
	Total			3,393.60	0.026

■ Waste Resource Recycling Process

We do not discard the chips generated from the grid molding process that forms the plates. Instead, we reuse them as raw material after a melting process.

Additionally, the slurry generated during the application of mixed active materials onto the grid is also remixed and utilized as active material.

Thus, we have established a system for recycling waste resources generated during the process.



■ Waste Resource Recycling Performance

Category			Unit	2021	2022	2023	Data Scope
Waste Resource (Pb) Circulation	Domestic	Daejeon Plant	ton	46,169.36	60,069.62	44,128.50	A
		Jeonju Plant	ton	49,318.05	54,526.15	48,829.18	
		Total	ton	95,487.41	114,595.77	92,957.68	A

6. Water Usage

■ Water Intake

Category			Unit	2021	2022	2023	Data Scope
Domestic	Daejeon Plant	Industrial Water	ton	184,845.0	196,112.0	203,849.0	A
		Municipal Water	ton	44,068.0	45,086.0	44,665.0	
		Groundwater	ton	0.0	0.0	0.0	
		Subtotal	ton	228,913.0	241,198.0	248,514.0	
	Jeonju Plant	Industrial Water	ton	223,778.0	233,115.0	266,412.0	
		Municipal Water	ton	32,490.0	34,376.0	39,631.0	
		Groundwater	ton	0.0	0.0	0.0	
		Subtotal	ton	256,268.0	267,491.0	306,043.0	
	Domestic Plant	Industrial Water	ton	408,623.0	429,227.0	470,261.0	
		Municipal Water	ton	76,558.0	79,462.0	84,296.0	
		Groundwater	ton	0.0	0.0	0.0	
		Total	ton	485,181.0	508,689.0	554,557.0	
Overseas	Tennessee Plant	Municipal Water	ton	28,797.0	27,189.0	34,104.0	B
		Groundwater	ton	-	-	-	
		Total	ton	28,797.0	27,189.0	34,104.0	
Total			ton	513,978.0	535,878.0	588,661.0	

■ Intensity on Water Intake

Category		Unit	2021	2022	2023	Data Scope	
Production Weight Baseline Intensity	Domestic	Daejeon Plant	ton/ton	3.33	3.90	3.92	A
		Jeonju Plant	ton/ton	4.10	4.67	4.63	
		Domestic Intensity	ton/ton	3.70	4.27	4.28	
	Overseas	Tennessee Plant	ton/ton	3.02	1.73	1.55	B
		Overseas Intensity	ton/ton	3.02	1.73	1.55	
	Total Intensity		ton/ton	3.65	3.98	3.88	A~B

■ Water Intake Performance Against Targets

Category		Absolute Amount (ton)	Intensity (ton/ton)	Data Scope	
Usage Performance Against 2023 Target	Domestic	Target Usage	558,495.0	3.98	A
		Actual Usage	554,557.0	4.28	
	Differences		3,938.0	-0.30	A

■ Water Intake Reduction Rate

Category		Unit	Absolute Basis	Intensity Basis	Data Scope	
Compared to 2022 Reduction Rate	Domestic	Daejeon Plant	%	3.3 ▲	0.2 ▲	A
		Jeonju Plant	%	14.4 ▲	0.8 ▼	
	Total Reduction Rate		%	9.0 ▲	0.3 ▼	A

■ Wastewater Discharge Volume

Category		Unit	2021	2022	2023	Data Scope	
Wastewater Treatment Discharge Volume	Domestic	Daejeon Plant	ton	158,921.0	172,380.0	161,972.0	A
		Jeonju Plant	ton	92,891.0	72,399.0	104,308.0	
	Total		ton	251,812.0	244,779.0	266,280.0	

■ Water Recycling Process

In the formation process of lead-acid batteries, where external power is supplied for charging, cooling is achieved by utilizing water from the charging tank to reduce the heat generated.

The water used in the charging tank is recycled, and wastewater is also reused as wash water before being treated and discharged according to the wastewater treatment procedures.



■ Water Recycling Performance

※ Water recycling rate = Water recycled / Water intake

Category		Unit	2021	2022	2023	Data Scope
Water Recycled	Daejeon Plant	ton	28,754.0	29,744.0	30,698.0	A
	Jeonju Plant	ton	-	-	-	
	Total	ton	28,754.0	29,744.0	30,680.0	
Water Recycle Rate	Daejeon Plant	%	12.6	12.3	12.4	A
	Jeonju Plant	%	-	-	-	
	Total	%	12.6	12.3	12.4	

※ The Jeonju Plant utilizes its own wastewater treatment system to reuse water from the formation and cleaning processes. However, due to the absence of a separate flow meter, comprehensive measurement is not possible.

7. Environmental Pollution

7.1 Air Pollution

■ Air Pollution Management Process

To minimize air pollution caused by the operation of our production facilities, we have established our own Air Quality Management Guidelines (KB-52d-07) to manage air pollutants. We have set stricter standards than the legal limits for air pollutants and odors. To manage potential air pollutants and odors generated at each process, we have installed and operate various types of dust collection equipment for each process. Additionally, an external company conducts self-measurements of pollution levels twice a month to manage pollution and odors effectively.

■ Air Pollutant Management Standards

Item		Legal Allowable Standards		Internal Management Standards	
		Dust: Melting Furnace Nitrogen Oxides: Boilers	Other Emission Facilities	Dust: Melting Furnace Nitrogen Oxides: Boilers	Other Emission Facilities
Dust	Facilities before January 31, 2007	25mg/Sm ³	30mg/Sm ³	20mg/Sm ³	24mg/Sm ³
	Facilities after February 1, 2007	15mg/Sm ³	30mg/Sm ³	12mg/Sm ³	24mg/Sm ³
	Facilities after January 1, 2015	10mg/Sm ³	30mg/Sm ³	8mg/Sm ³	24mg/Sm ³
Nitrogen Oxides	Facilities before December 31, 2014	60 ppm	150 ppm	48 ppm	120 ppm
	Facilities after January 1, 2015	40 ppm	150 ppm	32 ppm	120 ppm
Lead (Pb)		1.5mg/Sm ³	0.8mg/Sm ³	1.2mg/Sm ³	0.64mg/Sm ³
Copper (Cu)		4mg/Sm ³		3.2mg/Sm ³	
Cadmium (Cd)		0.2mg/Sm ³		0.16mg/Sm ³	
Arsenic (As)		0.5 ppm		0.4 ppm	
Sulfur Oxide (SOx)		200 ppm		160 ppm	
Hydrogen Sulfide (H ₂ S)		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 and implemented at 80% of the legal allowable standards.

■ Status of Air Pollutant Management Facilities

Item	Type	Daejeon Plant	Jeonju Plant
Air Pollutant Management Facility Operation Status	Wet scrubber dust collector	15	11
	Filter dust collector	40	27
	Scrubber filter dust collector	-	6
	Centrifugal dust collector	1	-
	Adsorption dust collector	2	-
	Total		58

■ Emission Levels of Air Pollutants

Category		Unit	2021	2022	2023	Data Scope
Nitrogen oxides (NOx)	Daejeon Plant	ton	0.356	3.080	0.639	A
	Jeonju Plant	ton	0.801	2.729	5.023	
	Subtotal	ton	1.157	5.809	5.662	
Sulfur oxides (SOx)	Daejeon Plant	ton	0.964	1.972	1.020	A
	Jeonju Plant	ton	0.025	1.230	7.925	
	Subtotal	ton	0.989	3.202	8.945	
Others (dust)	Daejeon Plant	ton	5.314	6.161	10.207	A
	Jeonju Plant	ton	10.934	8.284	3.991	
	Subtotal	ton	16.248	14.445	14.198	
Total Emissions of Air Pollutants		ton	18.394	23.456	28.805	A

7.2 Water Pollution

■ Water Pollution Management Process

We are committed to managing and improving the facilities for discharging various types of wastewater and preventing water pollution, which could be impacted by the operation of our production facilities.

We have established water quality management guidelines (KB-52d-08) that apply stricter standards than the legal requirements.

Additionally, we operate on-site wastewater treatment facilities at each of our sites.

We measure water pollutants internally once a month and conduct annual measurements for specific harmful substances.

We continuously monitor water pollutants to ensure ongoing water quality protection.

■ Water Pollutant Management Standards

Item	Legal Allowable Standards		Internal Management Standards	
	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 (Mineral Type)	5mg/l	5mg/l	2.5mg/l	2.5mg/l
N-H (Animal and Plant Type)	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 and implemented at 50% of the legal allowable standards.

■ Emission Levels of Water Pollutants

Category		Unit	2021	2022	2023	Data Scope
Total Organic Carbon (TOC)	Daejeon Plant	ton	0.000	0.706	0.664	A
	Jeonju Plant	ton	0.000	0.195	0.414	
	Subtotal	ton	0.000	0.901	1.078	
Biochemical Oxygen Demand (BOD)	Daejeon Plant	ton	0.285	0.355	0.369	A
	Jeonju Plant	ton	0.191	0.000	0.061	
	Subtotal	ton	0.476	0.355	0.430	
Suspended Solids (SS)	Daejeon Plant	ton	0.284	0.605	0.895	A
	Jeonju Plant	ton	0.514	0.964	0.697	
	Subtotal	ton	0.797	1.569	1.592	
Total Emissions of Air Pollutants		ton	1.274	2.825	3.100	A

7.3 Chemical Substances

■ Chemical Substances Management Process

Our business involves producing products using hazardous chemicals such as lead (Pb) and sulfuric acid as key raw materials. To manage the chemicals used in our production facilities, we have established a Chemical Management Procedure (KB-52d-05).

This procedure outlines the various processes and methods related to the manufacturing, handling, use, and storage of chemicals to ensure their safe use and management from various hazards.

Additionally, in accordance with Article 33 of the Chemical Substances Control Act, we conduct regular training on hazardous chemicals for all personnel involved at our facilities, organized by the Chemical Safety Association. This training is held every two years.

■ Emissions of Chemical Substances

Category			Unit	2021	2022	2023	Data Scope
Chemical Substances Emissions	Domestic	Daejeon Plant	ton	0.166	0.209	0.109	A
		Jeonju Plant	ton	0.292	0.141	0.092	
		Total	ton	0.458	0.350	0.200	

■ Usage of Hazardous Chemicals

Category			Unit	2021	2022	2023	Data Scope	
Usage of Hazardous Chemicals	Domestic	Lead	Daejeon Plant	ton	67,762.00	60,069.00	62,710.98	A
			Jeonju Plant	ton	60,665.00	54,526.15	58,338.59	
			Subtotal	ton	128,427.00	114,595.15	121,049.56	
		Sulfuric Acid	Daejeon Plant	ton	18,796.00	17,124.44	17,765.44	A
			Jeonju Plant	ton	14,464.98	12,914.77	13,096.21	
			Subtotal	ton	33,260.98	30,039.21	30,861.65	
Total Usage of Hazardous Chemicals			ton	161,687.98	144,634.36	151,911.21	A	

■ Hazardous Chemical Handling Training Performance

Category			Unit	2022	2023	Data Scope
Hazardous Chemical Substances Handling Personnel Training	Daejeon Plant	Target Audience	Persons	221	49	A
		Number of Participants who Completed	Persons	221	49	
		Completion Rate	%	100	100	
	Jeonju Plant	Target Audience	Persons	225	101	A
		Number of Participants who Completed	Persons	225	101	
		Completion Rate	%	100	100	
	Total	Target Audience	Persons	446	150	A
		Number of Participants who Completed	Persons	446	150	
		Completion Rate	%	100	100	

■ Hazardous Chemical Substance Worker Training Performance

Category			Unit	2022	2023	Data Scope
Daejeon Plant	Target Audience	Administrative and Technical Staff	Persons	69	67	A
		Partners and Suppliers	Persons	56	58	
		Subtotal	Persons	125	125	
	Number of Participants who Completed	Persons	125	125		
	Completion Rate	%	100	100		
Jeonju Plant	Target Audience	Administrative and Technical Staff	Persons	49	51	A
		Partners and Suppliers	Persons	32	34	
		Subtotal	Persons	81	85	
	Number of Participants who Completed	Persons	81	85		
	Completion Rate	%	100	100		
Total	Target Audience	Administrative and Technical Staff	Persons	118	118	A
		Partners and Suppliers	Persons	88	92	
		Subtotal	Persons	206	210	
	Number of Participants who Completed	Persons	206	210		
	Completion Rate	%	100	100		

Social

1. Human Rights and Diversity

Hankook & Company aims to lead the global battery and mobility industry through proactive culture by recruiting and retaining talent.

To foster the development of specialized professionals and enhance their capabilities across various fields, we provide tailored educational programs for everyone from new hires to executives.

Additionally, we offer a range of welfare programs to maintain work-life balance and manage performance.

In particular, we support family-friendly and flexible working environments by exceeding the legal requirements for family care leave and operating childcare centers at key locations such as our headquarters (Technoplex) and research center (Technodome).

To facilitate smooth labor-management communication, we operate labor-management councils and provide various communication channels for handling grievances, including ethics management reporting. We actively address labor issues at each workplace.

In 2023, we conducted a human rights impact assessment. Based on the results, we identified specific risk factors that could affect our business activities and plan to implement activities to prevent, halt, or mitigate these risks.

We are also working on improving risk management levels related to human rights impact through ongoing operations of the ESG Society Committee and continuous human rights impact assessments.

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.

1.1 Talent Recruitment and Development

■ Employee Recruitment Process

We maintain a transparent and fair treatment process to attract top talent.

Our recruitment process does not include unnecessary items from an ESG perspective, such as race, religion, or gender identity.

We conduct recruitment for each affiliate, including personality and aptitude test to predict character and job competency.

Upon hiring, we conduct health check-ups to care for any potential health issues of employees.

We also provide a systematic curriculum that includes professional leadership training for new hires.

■ Employee Education System

Hankook & Company supports employee's active and passionate development by offering not only mandatory legal education but also job-related external training to enhance expertise.

We operate various educational systems, including a portal site called "Proactive Academy," which offers a range of courses in areas like foreign languages and humanities to broaden insights.

■ Employee Training Program and Training Performance

Item	Category	Unit	2021	2022	2023
Job Competency Training	Total number of trainees	Persons	663	2,633	3,435
	Total training hours	hours	6,069	8,491	15,287
	Total training costs	10,000 KRW	7,163	21,172	22,308
	Average training cost per person	10,000 KRW	11	8	6
	Average training hours per person	hours	9	3	4

※ All employees excluding production workers (job competency development training for production workers is conducted as needed)

■ Employee Performance Evaluation Process

Hankook & Company operates performance management by establishing individual goals linked to the overall company strategy.

Continuous feedback between evaluators and those being evaluated on the established individual goals.

Conducting multi-faceted evaluations involving colleagues of the evaluator to supplement the one-sided evaluation method.

Providing feedback on colleagues' work methods to encourage the growth and change of employees.

Conducting final evaluations of annual goal achievement through year-end assessments.

The compensation system is operated according to the principles of a performance-based personnel system.

Adjusting compensation levels differently based on individual evaluation results to aim for reasonable compensation according to performance.

Transparently operating the system through the disclosure of salary adjustment structures by evaluation grade to ensure internal fairness.

■ Employee Performance Evaluation Results

Item	Category	Unit	2021	2022	2023
Performance Evaluation Results per Category	Manager	%	16	17	19
	Non-manager	%	84	83	81
	Total	%	100	100	100
	Male	%	84	84	81
	Female	%	16	16	19
	Total	%	100	100	100

※ Data Scope: Performance evaluation results of eligible employees (administrative and technical staff), production work, contract employees, and those not subject to evaluation (employees who joined after April or have been on leave for more than three months) are excluded.

1.2 Organizational Culture and Employee Welfare

■ Support for a Successful Organizational Culture for Employees

Hankook & Company respects the rights and welfare of its employees and strives to create a work environment that embraces diversity.

Through initiatives such as parental leave and flexible working systems, the company fosters a family-friendly work environment that promotes work-life balance and cultivates a healthy organizational culture.

■ Systems for Creating a Flexible and Family-friendly Work Environment

Item	Category	Unit	2021	2022	2023
Number of Users of Flexible Working System	Staggered working hour system	Persons	N/A	11	21
	Discretionary working hour system	Persons	N/A	11	25
Total			-	22	46

※ The staggered working hour system and discretionary working hour system were introduced in 2022, so data for 2021 is not available.

■ Parental Leave System

Item	Category	Unit	2021	2022	2023
Number of Employees on Parental Leave	Male	Persons	5	1	1
	Female	Persons	2	8	5
Total			7	9	6

■ **Employee Welfare Program**

- **Employee Counseling Center Operation**

To understand the diverse psychological needs of employees, a professional counselor is stationed at the Technodome to run a dedicated psychological counseling center.

Various healing programs, including communication techniques with children and meditation experiences, are also offered.

- **Support for Employee Housing**

For employees facing difficulties in securing housing, low-interest loans with housing collateral are provided to assist them.

- **Support for Employee Health Checkups**

To ensure the health of employees at Hankook & Company, contracts are made with hospitals equipped with appropriate medical facilities.

Employees are encouraged to visit the contracted medical facilities annually to monitor their health.

1.3 Human Rights Management

■ Long-term Human Rights Management Goals

Hankook & Company respects the human rights of employees and all stakeholders and strives to uphold human rights responsibilities across its business activities.

The company supports international human rights standards, including the Universal Declaration of Human Rights, the UN Global Compact's Labor Principles, the UN Guiding Principles on Business and Human Rights, and ILO core conventions, and complies with labor laws in all countries and regions where it operates.

A long-term global human rights and labor policy will be established and applied across all business sites worldwide. Continuous monitoring will be conducted to assess and improve human rights and labor-related risks.

■ Employee Grievance Handling Process

Hankook & Company prohibits any actions that may infringe on employee's human rights. In case of human rights violations, an ethical management reporting channel is available for consultation and reporting.

Reports can be made anonymously or under one's real name and can include issues such as sexual harassment, bullying, or other matters affecting organizational culture beyond just corruption or fraud. A dedicated team operates to ensure swift resolution of reported issues.

The company promptly and carefully investigates reported grievances and takes appropriate actions, such as relocating affected employees.

Personal information obtained during the investigation is handled with strict security. Additionally, a whistleblower protection policy is in place, and the results of investigations are communicated to the concerned parties.

[Types of Reports and Inquiries]

Compliance	Legal violations or suspicions
	Supply chain issues
Safety Management	Safety/Fire/Environmental issues
	Workplace safety issues
Organizational Culture	Unjust work instructions
	Undermining organizational culture
Integrity Management	Misconduct (e.g., bribery)
	Decreased work engagement
	Information security violations

■ **Human Rights Impact Assessment Results**

Hankook & Company conducts a human rights impact assessment annually. In 2023, a two-week assessment was conducted for office staff at the headquarters.

The results of the assessment are used as crucial data for improving the company's human rights policies and programs.

Starting from 2024, the scope of the assessment will be expanded to include all employees, aiming for a more comprehensive and in-depth human rights impact assessment.

Through this, we plan to establish concrete and effective measures to protect and promote the human rights of all employees.

Item	Positive Responses (Well-managed, etc.)	Negative Responses (Insufficient, etc.)
Protection of Industrial Safety Rights	98%	2%
Environmental Rights Protection	94%	6%
Establishment of Human Rights Management System	75%	25%
Equal Opportunities and Non-discrimination	88%	12%
Freedom of Association and Collective Bargaining	81%	19%
Prohibition of Forced and Child Labor	90%	10%
Protection of Personal Safety Rights	90%	10%
Responsible Supply Chain Management	49%	51%
Protection of Local Residents' Human Rights	70%	30%

■ **Union-related**

Hankook & Company recognizes workers and labor unions as important partners, and practices a cooperative organizational culture and collaborative labor-management relations based on mutual trust.

Employees are free to join and participate in labor unions, and collective bargaining that benefits both labor and management is conducted annually.

■ **Periodic Communication Channels Between Labor and Management**

Item	Category	Unit	2021	2022	2023
Labor-Management Council Meetings	Jeonju Plant	Number	2	2	2
	Daejeon Plant	Number	2	2	2
	Total		4	4	4

■ Hankook & Company Employee Status (Domestic and International)

Item	Category	Unit	2021	2022	2023
Employment Type	Executives	Persons	17	17	14
	Regular Employees	Persons	1,153	1,307	1,395
	Non-regular Employees	Persons	44	54	59
	Total	Persons	1,214	1,378	1,468
Age Distribution	20s	%	7	8	10
	30s to Under 50	%	73	74	75
	50s and Older	%	20	18	15
	Total	%	100	100	100
Gender Distribution	Male	%	92	88	87
	Female	%	8	12	13
	Total	%	100	100	100
Nationality	Republic of Korea	Persons	1,075	1,127	1,137
	Foreign	Persons	139	251	331
	Total	Persons	1,214	1,378	1,468

※ Data Scope: Data includes all employees at domestic and overseas branches.

※ 2022 employee status data corrected due to reporting errors.

■ Employee Status by Position

Category		Unit	2021	2022	2023	
Position	Executives	Male	Persons	14	14	12
		Female	Persons	2	2	1
		Subtotal	Persons	16	16	13
	Managers	Male	Persons	44	48	52
		Female	Persons	1	1	1
		Subtotal	Persons	45	49	53
	Mid-level Managers	Male	Persons	126	131	126
		Female	Persons	15	21	23
		Subtotal	Persons	141	152	149
	Staff	Male	Persons	94	97	92
		Female	Persons	42	50	56
		Subtotal	Persons	136	147	148
	Total		Persons	338	364	363

※ Data Scope: Data includes office and technical staff at domestic business locations.

※ Managers: Those who hold positions such as department head, factory manager, team leader, project leader, etc.

※ Mid-level Managers: Those with P3 grade or higher, who do not hold an official title but have equivalent capabilities.

■ Female Manager Status

Item	Category	Unit	2021	2022	2023
Female Talent	Executives	%	13	13	8
	Managers	%	2	2	2
	Mid-level Managers	%	12	16	18
	Total Ratio	%	10	12	13

※ Data Scope: Data includes office and technical staff at domestic business locations.

※ Managers: Those who hold positions such as department head, factory manager, team leader, project leader, etc.

※ Mid-level Managers: Those with P3 grade or higher, who do not hold an official title but have equivalent capabilities.

■ Workforce Diversity

Item	Category	Unit	2021	2022	2023
Workforce Diversity	Veterans	Persons	7	7	7
	Employees with Disabilities	Persons	13	13	13
	Total	Persons	20	20	20

※ Data Scope: Data includes office and technical staff at domestic business locations.

■ Voluntary Turnover Rate

Item	Category	Unit	2021	2022	2023
Number of departed employees	Total Departures	Persons	47	70	55
	Voluntary Turnover	Persons	43	64	51
	Others	Persons	4	6	4
	Voluntary Turnover Rate	%	91.4	91.4	92.7

※ Data Scope: Data includes office and technical staff at domestic business locations.

2. Safety/Health

Hankook & Company is committed to protecting the safety and working environment rights of all employees and partners by proactively preventing potential safety risks.

The company continuously strives to establish and maintain the highest standards of safety and health systems, going beyond compliance with safety and health regulations and requirements.

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.

Major Safety/Health Management Certifications

ISO 45001

(Occupational Health and Safety Management System)

Hankook & Company has established risk mitigation measures for safety and health to identify, assess, and manage socially significant risks associated with corporate activities.

We have obtained ISO 45001 certification for our domestic production facilities in Daejeon and Jeonju Plants, which represents 100% of our ISO 45001 target facilities (domestic production sites).

(Certification valid until September 11, 2025)



■ Employee Safety Management Procedures

Hankook & Company is committed to respecting employees' rights and enhancing their health and creating a pleasant working environment.

In accordance with the Industrial Safety and Health Act, we prioritize safety and health tasks. We have established safety and health management regulations, set up dedicated teams, conducted employee training, and focused on safety inspections and patrols to promote employee safety, health, and maintenance.

■ 2030 Comprehensive Injury Rate Target

For the management of safety at production sites, we have set the [2030 Long-term Targets] for the comprehensive injury index based on performance over the past three years ('20-22) :

Our goal is a 30% reduction from the base performance.

Item	Category	Base	Reduction Target
Comprehensive Injury Index Reduction Target	Daejeon Plant	2.99	2.09
	Jeonju Plant	3.33	2.33
	Domestic Target	3.24	2.26

■ Industrial Accident Indicators

Item	Category	2021	2022	2023
Industrial Accident Rate	Daejeon Plant	1.73	1.25	0.46
	Jeonju Plant	2.50	1.25	1.35
	Total Accident Rate	2.11	1.25	0.91
Frequency Rate	Daejeon Plant	8.78	6.47	2.33
	Jeonju Plant	12.68	6.17	5.97
	Total Frequency Rate	10.72	6.31	4.29
Severity Rate (Frequency Rate)	Daejeon Plant	1.09	0.84	0.22
	Jeonju Plant	1.15	0.41	0.53
	Total Severity Rate	1.12	0.62	0.39
Comprehensive Injury Index	Daejeon Plant	3.82	1.59	0.72
	Jeonju Plant	3.09	2.33	1.77
	Total Accident Index	3.46	1.98	1.29

※ Industrial Accident Rate: The ratio of the number of accidents per 100 employees

Frequency Rate (FR): The number of accidents per 1 million working hours

Severity Rate (SR): The number of lost workdays per 1,000 working hours

Comprehensive Injury Index (FSI: Frequency Severity Indicator):

A combined measure of the frequency and severity of injuries to compare risk levels

We also verify key indicators and certifications related to industrial accidents such as industrial accident rate certificates, when selecting partners and issuing construction contracts.

■ Work Environment Management Procedures

Each year, we assess exposure levels through regular work environment measurements conducted by external organizations with union participation. This helps us create a comfortable work environment by evaluating and improving exposure levels. We measure 46 types of hazardous factors, and in 2023, we received results indicating "no exceedance" for noise, high heat, and physical/chemical hazardous factors.

Item		Category	2021	2022	2023
Daejeon Plant	First half	Measurement Sites	178	227	233
		Exceedance Sites	0	0	0
	Second Half	Measurement Sites	182	237	235
		Exceedance Sites	0	0	0
	Subtotal	Measurement Sites	360	464	468
		Exceedance Sites	0	0	0
Jeonju Plant	First half	Measurement Sites	212	279	356
		Exceedance Sites	0	0	0
	Second Half	Measurement Sites	212	286	353
		Exceedance Sites	0	0	0
	Subtotal	Measurement Sites	424	565	709
		Exceedance Sites	0	0	0
Total	Measurement Sites		784	1,029	1,177
	Exceedance Sites		0	0	0
	Exceedance Rate		0%	0%	0%

■ Customer Safety Management Process – Quality Recall Procedures

Hankook & Company implements safety investigations for customer safety and operates a voluntary recall system in accordance with Article 13 of the Product Safety Basic Act if product abnormalities, defects, or malfunctions occur.

3. Supply Chain Management

Hankook & Company is committed to fulfilling corporate social responsibility by pursuing solid and sustainable growth with all stakeholders, including customers, business partners, shareholders, local communities, and employees. To foster mutual growth with our partners,

we share the "**Hankook & Company Supplier Sustainability Guidelines**" and "**Hankook & Company Conflict Minerals Policy**" with our suppliers and require their compliance.

These guidelines and policies apply not only to Hankook & Company's suppliers and their employees but also to agencies, agents, and subcontractors with contractual relationships with Hankook & Company, as well as all lower-tier suppliers not directly contracted with Hankook & Company.

Suppliers must familiarize themselves with these sustainability guidelines before entering into any business relationship, share and educate their employees about them, and commit to adhering to these guidelines.

The "**Hankook & Company Supplier Sustainability Guidelines**" and "**Hankook & Company Conflict Minerals Policy**" are available for review on the Hankook & Company website.

Hankook & Company conducts sustainability assessments for new supply chain transactions and performs regular re-evaluations and monitoring to address and respond to sustainability risks.

Additionally, to urge and support suppliers in fulfilling their social responsibilities, we distribute the Hankook Supplier Sustainability Guidance and issue sustainability letters to address the global climate crisis, among other efforts.

■ Supplier Sustainability Guidelines

Hankook & Company shares the "Hankook & Company Supplier Sustainability Guidelines" with suppliers and requires them to respect and comply with these guidelines.

These guidelines apply to Hankook & Company's suppliers, their employees, agencies, agents, and subcontractors with contractual relationships with Hankook & Company, and all lower-tier suppliers not directly contracted with Hankook & Company.

We assess whether suppliers adhere to these guidelines and conduct audits, including on-site visits, if necessary.

■ Conflict Minerals

Hankook & Company regulates conflict minerals in our policies

(Selection and Management Guidelines for Raw and Subsidiary Material Suppliers, Article 14 (Conflict Minerals)).

All suppliers must avoid using minerals mined from conflict regions and provide origin certificates for verification.

We conduct periodic due diligence to ensure compliance.

■ Supply Chain Sustainability Evaluation

Hankook & Company selects target suppliers each quarter and conducts sustainability evaluations consisting of six categories: Human Rights and Labor, Ethical Management, Safety and Health, Environmental Management, Sustainability, and Supplier Management.

■ Employee Training Process on Fair Trade and Fair Competition

To manage internal transactions and provide legal and company response training, we conduct annual ethics management training for all employees.

We also provide ongoing education on fair trade laws, tax laws, and fair competition through regular Ethics Letter postings and other online internal communications.

4. Local Communities

Hankook & Company is committed to fulfilling its social responsibility as a corporate citizen by engaging in various social contribution activities linked to its core business competencies. We aim to solve community issues and contribute to sustainable growth.

Since 2003, we have donated a cumulative total of 14.8 billion KRW by the second half of 2023 to support various causes. For example, in July 2023, we contributed 100 million KRW for flood recovery and aid for disaster victims in the Chungnam and Gyeongbuk regions. These donations have been used to support marginalized communities in Seoul (Seoul Love Foundation), Daejeon (Daejeon Love Foundation), and Chungnam (Chungnam Love Foundation). In recognition of our efforts, we were awarded the "Happiness Award" in the donation category at the 9th Annual Love Foundation Awards in 2022.

We also continuously engage in community-support activities aimed at mutual growth. Since 2014, we have been assisting with mobility aid devices by providing batteries, and from 2022, we have been supplying higher-spec batteries to match the technological advancements in disability aid devices. Additionally, we have contributed annual hope welfare funds since 2012 to support low-income students and marginalized neighbors, realizing our values of sharing and mutual support.

■ Community Engagement Activities

Unit: 1,000 KRW

Item	Category	Donation Date	Amount
Emergency relief kits for disaster victims	Donation	March 2022	100,000
Social Welfare Joint Fund (Seoul/Daejeon/Chungnam)	Donation	March 2022	1,500,000
Support for domestic violence and at-risk youth	Donation	June 2022	100,000
Sponsorship for Jeju IUCN Leaders Forum	Donation	July 2022	28,000
Battery support for mobility aid devices	Battery Support	November 2023	85,000
Hope Welfare Fund donation (Jeonju)	Donation	May 2023	30,000
Research support for Digital Future Innovation Center	Research Support	May 2023	-

※ KAIST Digital Future Innovation Center supports data/AI technology development.

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

The "Hankook & Company Ethical Regulations and Implementation Guidelines," which include provisions for risks associated with unfair trading or unethical competition that may arise from the abuse of superior bargaining position in management activities, can be accessed on the Hankook & Company website.

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.

■ **Employee Ethics Training Program**

To foster ethical awareness among employees and to manage the prevention of ethical management violations, various forms of education, including data sharing and online training, are provided to all employees to emphasize the importance of ethical management.

Item	Training Frequency	Training Method	Target Audience
Ethics Training	Once a year	Administrative Technical Staff: Online Training Conducted Production Workers: In-person Collective Training Conducted	All Employees
Ethics Letter (Total of 12 times)	Once every month	Posted on the In-house Intranet	All Employees

■ **Employee Ethics Training Performance**

Item	Category	Unit	2021	2022	2023
Ethics Training	Target Audience	Persons	764	1,072	1,069
	Completer	Persons	722	1,022	1,056
	Completion Rate	%	94.5	95.3	98.8

■ **Ethics Management Reporting Program**

Hankook & Company operates an ethics reporting channel (www.hankooktire.com/kr/cyber-audit) to address concerns from internal and external stakeholders.

[Reportable Activities]

- Actions causing financial damage to the company due to unreasonable work practices.
- Abuse of position or authority, or legal violations.
- Actions gaining undue advantage in budget use or contract signing.
- Bribery, undue demands or offers.
- Violations of internal accounting controls (e.g., financial statement distortions, fraudulent activities).
- Other violations of the company's ethical regulations and policies.

The reporting channel allows all stakeholders, including employees, affiliates, suppliers, and customers, to present opinions or file reports on ethical issues, including human rights, grievances, corruption, and unethical transactions. Reports regarding suppliers are also processed to promote ethical management among them.

■ Report Channel Processing Records

Item	2023		Processing Rate (%)
	Submitted Issues	Number of Cases Handled	
Ethical Management Reporting	1	1	100%-

※ There were zero reported cases in 2021 and 2022.

We plan to continuously identify specific risk factors related to ethical management and to implement ongoing activities to prevent, halt, and mitigate these risks.