Hankook & Company

HANKOOK & COMPANY

ESG REPORT 2025/26

CONTENTS

Interactive User Guide
HANKOOK & COMPANY ESG REPORT 2025/26 was published as an interactive PDF to facilitate navigation between relevant pages and enable direct links to related webpages.

INTRODUCTION

ABOUT THIS REPORT

Report Overview

This report was prepared to transparently disclose Hankook & Company's 2025 ESG (Environmental, Social, and Governance) performance and mid- to long-term strategic direction to its stakeholders. It presents key issues and achievements across the environmental, social, and governance dimensions, along with the management framework and implementation progress that underpin the company's sustainable growth and value creation.

Reporting Standards

This report has been prepared in accordance with the reporting principles and standards of the GRI (Global Reporting Initiative), a global reporting guideline. It also reflects other major disclosure frameworks and recommendations, including SASB, TCFD, TNFD, ESRS, and the UN SDGs. In addition, the report has been prepared with reference to the principles of inclusivity, materiality, responsiveness, and impact of the AA1000, the global assurance standard for sustainability reporting. Financial information is based on the Korean International Financial Reporting Standards (K-IFRS), and every effort has been made to ensure consistency between financial and non-financial information.

Reporting Period

The official reporting period of this report is from January 1, 2025 to December 31, 2025, which extends to the first half of 2026 for certain activities. For quantitative performance, data covering the past three years are disclosed to illustrate trends over time.

Reporting Scope

This report focuses on the performance and plans of Hankook & Company. The reporting scope covers the environmental, social, and governance areas in their entirety. The scope of data collection includes Hankook & Company's domestic operations comprising its Headquarters, production facilities, and R&D centers as well as the production facilities of Hankook & Company ES America Corporation in the United States, with the data scope for each item indicated separately. Hankook & Company will continue to expand its reporting scope to more fully and broadly capture its ESG activities and achievements across overseas operations and global initiatives.

Assurance

To ensure the reliability of the reported content, this report has been assured by the Korea Productivity Center, an independent assurance provider. The assurance standards and findings appear on pages 83-84 of this report.

Forward-looking Statements

This report contains forward-looking statements regarding the financial condition, results of operations, and ESG strategy of Hankook & Company, which are based on management's current expectations, plans, and assumptions. These forward-looking statements involve a range of uncertainties and potential risk factors, and actual results may differ materially from those described in this report due to factors including, but not limited to, changes in the economic environment, business strategy, laws, regulations, and policies, as well as market conditions. Hankook & Company undertakes no obligation to revise or update any forward-looking statements to reflect new information, future developments, or other circumstances, except as required by applicable laws and regulations.

Inquiries About This Report

The ESG Report 2025/26 is available for download on the Hankook & Company website. For any further inquiries or additional information regarding this report, please contact us using the details below. We welcome the valuable feedback and insights of our stakeholders.

Hankook & Company ESG Report 2025/26 Contact
E-mail. HKNC.ESG@hankookn.com

A MESSAGE FROM OUR CEOs

Joon Hyun Kim
COO and Vice President
Hankook & Company

Jong Ho Park
CBO and President
Hankook & Company

Dear Stakeholders,
We would like to begin by extending our heartfelt gratitude for your unwavering support and encouragement for Hankook & Company's continued growth and innovation.

Throughout 2025, the business environment remained highly unpredictable amid heightened political and economic volatility in Korea, rising protectionism across major economies including US tariffs, prolonged inflation, and an intensifying race for next-generation technologies.

Despite these headwinds, Hankook & Company closed the year with revenue of KRW 1.4576 trillion and operating profit of KRW 411.6 billion. These meaningful achievements reflect our agility in navigating the shifting mobility landscape, our elevated technological and operational strengths, and our steady commitment to sustainability across the environmental, social, and governance dimensions.

As an operating holding company, Hankook & Company harnesses its flexible, agile decision-making to bolster its core businesses and steer strategic investments toward new growth drivers. Leveraging our Group-wide network, we are advancing our capabilities across business expansion, investment, technology acquisition, and M&A, while maximizing synergies and accelerating business innovation anchored in our future growth portfolio 'S.T.R.E.A.M.' Meanwhile, our Business Headquarters (formerly the ES Business Headquarters) continues to power the growth of our battery business, drawing on decades of accumulated experience and expertise. As in-vehicle power demand gains momentum—driven by the expansion of autonomous driving, rising xEV adoption, and the growing uptake of sophisticated vehicle electronics—we are scaling up production of high-performance AGM batteries and sharpening our technological edge.

Underpinning this business innovation is our conviction that ESG is central to our sustainable growth and future competitiveness. We are committed to creating long-term value by advancing our environmental stewardship, putting people at the heart of our business, and earning trust through transparent governance.

In the environmental area, we view climate action and net zero as essential to our future, and are accelerating our pivot toward sustainable businesses. By ramping up the production and sales of high-performance, high-efficiency AGM batteries, we help drive the industry-wide transition to cleaner, electrified mobility, while advancing energy efficiency and renewable energy across our manufacturing operations. We will also reinforce our closed-loop recycling ecosystem, taking responsibility across the entire product life cycle—from production through end-of-life and recycling—to lead the industry in environmental stewardship.

In the social area, guided by our people-first philosophy, we continue to foster a safe and healthy workplace and to champion human rights across our global value chain. To stay ahead of evolving international norms on human rights and labor, we are advancing our human rights due diligence framework and building a resilient, sustainable supply chain in mutually beneficial partnership with our suppliers. We are also nurturing our 'Proactive' culture—one that embraces diversity and inclusion—as we pursue shared growth with local communities under 'DRIVING FORWARD, TOGETHER', our Group-wide ESG brand.

In the governance area, we continue to strengthen transparent and sound decision-making grounded in the independence and expertise of our Board of Directors. We have refined our risk management system in alignment with global ESG disclosure and regulatory standards, and put in place a governance framework that balances economic performance with social and environmental value. Above all, we regard ethical business conduct as fundamental to our survival and growth. Through compliance processes led by the Compliance Committee, our internal whistleblowing mechanism, and regular ethics training, we uphold the highest standards of integrity across our operations, earning the trust of all our stakeholders.

Looking ahead, Hankook & Company will continue to steer the Group's sustainable growth strategy—seizing new growth opportunities through digital transformation and new business ventures, unlocking synergies across our affiliates, and adapting flexibly to a rapidly shifting market. We will not only cement the global competitive position of our AGM battery business, but also complete our evolution into an energy solutions provider for future mobility, powered by next-generation batteries built on new chemistry.

Guided by the voices of our customers, suppliers, employees, and shareholders, we will press forward with relentless change and innovation as we navigate the fast-evolving mobility landscape. Once again, we sincerely thank you for the trust and support you place in Hankook & Company on our journey toward sustainable growth.

COMPANY PROFILE

Company Overview

As the operating holding company of Hankook & Company Group, Hankook & Company leads the Group's strategy development, investment management, business portfolio enhancement, and discovery of future growth drivers in pursuit of sustainable growth and stronger corporate value. Drawing on the technological and business capabilities accumulated since its founding in 1941, the Group has built strong competitiveness across the mobility industry—from tires and batteries to thermal management solutions—and is advancing toward its vision of becoming a global high-tech group. As the Group's holding company and strategic control tower, Hankook & Company maximizes synergies among affiliates, uncovers investment and new business opportunities in future mobility and advanced technologies, and steers the Group's mid- to long-term growth strategy. Anchored in S.T.R.E.A.M., its future growth portfolio, the company continues to build its base of innovative technologies and sharpen the competitive edge of businesses.

The Business Headquarters (formerly the ES Business Headquarters), Hankook & Company's core business division responsible for the manufacture and sale of batteries, is evolving into an energy solutions provider by extending its strategic investments from lead-acid batteries (LAB) into lithium-ion batteries (LIB). To meet growing demand for high-performance AGM batteries, the Headquarters expanded its Tennessee plant in 2021 and its Korean plants in 2023, securing a total production capacity of five million units. It is also actively reinforcing its competitive position—improving price realization, optimizing its product mix, and reducing costs—to deliver stronger profitability.

Name of company	Hankook & Company Co., Ltd.
Date of establishment	May 10, 1941
Date of listing	December 27, 1968
CEO	Joon Hyun Kim (COO), Jong Ho Park (CBO)
Main business	Management of affiliates Group strategy, investment, and brand management through the development of new growth drivers (S.T.R.E.A.M) Manufacture and sale of batteries
Key products	Lead-acid batteries, lithium-ion batteries
Headquarters	Technoplex, 286 Pangyo-ro (Sampyeong-dong), Bundang-gu, Seongnam-si, Gyeonggi-do, Republic of Korea
Phone	+82-31-5178-7000

Future Growth Portfolio

Through the integrated management of tangible and human resources and the efficient allocation of Group assets, Hankook & Company maximizes operational efficiency, while leveraging its domestic and global networks to strengthen its capabilities across business expansion, strategic investment, advanced technology acquisition, and M&A. We also oversee the management of our affiliates—including Hankook Tire & Technology, Hanon Systems, and Hankook Precision Works—and steer the Group's strategy, investments, and brand through our future growth portfolio, S.T.R.E.A.M. In doing so, we function as a synergy platform, driving sustainable growth through a rapidly changing global business landscape.

Future Growth Portfolio	**S.T.R.E.A.M**	
Sustainable Energy	S	Scalable and environmentally responsible energy solutions
Tire Technology	T	End-to-end innovation across the tire manufacturing value chain
Rising Technology	R	Emerging and disruptive technologies shaping the future
Electrical & Electronic Solution	E	Key components and technologies supporting vehicle electrification
AI-Driven Automation	A	Intelligent automation solutions powered by artificial intelligence
Mobility Solution	M	Integrated technologies and services across the mobility value chain

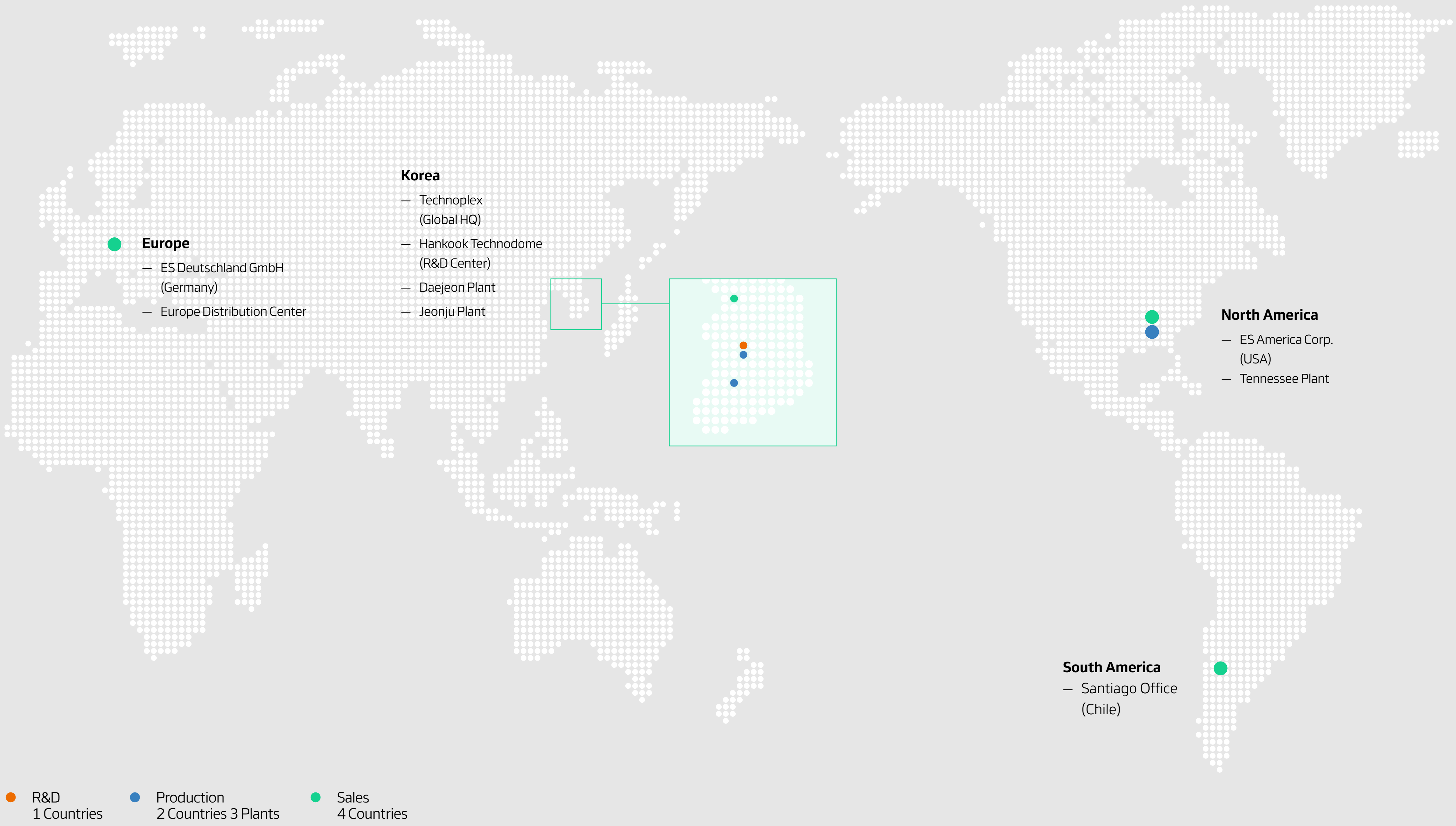
Main Business

The Business Headquarters of Hankook & Company is positioning itself at the forefront of future mobility, moving quickly to capture rising in-vehicle power demand, propelled by the rollout of autonomous driving, accelerating xEV adoption, and the growing content of advanced electronics per vehicle. Building on its core lead-acid battery manufacture and sales business, the Headquarters is channeling strategic R&D investments into next-generation Building on its core lead-acid battery manufacturing and sales business, the Headquarters is channeling strategic R&D investments into next-generation low-voltage batteries, including lithium-ion batteries (LIB) and sodium-ion batteries (SIB), as well as energy storage systems (ESS). As the automotive battery market pivots rapidly from conventional MF to AGM batteries, the Headquarters is ramping up its AGM production capabilities and honing its technological edge.

COMPANY PROFILE

Global Network

Guided by localization strategies tailored to the distinct context of each region, Hankook & Company supplies high-quality batteries to aftermarket customers and automakers worldwide including the advanced markets of Korea, North America, and Europe, and continues to deliver steady growth. We operate three production sites across Korea and the US, with sales operations anchored by our Headquarters in Korea, subsidiaries in the US and Germany, and an office in Santiago, Chile. This extensive network, serving over 450 customers in more than 100 countries, has cemented our position as a major global battery supplier.



Key Operational Sites by Region

Headquarters	Technoplex, Korea (Global HQ and Group control center)
Production site	Korea (core battery production): Daejeon Plant, Jeonju Plant US (local production for tariff and logistics response): Tennessee Plant
R&D and technology center	Technodome, Korea (research on next-generation batteries and materials. Global technology networking)
Sales and aftermarket network	Distribution network centered on the automotive parts aftermarket across North America, Latin America, Europe, and Japan

MISSION & VISION

Hankook
& Company

MISSION

Future Innovated, Innovation Realized

The innovative future our clients imagine is achieved through our realization of the innovation.

BUSINESS PRINCIPLE

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

CORE VALUE

We pursue the Proactive Leadership

- Passion
- Innovation
- Collaboration
- Global

Hankook charge in motion

VISION

Smart Energy Solution Provider

Building on our heritage in battery manufacturing, we lead the smart energy that moves the world—advancing next-generation batteries for future mobility and energy system technologies including ESS.

Mid-to Long-term Strategic Direction

Driving the Future with Innovative Battery Solutions

Drawing on the technology and experience accumulated over decades, Hankook & Company is advancing from today's batteries to next-generation cells and future energy solutions, positioning itself as a leader in future mobility.

Key Product Lineups

As a market-driven company committed to staying close to its customers, Hankook & Company is advancing new AGM technologies in step with the accelerating electrification of vehicles. We are broadening our reach into next-generation batteries based on new chemistries and into the wider energy solutions domain, evolving into an energy solutions company that delivers differentiated customer experiences in the future mobility market.

Automotive AGM | EFB | MF Battery

Absorbent Glass Mat

The absorbent glass mat design minimizes internal resistance for stable handling of instantaneous high currents, while superior deep-cycle durability and an SDV-ready design ensure maximum service life in xEV environments, including autonomous driving applications.

Enhanced Flooded Battery

With carbon additive technology enhancing dynamic charge acceptance (DCA), EFB batteries rapidly absorb regenerative braking energy and withstand frequent start-stop cycles with unwavering durability—contributing to improved fuel efficiency and reduced emissions.

Maintenance Free

Delivering strong cold cranking amps (CCA) even at low temperatures and built with a heat-resistant structure for high-temperature endurance, MF batteries provide reliable, long-lasting performance in any environment.

BUSINESS PERFORMANCE

2025 Key Performance

Despite heightened uncertainty and intense competition in the global market, Hankook & Company reaffirmed its competitiveness as a global first-tier brand in 2025, surpassing KRW 1 trillion in sales and earning recognition at the Korea Master Brand Awards for the sixth consecutive year (as of 2026).

Record-High Sales and Profitability

As an operating holding company, Hankook & Company draws on a sales network serving over 450 customers in approximately 100 countries, while expanding its lineup of high-value-added Hankook batteries and strengthening its brand. Even as the global business environment shifted—not least with the impact of US tariffs—we enhanced the value of our Group portfolio on the strength of solid growth at core affiliates including Hankook Tire & Technology and Hanon Systems. These efforts culminated in record-high results for 2025: KRW 1.4576 trillion in sales and KRW 411.6 billion in operating profit.

Korea Master Brand Awards Winner for Six Consecutive Years

Hankook & Company's Hankook battery brand was honored at the Korea Master Brand Awards 2026, securing its sixth consecutive win in the vehicle battery category since 2021 and its seventh selection overall as the best brand. Through our unwavering commitment to quality, we have earned the deep trust of consumers and cemented our standing as Korea's leading battery brand.

2026 Business Strategy

In 2026, Hankook & Company shifts into a new gear at the heart of a fast-changing global energy market. Rather than resting on what we have achieved, we are setting our sights higher—emerging as the Next Generation Leader at the forefront of the battery market.

Strengthening Sales Capabilities to Deliver Customer Value

We will systematically upgrade our global sales network, equipping the organization to respond nimbly to even subtle market shifts. We will build a data-driven market analysis system to anticipate and propose the value our customers need, while developing the expertise of our sales professionals and deploying digital marketing tools to maximize our brand influence across global markets.

Securing a Competitive Edge through Expanded Production Capacity

To meet global demand and achieve economies of scale, we will strategically expand our large-scale production sites and reinforce the stability of our global supply chain. We will also strengthen our cost position through the automation and optimization of manufacturing processes, further cementing our market leadership.

Building Global Competitiveness in Products and Technology

We will continue to scale our product lineup built for the future of mobility by incorporating eco-friendly materials and innovative design, supporting sustainable growth. Drawing on our proprietary patents and accumulated expertise, we will lead as a First Mover that sets the standard for the industry.

A Flexible and Resilient Distribution and Footprint Strategy

In anticipation of global market uncertainty, we will build an optimized footprint anchored in key strategic locations worldwide and redesign our regional distribution networks, reducing logistics costs while significantly shortening lead times to customers. We will advance our local-for-local production and supply model, building a resilient structure capable of withstanding global supply chain risks. On this foundation, we will pursue localization strategies attuned to each regional market, establishing Hankook & Company as a trusted partner in markets worldwide.

Hankook & Company CO., Ltd.

Global Sales (unit: KRW million)
1,457,552[1)]

Net Income (unit: KRW million)
347,229[1)]

EBITDA (unit: KRW 100 million)
4,474[1)]

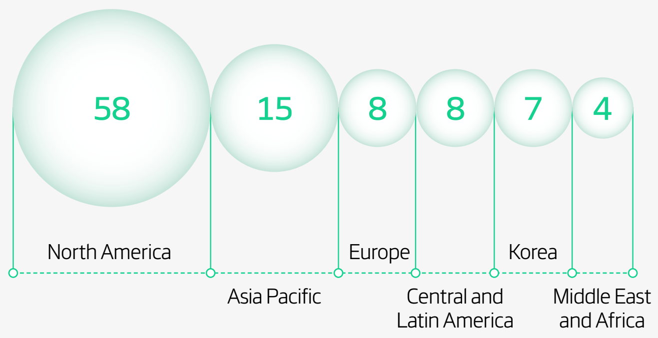
Operating Profit (unit: KRW million)
411,626[1)]

Operating Profit Margin (unit: %)
28.24[1)]

Total Assets (unit: KRW million)
5,259,625 (consolidated)
2,955,088 (separate)

Total Equity (unit: KRW million)
4,781,079 (consolidated)
2,690,080 (separate)

Global Sales Breakdown By Region (unit: %)
Hankook & company Business Headquarters



Global Ranking

01 Clarios LLC
02 GS Yuasa Corp.
03 Camel Group Co., Ltd.
04 Leoch
05 East Penn Manufacturing Co.
06 Sebang Global Battery Co.,Ltd.
07 Amara Raja
08 Hankook & Company Co.,Ltd.
09 Exide Technology
10 FengFan

*12V Lead acid automotive battery product

1) Based on 2025 consolidated basis

ESG GOVERNANCE

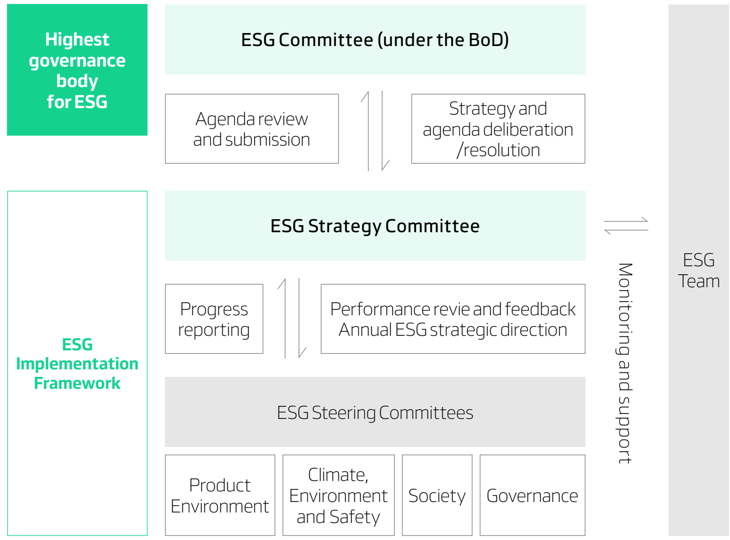
ESG Governance Framework

Hankook & Company's ESG governance framework is structured to advance strategic and systematic ESG initiatives. The ESG Committee under the Board of Directors serves as the highest decision-making body for ESG. Comprising five outside directors and three inside directors, the Committee reviews ESG plans and performance, and deliberates and resolves on key initiatives. The ESG Strategy Committee, composed of the CBO of the Business Headquarters, the chairs of the Steering Committees, and working-level members, sets the direction for our annual ESG priorities. The Committee tracks emerging ESG trends and reviews external assessment results to identify areas for improvement. Each Steering Committee shares their key implementation plans to identify areas for consultation, and, where necessary, the COO makes decisions, ensuring that ESG activities remain under the direct oversight of top management. The ESG Steering Committees are organized into four subject areas—Product Environment; Climate, Environment, and Safety; Society; and Governance—each led by a dedicated executive, thereby strengthening management accountability for ESG performance. Each committee implements annual tasks aligned with mid- to long-term targets. While maintaining a long-term perspective to ensure sustainable operation, we flexibly adjust our management priorities and organizational structures in response to the shifting external ESG landscape.

2025 ESG Strategy Committee Highlights

In 2025, the ESG Strategy Committee took stock of the rapidly shifting ESG landscape both in Korea and globally, and charted the company's response and priorities for the year ahead. Its 'Trend' session examined the forces reshaping this landscape—a growing anti-ESG backlash, delays in EU regulatory implementation, tightening carbon regulations, and mounting ESG expectations from customers. The 'ESG Approach 2025' session set key approaches: strengthening the economic viability of green technologies, driving value creation through social contribution branding, and enhancing the efficiency of our ESG response. The 'Plan' session reviewed major findings from ESG assessments and areas for improvement, and evaluated each Steering Committee's 2030 targets and 2025 key initiatives.

ESG Governance Framework



ESG Steering Committees

Committee	Key Objectives
Product Environment Committee	- Eco-friendly technology research and development - LCA (Life Cycle Assessment) response and support - New technology research and development
Climate, Environment, and Safety Committee	- Establishment of greenhouse gas database - Response to the sustaianble energy transition - Reduction of waste emissions - Reduction of water usage - Reduction of environmental pollutant usage - Improvement of safety-related indicators
Society Committee	- Establishment of and support for a human rights management system - Development of and support for employee diversity strategy - Supply chain management and due diligence - Establishment and implementation of a social contribution system
Governance Committee	- Improvement of board governance - Adoption of advanced governance practices - Establishment and promotion of business ethics

Messages from ESG Steering Committee Chairs

Governance Committee Jeong Soo Park,
Head of Finance & Accounting Division

At Hankook & Company, we regard sound, transparent governance as the foundation of sustainable growth and long-term shareholder value, and we remain committed to building responsible governance. In 2025, we established the Sustainability Committee within the Board of Directors, elevating decision-making and oversight on key ESG issues and lending greater weight to our sustainability agenda. We also named an outside director as Chair of the Board to reinforce its independence and objectivity, and clarified the respective roles and responsibilities of the Board and its committees, bringing greater transparency to how decisions are made. Looking ahead, we will continue to earn the trust of our shareholders and the broader stakeholder community—advancing a governance structure defined by transparency and accountability, and with it, both corporate value and long-term sustainability.

Society Committee Soo Jong Moon,
Head of Corporate Administration Division

At Hankook & Company, sustainable growth is something we pursue together with our stakeholders—our employees, suppliers, and the communities in which we operate. The Society Committee places diversity and shared growth at the heart of everything it does, and we are working to strengthen our operating framework to build a management foundation that enables us to proactively respond to evolving global ESG standards. We are also elevating our supply chain management by coupling supplier ESG self-assessments with hands-on support for improvement. Our aim is to create an environment where people and business thrive together and to lead with a sense of responsibility that honors the trust our stakeholders place in us, driving sustainable growth for all.

Product Environment Committee Jae Hoon Uh,
Head of R&D Division

At Hankook & Company, we drive the development of eco-friendly batteries as a core pillar of our environmental management and our contribution to a sustainable future. Working closely with our global raw material suppliers, we are expanding the use of sustainable inputs and pursuing ongoing research into renewable and recycled materials. We are also extending battery durability and service life to reduce waste at the source, while pushing the boundaries of performance and technology to boost energy efficiency and density. Our ambition extends beyond environmental protection: we are committed to delivering batteries that are safer and more sustainable for the people who rely on them.

Climate Change Committee Jong Dal Yoon,
Head of Safe Production & Engineering Division

Hankook & Company has set a target of reducing greenhouse gas (GHG) emissions by 40% by 2030 from 2023 levels, as it progresses toward Net Zero by 2050. The Climate, Environment, and Safety Committee drives sustainable growth by investing in carbon reduction, cutting energy use, exploring the adoption of renewable energy, and ensuring compliance with hazardous material regulations. We work in close collaboration across the Group, sharing GHG reduction strategies and continually exploring more effective ways to cut emissions. Going forward, we remain fully committed to achieving Net Zero through sustained, strategic climate action.

ESG Work Process

Hankook & Company continuously monitors internal and external ESG issues and stakeholder requirements, and systematically manages company-wide key priorities identified through this process. Our ESG management cycle encompasses the following stages: monitoring internal and external issues; identifying material issues; establishing implementation tasks by Steering Committee; executing tasks and managing data; reporting to the ESG Strategy Committee and the Board-level ESG Committee; disclosing results and engaging with external stakeholders; and incorporating improvements. This end-to-end cycle strengthens the alignment between our ESG strategies and implementation tasks, enabling us to stay ahead of the evolving ESG landscape and stakeholder expectations.

1 Monitoring internal and external issues

We continuously monitor internal and external developments, including ESG disclosure mandates, climate change, supply chain regulations, and the requirements of rating agencies. We also review key issues by overseas region and the expectations of customers, investors, and suppliers to assess priority initiatives.

2 Identifying material issues

We compile an ESG issue pool by drawing on international standards, industry trends, benchmark analysis, and stakeholder feedback, and identify ESG issues material to Hankook & Company. Where applicable, we conduct materiality assessment to review the priority of key issues.

3 Establishing implementation tasks by Steering Committee

The identified key issues are mapped to corresponding ESG Steering Committees—Product Environment, Climate, Environment, and Safety, Society, and Governance—and translated into mid- to long-term strategies and annual implementation tasks. Each Steering Committee shares relevant issues, deliberates on solutions, and develops concrete action plans.

4 Executing tasks and managing data

Each division and responsible department executes their assigned ESG tasks while collecting and managing relevant metrics and qualitative data. We regularly review implementation progress and performance outcomes, advancing the data management framework continuously in coordination with global operational sites and overseas regions where needed.

5 Reporting to the Strategy Committee and ESG Committees

Implementation outcomes from each Steering Committee are reported to the ESG Strategy Committee and the Board-level ESG Committee, informing the review and decision-making of key strategies and agenda items. This process ensures our ESG direction and execution is reviewed at the company-wide level.

6 Disclosing results and engaging with external stakeholders

We share key implementation progress and performance outcomes with stakeholders through ESG report publication, participation in ESG assessments, and external disclosures.
By actively addressing the requirements of external stakeholders including customers, investors, and rating agencies, we continue to enhance the transparency and credibility of our ESG information.

7 Incorporating improvements

Findings and areas for improvement identified through ESG report publication, participation in assessments, and external disclosures are incorporated into the following year's plans and implementation tasks. This enhances the continuity and execution of our ESG operations, driving the continuous advancement of our management framework.

ESG HIGHLIGHTS AND PERFORMANCE

Hankook & Company systematically pursues key initiatives and priorities across all ESG areas, building a lasting foundation for sustainable growth and delivering greater value to all our stakeholders.

2025 Key Achievements and 2026 Action Plans

	2025 Key Achievements	2026 Action Plans
ENVIRONMENTAL	· Revised the environmental management policy · Improved in CDP climate change response score · Introduced a Scope 3 emissions calculation framework · Established and disclosed a biodiversity policy · Managed site-level biodiversity impacts	· Establish a carbon neutral roadmap · Facilitate GHG emissions reduction efforts · Expand the coverage of Scope 3 emissions calculations · Strengthen LCA operation · Review the transition to renewable energy
SOCIAL	· Articulated the direction of mobility-based social contribution · Laid the groundwork for Vehicle Sharing 2.0 · Advanced road safety branding · Enhanced health and safety management · Advanced the human rights and diversity framework · Strengthened employee care	· Establish flagship social contribution programs · Expand community engagement activities · Embed a prevention-centered safety culture · Strengthen global human rights management · Advance the grievance mechanism · Enhance diversity management
GOVERNANCE	· Bolstered Board's independence, expertise, and diversity · Reorganized the Compliance Committee and enhanced its independence and expertise · Embedded a culture of integrity and advanced the internal control system	· Strengthen Board-centered ESG governance · Establish a stable and transparent governance framework · Advance ethics programs

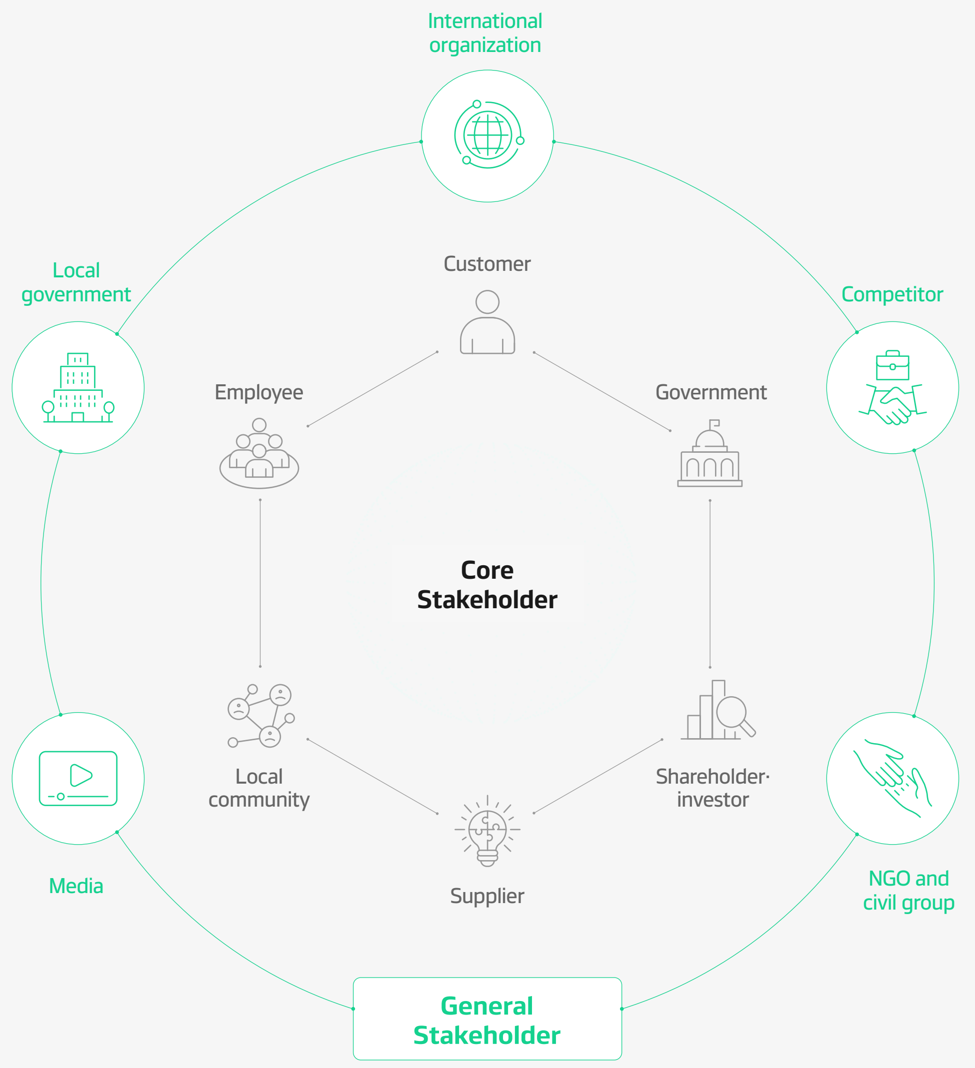
Key ESG Assessment Results

	2023	2024	2025
KCGS	B+	B	B
Ecovadis	35	37	44
CDP (Climate Change)	C	C	B
Sustinvest	C	C	C

MATERIALITY

STAKEHOLDER COMMUNICATION

Hankook & Company segments its stakeholders according to the scale and scope of their influence on its business, and engages each group through a tailored approach. A range of communication channels enables us to gather stakeholder input and reflect it in our business operations, while keeping stakeholders informed of our ESG performance and plans in return. Through this ongoing dialogue, we seek to build a sustainable future together with our stakeholders. Not only do we build a sustainable supply chain in partnership with our suppliers, we also prioritize the growth and safety of our employees and advance social contribution initiatives that support shared growth with local communities, shaping a better future together. This report presents the key outcomes of this stakeholder engagement process.



Customer
(car makers, general customers, and dealers)

Communication channel
- Technology exchanges, exhibitions, fair
- Sustainable production (climate action, human rights protection, supply chain management, etc.)
- Dealer discussion meetings
- Customer satisfaction centers

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

Employee

Communication channel
- Discussion meetings
- Grievance handling mechanisms
- Global Engagement Surveys
- Intranet
- Internal idea suggestion system (Proactive Studio)
- Others: Proactive Concert, Junior Board

Communication topics (key issues of interest)
- Build win-win labor relations
- Recognize diversity and strengthen nondiscrimination
- Bolster training that supports growth
- Promote a work-life balance
- Facilitate internal communication
- Improve workplace safety and working conditions
- Provide fair compensation

Local Community

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

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

Supplier

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

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

Shareholder·Investor

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

Communication topics (key issues of interest)
- Maximize business performance and shareholder value
- Ensure sound governance
- Advance transparent/ethical management and integrated risk management
- Manage organizational transparency and sustainability

Government

Communication channel
- Policy discussions
- Public hearings for policy-making
- Industry associations

Communication topics (key issues of interest)
- Participate in policy-making (offering feedback)
- Monitor external policy developments
- Engage in technology cooperation for R&D efforts led by the government
- Comply with laws and regulations in environment (GHG, energy, safety and health)

MATERIALITY ASSESSMENT

Hankook & Company conducted a materiality assessment in 2025 to identify key issues requiring targeted management from a sustainability perspective. The findings are reflected in our strategy and decision-making across ESG areas, and this report focuses on our management progress and achievements in this respect. To build an integrated Group-level ESG management framework, we have advanced our materiality assessment process in alignment with the double materiality principles required under the CSRD—the EU's sustainability disclosure regulation—and its associated reporting standard, the ESRS. This led us to determine Group-level material topics, drawing on the individual materiality assessment results of three companies—Hankook & Company, Hankook Tire & Technology, and Hanon Systems—with weighted averages applied based on each company's proportional share of revenue and total assets as reported in their respective 2025 separate financial statements. Through this process, we aimed to identify key Group-level sustainability issues that comprehensively account for both the social and environmental impacts and the financial and business impacts of each company.

Materiality Assessment Process

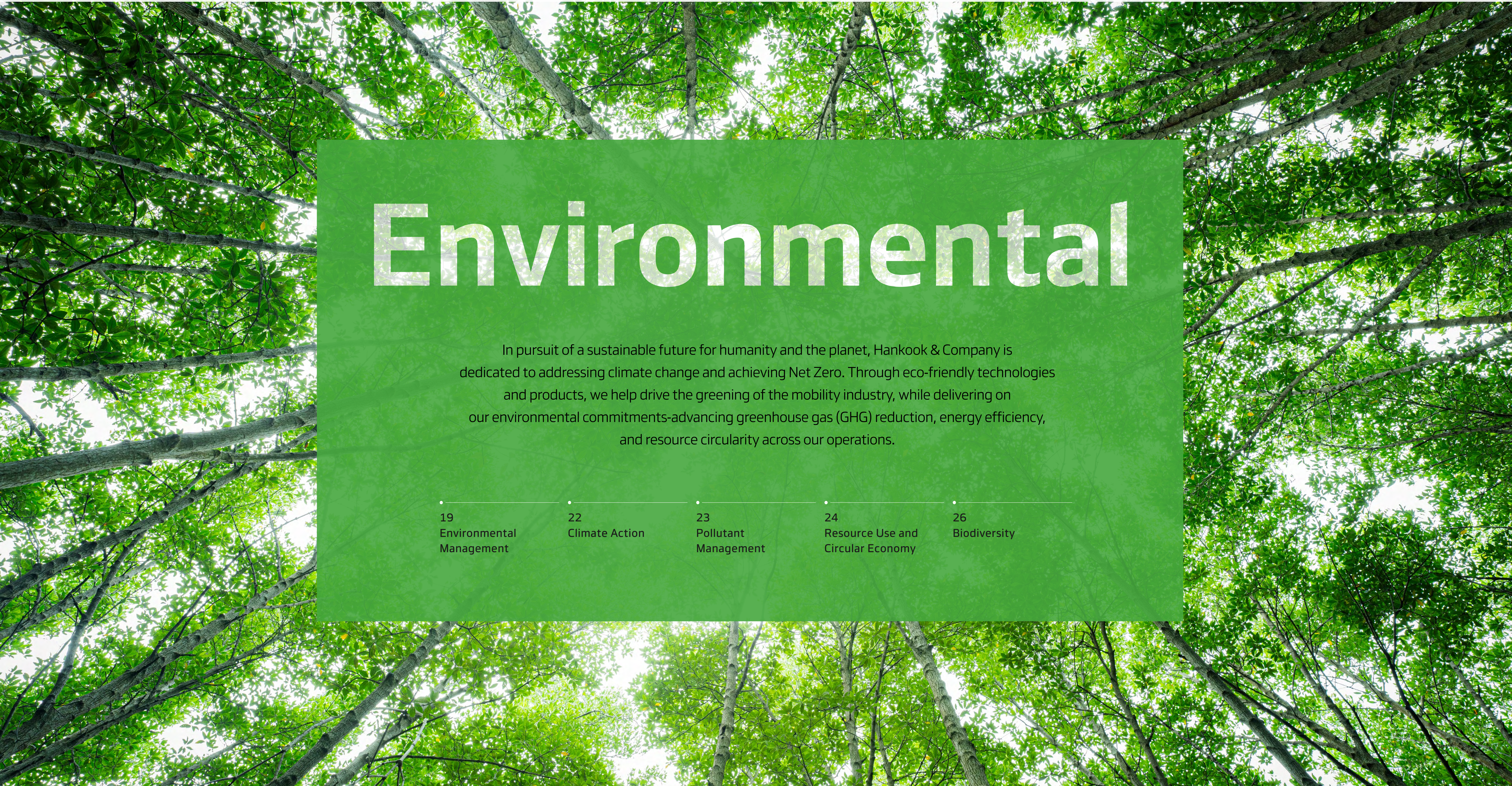
Step	STEP 1.			STEP 2.	STEP 3.		STEP 4.
Process Step	Topic Identification			IRO Identification	IRO Assessment		Material Topic Determination
Key Activity	1-1 Understanding business context	1-2 Developing the long list	1-3 Developing the short list	2-1 Reviewing impacts, risks, and opportunities	3-1 Assessing impact materiality	3-2 Assessing financial materiality	4.1 Double materiality assessment results
	· **Review company activities and business relationships** - Conduct an overarching review of the company's operations and value chain, covering business models, activity characteristics, business relationships, and geographic presence	· **Develop a primary long list of topics** - Map and review group-wide prior year long list topics against the ESRS 1 topic list	· **Develop a short list from the long list** - Develop a short list from long list topics through the analysis of international standards and the internal/external environment ① Analyze international standards - Disclosure standards: ESRS, KSSB No.2, GRI, SASB, SDGs - Assessment standards: DJBIC, KCGS, EcoVadis, CDP, MSCI, Sustinvest ② Analyze the internal environment - Incorporate prior year's material topics - Incorporate internal management strategies: ESG strategy, Board ESG agenda items ③ Analyze the external environment - Review material issues of benchmarking companies and value chain participants : customers, suppliers, related industries, industry peers - Media analysis: Hankook Tire & Technology and tire industry-related media coverage	· **Identify impacts, risks, and opportunities (IRO) for short-listed topics** - Identify detailed IRO pathways through driver analysis	· **International standards assessment** - Stakeholder perspective: ESRS, GRI, SDGs, DJBIC, KCGS, EcoVadis, CDP · **Benchmarking assessment** - Material topics of competing industry peers, car makers, and key suppliers · **Corporate strategy alignment assessment** - Incorporate company vision, business strategy, and action plans · **Media exposure analysis** - Incorporate analysis results related to Hankook Tire & Technology and the tire industry · **Stakeholder assessment** - Incorporate results of internal/ external stakeholder assessments (surveys)	· **International standards assessment** - Investor perspective: ESRS, KSSB, SASB, MSCI, Sustinvest · **External policy assessment** - Review relevant external policies · **Industry regulatory assessment** - Incorporate industry regulations and legislations directly linked to corporate compliance and business risks · **Stakeholder assessment** - Financial perspective: Incorporate results of internal/external stakeholder and ESG expert assessments (surveys)	· **Determine final material topics through the compilation of impact materiality and financial materiality assessment results** - Calculate scores for all short-listed IROs - Set thresholds for impact and financial materiality and prioritize material topics

Materiality Assessment Results

In 2025, Hankook & Company conducted materiality assessment to determine key material topics through the comprehensive analysis of both impact materiality and financial materiality. The assessment findings were reported to the Board of Directors and the ESG Committee, and have been incorporated into the development of ESG strategy, the execution of key initiatives, and the direction of ESG reporting.

Area	Material Topic	Key Management Focus	Impact	Financial	GRI	ESRS
E	Climate change mitigation	GHG reduction, carbon neutrality, climate action	●●○	●●●	302-1, 302-3, 302-4, 305-2, 305-3, 305-4, 305-5	E1-1, E1-2, E1-3, E1-4, E1-5, E1-6
S	Supply chain sustainability management	Supplier ESG, supply chain risk, regulatory compliance	●●●	●●○	2-6, 204-1, 308-1, 308-2, 414-1, 414-2	S2-1, S2-2, S2-3, S2-4, S2-5, G1-2
S	Occupational health and safety enhancement	Safety accident prevention and management, workers' safety awareness-raising, development of a proactive SHE management system	●●●	●●○	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10	S1-1, S1-4, S1-5, S1-14
G	Ethics and compliance framework enhancement	Establishment of a business ethics system, internalization of ethical values	●●○	●●○	2-23, 2-24, 2-26, 2-27, 205-1, 205-2, 206-1	G1-1, G1-3, G1-4
E	Sustainable raw materials	Use of eco-friendly raw materials, minimization of environmental pollution	●●○	●○○	301-1, 301-2, 308-1, 308-2	E5-1, E5-2, E5-3, E5-4
E	Energy management	Energy-saving technology development, eco-friendly energy transition	●○○	●○○	302-1, 302-2, 302-3, 302-4, 302-5	E1-2, E1-3, E1-4, E1-5
G	Transparent and responsible corporate governance	Governance advancement	●○○	●●○	2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, 2-16, 2-17, 2-18, 2-19, 2-20	ESRS 2 GOV-1, GOV-2, GOV-3, GOV-4, GOV-5
E	Product resource circularity	Environmental impact management across the product lifecycle	●●○	●○○	301-2, 301-3, 302-5, 305-5, 306-1, 306-2, 417-1	E1-3, E1-4, E5-1, E5-2, E5-4, E5-5

ESG PERFORMANCE



Environmental

In pursuit of a sustainable future for humanity and the planet, Hankook & Company is dedicated to addressing climate change and achieving Net Zero. Through eco-friendly technologies and products, we help drive the greening of the mobility industry, while delivering on our environmental commitments-advancing greenhouse gas (GHG) reduction, energy efficiency, and resource circularity across our operations.

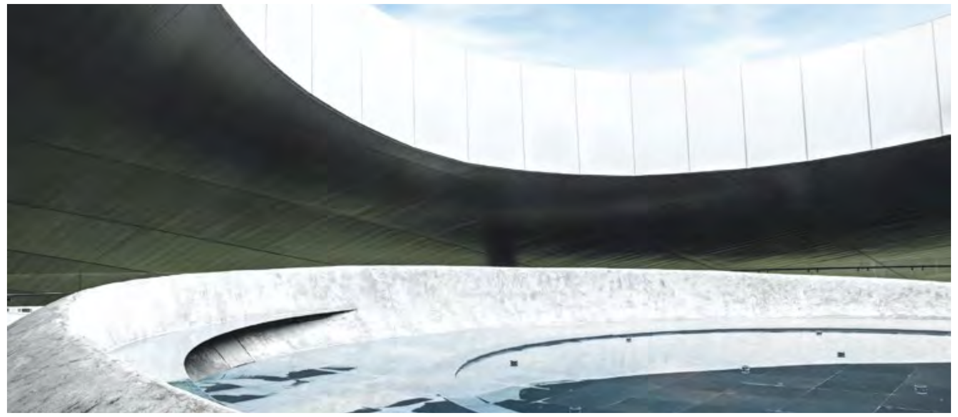
ENVIRONMENTAL MANAGEMENT

Governance

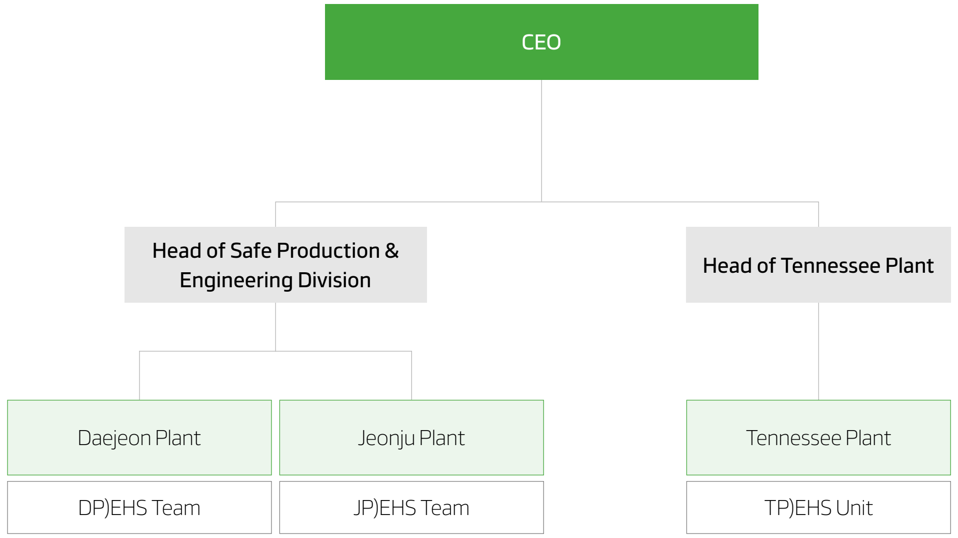
Hankook & Company's environmental management system aligns with its broader ESG governance framework to advance sustainable environmental management—guarding against the severe environmental impacts of the climate crisis and protecting ecosystems and the climate system. The Climate, Environment, and Safety Committee, operating under the ESG Strategy Committee and chaired by the CBO, sets company-wide strategy and drives our response to climate change and environmental issues. At the production site level, dedicated EHS teams ensure environmental management is driven from the ground up. Through the Climate, Environment, and Safety Committee, our Headquarters and production sites surface pressing environmental issues, align on response strategies and measures, and act more effectively and proactively as a result. This close interplay between committee-led decision-making and on-the-ground management continues to strengthen our environmental governance as a whole.

Policy

Sustainable environmental management sits at the top of Hankook & Company's business strategy. We have built an environmental management framework grounded in policies that address a wide range of issue —global environmental protection, site environmental management, water resource protection, product responsibility, climate action, and supply chain management—ensuring strict compliance with the environmental laws and international agreements that apply to our business. Our environmental management system, built on the ISO 14001 standard, allows us to manage environmental impacts and risks systematically, while separate internal guidelines covering key areas such as air quality, water quality, waste, and chemical substances sharpen our ability to meet legal requirements and translate them into action.



Organizational Chart for Environmental Management



Environmental Management Policy

Purpose

Hankook & Company establishes this environmental management policy in accordance with its management principle of prioritizing the protection of humanity and the global environment. Through the establishment of an environmental management system and the implementation of leading environmental management practices across the entire lifecycle of its business activities and products, the Group aims to protect and enhance the environment at the business, community, and global levels.

Principles

1. We voluntarily comply with applicable domestic and international environmental laws, regulations, agreements, and other relevant requirements and continuously implement environmental improvement initiatives related to our business activities.
2. We identify and assess factors that have significant environmental impacts arising from our business activities, set objectives accordingly, and implement actions to minimize such impacts.
3. We protect the environment by reducing environmental risks through investments and operational improvements aimed at eliminating risk factors and minimizing environmental impacts.
4. We promote efficient resource use and recycling to reduce environmental impacts associated with resource consumption.
5. We enhance employees' understanding and capabilities related to environmental management through education and capacity-building activities and disclose and communicate our environmental policies and performance to stakeholders.
6. We establish and implement environmental management plans to fulfill and advance our environmental commitments, including those made to stakeholders, and pursue continuous improvement.

All workers, including executives and employees, shall understand and comply with this Environmental Management Policy and fulfill their respective responsibilities accordingly.

Environmental Management Principles

ENVIRONMENTAL MANAGEMENT

Policy

Key Environmental Laws and Our Response

Key Laws and Regulations	Environmental Regulations/Guidelines	Our Response
Framework Act on Carbon Neutrality and Green Growth for Coping with Climate Crisis Enacted to prevent the serious impacts of the climate crisis, protect ecosystems and the climate system, and contribute to the sustainable development of the international community, this Act establishes key requirements for carbon neutrality policy—including international cooperation on the climate crisis – and specifies Korea's national Net Zero target for 2050 and its greenhouse gas (GHG) reduction target (NDC) for 2030.	Energy management guidelines	Recognizing the severity of the climate crisis, Hankook & Company has established a strategy and mid- to long-term targets for reducing GHG emissions to help advance sustainable development, and is reviewing implementation measures to achieve these targets.
Act on the Allocation and Trading of Greenhouse Gas Emission Allowances As the institutional framework for Korea's Emissions Trading System (ETS), which uses market mechanisms to help achieve the national GHG reduction target efficiently, this Act sets out the methods for allocating, registering, and managing GHG emission allowances.		Hankook & Company, as a company subject to allocation under the ETS, manages and reports its GHG emissions annually through third-party verification, and works to reduce both GHG emissions and energy consumption.
Chemicals Control Act Enacted to prevent harm from chemical substances used at business sites, ensure their proper management, respond promptly to chemical accidents, and protect the public and the environment from chemical substances.	Chemical substance management guidelines	To ensure the safe handling of chemical substances, Hankook & Company provides regular training for chemical handlers and workers, and conducts inspections of facilities where chemical substances are used and handled, to ensure the highest standards of chemical management.
Clean Air Conservation Act and Water Environment Conservation Act Enacted to prevent hazards arising from the emission of air and water pollutants, and to sustainably manage and preserve the air and water environment.	Air management guidelines Water quality management guidelines	Hankook & Company measures and manages the emission of environmental pollutants generated at its sites, in line with enhanced internal management standards.
Framework Act on Resource Circulation A system designed to reduce waste generation and promote the circular use of waste generated, this Act establishes the fundamental requirements for sustainable resource circulation.	Waste management guidelines	Lead waste generated in the manufacturing process is recycled through Hankook & Company's own closed-loop recycling process, while waste that cannot be recycled internally is handled through licensed contractors in full compliance with legal requirements.

Strategy

In its commitment to environmental sustainability, Hankook & Company has set strategic priorities for environmental management: reducing greenhouse gas (GHG) emissions, building and strengthening an internal closed-loop recycling system, and minimizing the environmental impact of production. In alignment with these priorities, we have established mid- to long-term targets, which we intend to advance through the execution of key initiatives identified through site-level reviews and analyses conducted by the ESG Steering Committee.

Strategic Priorities and Targets

Strategic Priority	Strategic Target	Steering Committee	Key Initiative (reflected in 2026)
Reducing GHG emissions	40% reduction in GHG emissions (by 2030, vs. 2023)	Climate, Environment, and Safety Committee	Establish a 2050 carbon neutral roadmap
			Reduce energy consumption through strengthened energy-saving execution
			Enhance management capabilities through advanced GHG emissions monitoring
Minimizing the environmental impact of production	30% reduction in waste generation (by 2030, vs. 2023)		Reduce scrap generation through manufacturing process improvements
			increase the recycling of raw materials by building an internal closed-loop system
	30% reduction in water withdrawal (by 2030, vs. 2023)		Reduce water withdrawal through enhanced leak management in manufacturing processes
			Strengthen water circulation, including condensate recovery

ENVIRONMENTAL MANAGEMENT

Training

Environmental Management Training
Hankook & Company delivers environmental training to its employees, building awareness of carbon emissions and environmental impact reduction while driving meaningful changes in behavior. We have developed proprietary training content covering the fundamentals of carbon neutrality and sustainability and deliver it company-wide, while providing regular training for chemical handlers and staff to guard against the environmental risks posed by lead, the primary raw material in our lead-acid batteries. We have also established emergency response regulations spanning a range of environmental and safety scenarios, and conduct monthly emergency scenario training to strengthen our capacity to respond to environmental risks. In tandem, we provide regular internal auditor training for ISO 14001 environmental management system certification as well as internal training for environmental management teams, equipping our employees with practical environmental management skills.

Environmental Training Provided

Training		Target Participants	Participants Completed	Completion Rate	Training Hours
Training for hazardous chemical handlers	Daejeon Plant	60	60	100%	960 hours total (16hrs/person)
	Jeonju Plant	111	109	98%	1,744 hours total (16hrs/person)
Training for hazardous chemical handling staff	Daejeon Plant	442	442	100%	884 hours total (2hrs/person)
	Jeonju Plant	476	476	100%	952 hours total (2hrs/person)
ISO internal auditor qualification training	Daejeon Plant	32	33	103%	396 hours total (12hrs/person)

Certification

ISO 14001 (Environmental Management System) Certification
To manage environmental risk efficiently, Hankook & Company systematically identifies, assesses, manages, and improves a wide range of environmental issues. In support of this approach, we maintain ISO 14001 (Environmental Management System) certification, an international standard, at our Daejeon and Jeonju Plants in Korea.

Environmental Management System Certification Overview

Certification Type	ISO 14001 (environmental management system)
Certification Scope	100% of domestic production sites (Daejeon, Jeonju)
Validity Period	Through January 30, 2028

Korea Eco-Label Certification
The Korea Eco-Label recognizes products that reduce energy and resource consumption and minimize pollutant generation across every stage of the product life cycle, relative to comparable products. Hankook & Company has earned this certification for EL603 at its Jeonju Plant.

LEED Certification
Developed by the U.S. Green Building Council (USGBC), LEED (Leadership in Energy and Environmental Design) stands as one of the world's most credible and widely recognized certification systems for green architecture and interior design. The Technodome, home to Hankook & Company's R&D division in Korea, achieved LEED Gold certification in 2016.

Goal

Hankook & Company is transitioning to an eco-friendly, sustainable operating model to advance its mid- to long-term strategy for addressing climate change and reducing environmental impact. Building on our progress in lowering GHG emissions through improved energy efficiency, we will deepen our focus on securing the sustainability of a wide range of resources by reducing water withdrawal and embedding a closed-loop recycling system.

Technodome exterior view

CLIMATE ACTION

Goal

To achieve its mid- to long-term GHG reduction targets and carbon neutrality by 2050, Hankook & Company is implementing a range of strategies tailored by site and by function. Through a company-wide analysis of GHG emissions, a site-level energy structure assessment, and Life Cycle Assessment (LCA) of our products, we have quantified the key sources of GHG emissions and the potential for reduction, spanning not only our production sites but the full life cycle of our products. The findings based our efforts to develop a phased GHG reduction strategy, identify the corresponding tasks, and undertake tangible reduction activities, informed by our analysis of implementation barriers. Our carbon neutral roadmap further strengthens execution by setting detailed targets across emission types and individual sites. In parallel, we track domestic and international trends in emerging energy technologies and draw on benchmark cases, including energy efficiency and GHG reduction initiatives across our Group affiliates, to evaluate the application of new GHG reduction technologies. Through strategic plans for adopting renewable energy sources such as photovoltaics, we are also driving a phased transition toward a cleaner energy mix.

Mid- to Long-term Climate Action Targets

Metric	2025 Performance	2030 Target	Committee
GHG emissions (Scope 1+2)	82,650	40% reduction (vs. 2023) (target: 47,786 tCO_2eq)	Climate, Environment, and Safety Committee
Water withdrawal intensity	2.65	30% reduction (vs. 2023) (target: 1.83)	Climate, Environment, and Safety Committee
Waste generation intensity	0.030	30% reduction (vs. 2023) (target: 0.016)	Climate, Environment, and Safety Committee

* Covering domestic production sites

Optimizing Energy Efficiency

GHG Reduction in Production and Manufacturing Processes
Hankook & Company is reducing GHG emissions from product manufacturing by adopting high-efficiency energy equipment, refining production methods, and improving operational efficiency—driving down energy consumption while optimizing energy efficiency across its operations. To this end, we analyze energy usage and efficiency at each site and translate these findings into energy-saving strategies tailored to each site's energy use profile, maximizing the impact of our energy efficiency efforts.

To prevent efficiency losses from aging production equipment, we conduct regular energy audits paired with ongoing maintenance and equipment replacement, optimizing energy efficiency across our operations. Beyond simply replacing aging equipment, we are generating additional energy savings through equipment upgrades and new equipment deployment tailored to the characteristics of each process, and through refinements to our production and operating methods. In 2025, we reduced unnecessary energy waste through equipment upgrades and new installations, including inverters installed in the ENV process which wraps separators around battery plates and energy-saving units installed in the washing process, where electrolyte is injected into the product before being rinsed. We also minimized energy use by revising our production methods, such as in the litharge process, and reduced energy consumption by optimizing equipment operations, including adjusting air compressor pressure based on our analysis of air consumption loads across each process.

Scaling Renewable Energy Use

Renewable Energy Transition and Scale-up
To advance its mid- to long-term strategy for addressing climate change and reducing GHG emissions, Hankook & Company is exploring options for the transition to and scaling of renewable energy. We are comprehensively evaluating a range of approaches—including national energy policies and market conditions, Power Purchase Agreements (PPA), on-site power generation, and Renewable Energy Certificates (REC)—and identifying the optimal implementation pathway for each site based on its power demand, cost efficiency, and regulatory constraints. Drawing on this review, we will develop a renewable energy transition plan aligned with our carbon neutral roadmap and carry it forward across our operations.

Procurement of Eco-friendly Materials

Use of Recycled Materials
Hankook & Company is expanding the use of eco-friendly materials to minimize the environmental impact associated with producing its key raw materials—lead and polypropylene (PP). Rather than relying solely on virgin feedstock, we incorporate recycled lead and recycled PP, both derived from post-consumer waste through recycling. As part of our broader green procurement goals, we have set a target for sustainable raw material sourcing and are pursuing a range of approaches—from in-house development to collaboration with our suppliers—to expand our use of recycled raw materials.

Internal Carbon Pricing

Plans to Introduce Internal Carbon Pricing
Although Hankook & Company has yet to formally adopt Internal Carbon Pricing (ICP), we already apply a shadow carbon price to major GHG reduction investments, such as improving energy efficiency and transitioning to renewable energy. Using the previous year's average price of emission allowances under the nation’s Emissions Trading System, we calculate the cost of our GHG emissions and factor it into our strategic decision-making. Building on this foundation, we plan to formally introduce ICP. Drawing on climate change scenarios and anticipated trends in carbon pricing, we will design this system to incorporate forward-looking price assumptions, establishing a carbon economics assessment framework and expanding GHG reduction investments across our business to further strengthen our emissions reduction efforts.

Advancing Supplier Carbon Neutrality

Life Cycle Assessment (LCA) of Hankook & Company's products showed that, excluding the use phase of sold batteries (vehicle operation), GHG emissions from raw material acquisition account for the largest share of our footprint—driven by the substantial emissions generated during the mining, processing, and transport of the raw materials used in battery manufacturing. This makes our suppliers' transition to low-carbon materials and energy, together with their adoption of low-carbon manufacturing technologies, a key lever for reducing emissions at the raw material acquisition stage. To strengthen carbon emissions management across our supply chain, we conduct regular supplier surveys that allow us to track suppliers' current emissions and reduction plans, and we collect data from key suppliers as part of our LCA process to evaluate environmental impact. To quantitatively assess our progress toward supply chain carbon neutrality, we calculated Scope 3 emissions from raw materials based on 2025 performance data, which informs our ongoing efforts to achieve carbon neutrality among our suppliers.

POLLUTANT MANAGEMENT (MINIMIZATION OF ENVIRONMENTAL IMPACT)

Air Pollution

Reducing Air Pollutants through Improved Pollution Control Facilities

While we had traditionally relied on bag filters to capture air pollutants, we have replaced a portion of this equipment with marble bed scrubbers, discharging the captured dust as moisture-containing sludge. This approach prevents the re-suspension of particulates during discharge and transport, thereby reducing air pollutant emissions. The use of marble bed scrubbers also helps prevent dust collector fires caused by high furnace temperatures. We are further reducing pollutant generation by regularly replacing the filters in both our bag filters and marble bed scrubbers.

2025 Reduction in Air Pollutant Emissions

21%

Daejeon Plant

Compared to the average emissions from 2018-2022

35%

Jeonju Plant

Compared to the emissions during the 6th Season Particulate Matter Management Period

Building Environmental Improvement Partnerships for Shared Growth with Local Communities

Hankook & Company works alongside local residents to reduce air pollutant emissions, reflecting its ongoing commitment to shared growth with local communities. In support of this commitment, we signed voluntary air pollutant reduction agreements with the Daejeon Metropolitan City Government and the Jeollabuk-do Provincial Government, and pursued reduction activities during the Seasonal Particulate Matter Management Period to protect residents' health and curb particulate matter levels across the region. We upgraded utility boilers and absorption chillers/heaters to low-NOx burner systems, and sustained a range of reduction measures, including regular replacement of bag filter media, replacement of wet scrubber consumables, and equipment investments. These efforts delivered measurable results. Our Daejeon Plant cut air pollutant emissions by 21%, from 10.3836 tons during the baseline period (the 2018-2022 average) to 8.195 tons in 2025. The Jeonju Plant achieved an even sharper reduction of 35% during the 6th Seasonal Particulate Matter Management Period (December 2024-March 2025), recording actual emissions of 4,513 tons against a baseline of 6,983 tons.

Water Pollution

Reducing Water Pollutants in Effluent Discharge

To reduce the discharge of water pollutants, Hankook & Company regularly inspects its wastewater discharge facilities which employ physicochemical treatment systems, and monitors the operational status of its wastewater treatment plants in real time through the utility control room. We also continue to invest in facility improvements, including expanding the capacity of our collection and settling tanks and dredging the interior of treatment tanks, to further reduce water pollutants. Wastewater discharged from the Daejeon and Jeonju Plants flows into public wastewater treatment plants operated by the City of Daejeon and Wanju-gun, respectively, where it undergoes further treatment before final release into local rivers.

Soil Contamination

Soil Contamination Prevention

To manage the risk of soil contamination from hazardous chemical and waste storage areas, we have installed containment walls and curbs at these facilities and conduct regular inspections. We further guard against chemical leakage by operating a leak detection system for hazardous chemicals, preventing any leakage from escaping into the surrounding environment. We also maintain spill response equipment including absorbent pads that keep chemical spills from reaching the soil, and conduct regular emergency response drills based on response scenarios.

Hazardous Chemicals

Hazardous Chemical Substance Management

Hankook & Company is transforming its approach to hazardous chemical substance management, moving beyond compliance to an integrated, risk- and data-driven system centered on accident prevention. This approach advances the integrated management of our processes, facilities, and organizations, identifying and remedying potential hazards in handling high-risk substances such as lead and sulfuric acid. We have also strengthened our regulatory and institutional safeguards—raising our inspection standards above legal requirements to internal company standards, and regularizing both internal and external inspections. In addition, we regularly update our chemical substance inventory and Material Safety Data Sheets (MSDS), and maintain a standardized response process to address significant changes as they arise.

In equipment and process management, we maintain continuous oversight of anomalies through inspections of storage tanks and piping, together with leak detection and monitoring, while securing equipment reliability through P&ID-based inspections. To build our human capacity, we conduct hands-on training and emergency response drills that strengthen handlers' response capabilities, while using data-driven analysis to address recurring risk factors on an ongoing basis. We also plan to restructure our emergency response system, strengthening both training and equipment readiness for a wide range of scenarios. Building on this foundation, we are exploring IoT-based preventive management as our next step—an integrated approach that links real-time sensor detection, automated alarms and shutdowns, and data accumulation to prevent accidents before they occur.

RESOURCE USE AND CIRCULAR ECONOMY

Goal

As an operating holding company, Hankook & Company keeps the world in motion through its diverse portfolio, anchored by its battery business and the tire business of its core subsidiary, Hankook Tire & Technology. Our Business Headquarters manufactures and sells automotive and industrial batteries, continuously strengthening our competitive edge through flexible collaboration across the Group and ongoing management innovation. Drawing on decades of accumulated technology and expertise, we are advancing beyond today's batteries toward next-generation cells and future energy solutions, positioning ourselves as a leader in the future mobility market. In pursuit of energy sustainability for people and the planet, we drive pioneering research grounded in circular economy principles.

Goals and Strategies for Circular Economy-Based Innovation

Goal	Direction
Expand Sustainable Materials	Connected Resources Increase the use of sustainable materials, promote responsible sourcing, and strengthen resource circularity across the value chain.
Develop Sustainable Technology	Empowered Innovation Advance sustainable technologies, improve environmental performance, and drive continuous innovation for long-term value creation.

Product LCA

Hankook & Company conducts product-level Life Cycle Assessments (LCA) to quantify the environmental impacts generated across a product's full life cycle, identifying and addressing associated risks. Covering our major product lineups, these assessments quantitatively assess and interpret environmental impacts at every stage—from raw material acquisition through manufacturing, use, and disposal—and pinpoint impact factors in each stage. These findings are submitted to ESG Steering Committees, and are incorporated as key milestones in reducing the environmental footprint of our products. This regular LCA cycle allows us to stay ahead of potential product-related risks and respond proactively to stakeholders' demands for environmental data. We further reinforce the credibility of these assessments by revisiting our data collection processes, methodologies, and inventory analysis results.

Percentage of Products Covered by LCA (based on quantities)

2023	2024	2025
2.7%	4.7%	3.4%

Sustainable Materials

Hankook & Company advances innovative technology research to develop sustainable products designed for the future of people and the planet. As part of this commitment, we introduce new products incorporating renewable and recycled materials and pursue R&D to extend their application across our portfolio. LCA of our AGM L3 battery demonstrated the tangible value of this approach: raising the share of recycled content in lead raw materials cuts virgin material input by approximately 1.2% while lowering the product's effective environmental impact index by more than 4.3%. Guided by these findings, we continue to prioritize recycled content in primary materials, achieving a 71% recycled material ratio in lead as of 2025—and steadily scaling the use of sustainable raw materials.

Sustainable Material Content Ratio (per unit)

	2025 performance	2030 target
Raw Material (Pb)	71%	85%

Eco-friendly Product Design

Global Battery Competitiveness Built on Sustainable Innovation

Hankook & Company competes at the forefront of the global battery market, with sustainable, innovative technology underpinning the high-performance products it delivers. Our Absorbent Glass Mat (AGM) technology and precision grid design achieve superior starting power and energy efficiency, along with proven stability and reliability in Start-Stop and xEV applications. The market has duly recognized these strengths: we have won the automotive battery category of the Korea Master Brand Awards seven times, first in 2017 and in each of the six years since 2021. Today, our industry-leading technology serves customers in over 100 countries, including the United States and Europe, and we continue to build on this competitive edge worldwide.

Advanced Design for Resource Efficiency

Hankook & Company focuses on refining the design of core battery components to enhance resource efficiency without compromising performance. Our efforts center on grid design optimization: we lower raw material consumption through optimal manufacturing processes, improve the cross-sectional geometry of grid wires, and strengthen both active-material adhesion and electrical conductivity. Through this ongoing R&D, we use fewer resources to deliver the same performance and quality customers expect from our batteries.

RESOURCE USE AND CIRCULAR ECONOMY

Eco-friendly Product Design

Data-driven Research for Performance Enhancement
Hankook & Company fosters data-driven industry-academia partnerships to advance battery performance. These collaborations focus on developing a data-driven convergence platform and establishing a testbed that integrates virtual and physical environments. We analyze battery performance and refine technology by drawing on actual driving records along with traffic and usage environment data. Vehicle operation data, in particular, informs our work to optimize performance and strengthen reliability—research that continues to deepen our R&D capabilities rooted in real-world use.

Next-Generation Battery Technology Development
Hankook & Company invests in next-generation battery technologies to drive the sustainable use of energy and expand resource circulation through eco-friendly materials. As part of this commitment, we are developing a prototype sodium-ion battery (SIB) for vehicle starting applications to build technological depth in the emerging battery segment and position ourselves ahead of market shifts. We will extend this R&D trajectory—pairing sustainable materials with next-generation technologies—to deliver battery solutions fit for the future of mobility.

Water Resource Management

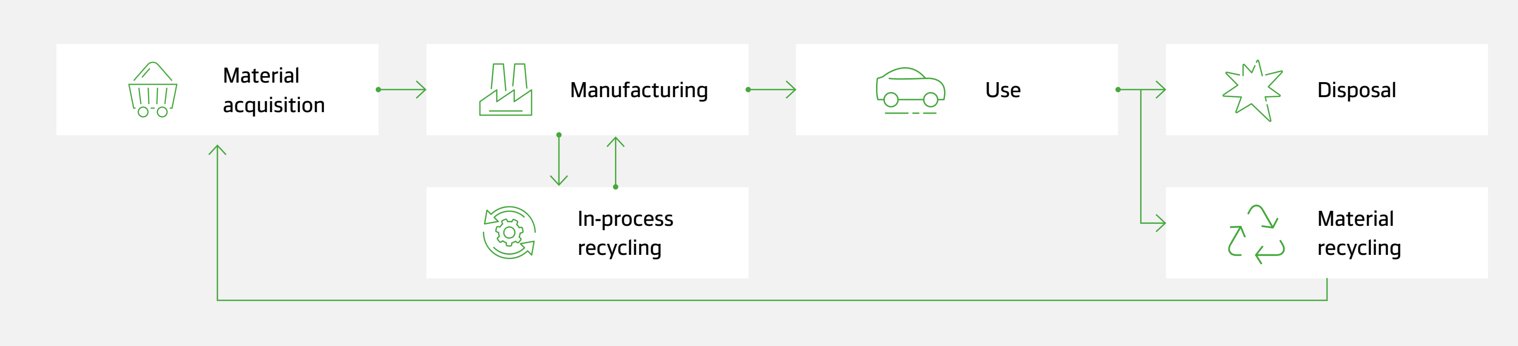
Hankook & Company protects water resources through company-wide action, treating water as a finite form of natural capital essential to humanity and ecosystems. Systematic measurement anchors this effort: we track water usage by site and by withdrawal source, and this visibility allows us to set mid- to long-term withdrawal reduction targets and undertake ongoing initiatives including process improvements. We conduct daily inspections to identify and remedy industrial water leaks before they escalate into unnecessary consumption, and we apply dedicated controls to major water-intensive processes, including bearing leakage management in the charging baths used for lead-acid battery formation. To use water more efficiently, we also operate a range of recirculation and recycling systems: cooling water that dissipates heat during battery charging circulates through a closed-loop system of our own design, while our on-site treatment facility repurposes production wastewater for firefighting and cleaning. Beyond these process improvements, we engage employees through water conservation campaigns and training that embed environmental stewardship in daily operations.

Waste Management

Waste Management and Reduction
To minimize environmental impact from waste, Hankook & Company takes a systematic approach to waste management: its waste management regulations direct every stage of the process from classification by type through storage, discharge, and disposal. Plants operating in Korea report their discharge, transport, and dispoal of landfill waste through Allbaro, the Korean government's waste tracking system, to ensure transparency and legal compliance. We track site-level waste output by hazard catgory and treatment method against legal satndards, and analyze both total volumes and waste intensity per production weight to uncover new reduction opportunities. These analyses inform the mid- to long-term reduction targets we set for each site's waste profile, and we achieve these targets by refining production processes and adjusting operating practices. In 2025, the Hankook Technodome separated recyclable materials—waste plastics, glass bottles, and other recyclables—from its 69.8 tons of annual synthetic resin waste, recycling 8.46 tons and cutting treatment volumes by 12.12% year over year. This achievement marks our shift away from landfilling and incineration toward a closed-loop approach to resource circulation, and we will continue advancing waste separation and raising recycling rates.

Closed-Loop Recycling
Hankook & Company designs resource circularity into lead-acid battery production, pursuing manufacturing that minimizes environmental impact through in-process recycling, which recovers production scrap such as slurry, waste lead powder, and dross, and through end-of-life recycling, which reclaims discarded products. Lead (Pb), the primary raw material, undergoes granular treatment: we sort lead scrap by process source, distinguishing slurry, end-of-life products, spent plates, waste lead powder, and dross, and then remelt and repurpose it as recycled feedstock for our own production. Where in-house recycling is not feasible, we channel production waste to designated recycling partners for recovery into raw materials. We also ensure that post-consumer products follow the same route back into the material stream. We have set recycled-content goals for lead and polypropylene (PP), our principal raw materials, concentrating our efforts on end-of-life recycling to foster the circular economy. Beyond lead, we identify and implement recycling pathways for designated and general waste, advancing the transition to closed-loop recycling, improving resource efficiency, and reducing our environmental footprint.

Closed-Loop Recycling Framework



BIODIVERSITY

Governance

Hankook & Company recognizes biodiversity as a core element of natural capital and embeds responsibility for its conservation, alongside environmental impact reduction, within its company-wide environmental management system. We understand that biodiversity underpins our production activities through a range of ecosystem services, including water provision, air purification, and climate regulation, and that any degradation of these services could materially affect business continuity. To identify, evaluate, and manage biodiversity-related risks systematically, we have established a biodiversity management process that aligns with the LEAP (Locate, Evaluate, Assess, Prepare) approach of the TNFD (Taskforce on Nature-related Financial Disclosures) framework. The process begins by locating each site's ecological sensitivity, then proceeds through assessments of our dependencies and impacts on natural capital, analysis of risks and opportunities, and the formulation of response strategies. This process strengthens our decision-making to minimize environmental risk.

To map the relationship between battery manufacturing and natural capital, we applied the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) tool. The analysis found that battery manufacturing depends comparatively heavily on water-related regulating and maintenance services—including water supply, rainfall pattern regulation, water purification, flow regulation, and flood and storm mitigation. As our production processes require a stable water supply and rigorous water quality management, we identified the degradation of water-related ecosystem functions as a key risk to production stability and operating costs.

The analysis also showed that battery manufacturing carries a comparatively high potential for hazardous substance releases to water and soil through process operations and chemical handling, and confirmed waste generation, land use, air pollutant emissions, and greenhouse gas emissions as additional factors that can affect natural capital. In response, we will reinforce our environmental management system with a focus on preventing water and soil contamination, and will minimize natural capital-related risks by upgrading our hazardous chemical and waste management and intensifying water resource monitoring. We will also continue to improve our production and operating systems in harmony with natural capital, reducing environmental impact and strengthening the foundation for sustainable business operations.

Biodiversity Management Process

1 Step — Locate the interface with nature
2 Step — Evaluate dependencies and impacts
3 Step — Assess risks and opportunities
4 Step — Prepare to respond
5 Step — Report

Dependencies

Ecosystem services	Dependencies drivers	Materiality rating
Provisioning services	Water supply	Medium
Regulating and maintenance services	Global climate regulation services	Very Low
	Rainfall pattern regulation services	Medium
	Local climate regulation services	Low
	Air filtration services	Very Low
	Soil and sediment retention services	Low
	Solid waste remediation	Low
	Water purification services	Medium
	Water flow regulation services	Medium
	Flood mitigation services	Medium
	Storm mitigation services	Medium
	Noise attenuation services	Very Low
	Other regulating and maintenance service - Dilution by atmosphere and ecosystems	Low
	Other regulating and maintenance service - Mediation of sensory impacts (other than noise)	Very Low

Impacts

Impacts drivers	Materiality rating
Disturbances	Medium
Emissions of GHG	Very Low
Emissions of non-GHG air pollutants	Low
Generation and release of solid waste	Low
Area of land use	Low
Emissions of toxic pollutants to water and soil	High
Volume of water use	Low

BIODIVERSITY MANAGEMENT

Governance

At the site level, we take a more granular look at biodiversity risks using the Integrated Biodiversity Assessment Tool (IBAT) and the WWF Biodiversity Risk Filter. The analysis distinguishes physical risks (direct impacts from climate and natural environmental change), reputational risks (shifts in stakeholder perception arising from environmental damage), and threat levels and restoration potential, while taking comprehensive account of proximity to protected areas and the distribution of endangered species based on the IUCN[1] Red List. Through this analysis, we quantitatively assess the level of biodiversity risk at each site and identify priority areas for management.

For these priority areas, we are reviewing future management approaches, and in some locations, are exploring ways to connect biodiversity conservation with community-based social contribution initiatives. Going forward, we plan to extend this framework beyond our own sites to both upstream and downstream operations including the regions that supply our key raw materials, evolving our biodiversity management system to span the entire value chain. This will allow us to manage our interactions with natural capital with greater precision and to strengthen our capacity to respond to environmental risks over the mid- to long-term.

1) IUCN: International Union for Conservation of Nature

Comprehensive Assessment Results: Physical & Reputational Risk, Threat Abatement & Restoration Potential

Risk Score	Physical Risk	Reputation Risk	Threatened Species[1]		Total	STAR Metric[2]	
			Critically Endangered (CR)	Endangered (EN)		Threat Abatement	Restoration
Daejeon Plant	4.25	3.81	0	13	13	0.451	0.578
Jeonju Plant	4.16	3.9	10	39	49	0.693	0.506

1) Based on species classified as Critically Endangered (CR) or Endangered (EN) on the IUCN Red List within a 50 km radius.
2) The Species Threat Abatement and Restoration (STAR) metric quantifies the potential contribution to reducing species extinction risk.

Policy

Biodiversity Policy

Hankook & Company recognizes nature and ecosystems as the cornerstone of sustainable corporate growth and industrial activity, and has established a biodiversity conservation policy accordingly. This policy applies across all our domestic and overseas operations, subsidiaries, and employees, and we are cascading it across our supply chain to embed its intent more broadly. Our core principles for biodiversity protection are compliance with international standards and regulations, impact minimization, a precautionary approach, and collaboration with stakeholders. Taking into account the dependencies and impacts of our business operations on biodiversity, we aim to achieve 'No Net Loss' in the near term, while progressing toward 'Net Positive Impact' over the mid- to long-term. We also recognize the importance of collaborating with local communities and our supply chain on biodiversity conservation, and have embedded this principle into our policy direction. This approach reflects our commitment to the shared responsibility for biodiversity protection, and provides a foundation for progressively expanding the scope of our management efforts in step with our business operations.

Key Initiatives

As part of our biodiversity conservation efforts, we manage environmental impacts and pursue ecosystem protection and restoration initiatives in the communities where we operate. In collaboration with local communities and relevant institutions, we help raise awareness and broaden the foundation for biodiversity conservation. Among our flagship initiatives, we sponsor the research activities of the Chollipo Arboretum Foundation, a biodiversity management institution designated by the Ministry of Environment. The Foundation engages in a wide range of biodiversity conservation activities, including propagating and conserving endangered plants and native species, operating multilateral seed exchange programs, developing standard manuals for ex-situ conservation species, collecting and propagating rare and endemic plants native to Korea, and securing seeds of local wild plants . In particular, the Foundation is instrumental in conserving endangered plants, securing genetic resources, and maintaining plant species diversity. Collecting and propagating specific plant genera, including Magnolia, Camellia, and Ilex, the Foundation helps build essential baseline data for plant diversity conservation in Korea and globally. Through our support for research and conservation, we contribute to sustaining and strengthening the basis for biodiversity conservation across the country.

Social

At Hankook & Company, people come first. We grow together with our employees, suppliers, and communities—supporting our employees' human rights, safety, and well-being, building shared success with our suppliers, and opening new possibilities for the communities around us. Together, we are shaping a better tomorrow for all.

HUMAN RIGHTS MANAGEMENT

Strategy

Hankook & Company advances its human rights management strategy around risk management and respect for human rights, upholding the core principle of its human rights policy that prioritizes human dignity and worth above all else. Grounded in strong governance, our strategy centers on strengthening human rights due diligence and preventing potential violations across all business operations.

Advancing Governance-based, Responsible Management

Our human rights governance places the Board of Directors and the ESG Committee at the apex of decision-making, supported by working-level bodies including the Society Committee. This structure supports integrated management beyond organizational silos across HR, ESG, purchasing, and ethics. With the ESG Team at the holding company playing a leading role, we riglrously assess the human rights context of each affiliate and establish company-wide mid- to long-term targets and annual initiatives, driving them through to execution.

Data-Driven, Proactive Human Rights Risk Management

Each year, we assess our human rights impacts on all stakeholders—employees, customers, communities, and the supply chain—against global standards including the International Bill of Human Rights and the UN Guiding Principles on Business and Human Rights (UNGPs). Where we identify risks, we prioritize them through an integrated analysis of significance, severity, and likelihood, then design and implement tailored remediation measures that apply the higher of local law or international standards.

Inclusive Human Rights Culture and Transparent Communication

We extend equal working conditions to every member of our workforce—regular employees, contract workers, and foreign national workers alike—and we uphold a workplace safety through zero-tolerance enforcement against sexual harassment and bullying. At the beginning of each year, senior leadership is briefed on the progress and outcomes of our human rights management through the ESG Strategy Committee, and we disclose these results transparently to internal and external stakeholders through channels including our ESG report, positioning ourselves as a trusted, socially responsible company.

Governance

Human Rights Governance

Hankook & Company's human rights governance brings together the Board of Directors, top management, the Chief Human Rights Officer, a dedicated human rights department, and relevant functions. The Board and its ESG Committee serve as the highest decision-making bodies for human rights management, while top management reviews salient human rights issues and oversees the sound implementation of human rights practices across the company. The Chief Human Rights Officer directs human rights management overall—from assessing current status and planning improvements to identifying and remediating risks. Our dedicated human rights department, the ESG Team, works with functions including HR, Ethics, SHE, and Corporate Culture to evaluate the company's overall human rights standing each year and to develop improvement plans, embedding a sound human rights culture firmly across the organization.

To advance our human rights management, we set annual initiatives and track their progress through the Society Committee, one of the Steering Committees. The Society Committee functions as a consultative body where the working-level departments responsible for human rights management convene to communicate and reach decisions. The HR organization, the ESG Team, and the Purchasing Team overseeing our supply chain jointly develop annual initiatives to advance our mid- to long-term strategy and targets, review progress regularly, and report to senior leadership through the ESG Strategy Committee at the start of each year. This robust governance foundation enables us to oversee human rights across our business operations, embed a sound human rights culture, and raise the bar for our human rights management.

Human Rights Governance

Board of Directors (ESG Committee)

Top management

Chief Human Rights Officer

Lead Function	ESG Team	Oversee the company's human rights management system including human rights impact assessment
Working-level Functions	HR, ethics, SHE, other relevant teams	Monitor human rights risks, develop remediation plans, provide training, etc.

Key Activities and Outcomes by Area

Labor	Operating a grievance handling system, training and raising awareness among grievance handling personnel, providing human rights training, including sexual harassment prevention and the prohibition of discrimination and harassment
Ethics	Operating whistleblowing mechanisms, publishing the E-Ethics Letter
Safety	Providing health and safety training, providing psychological counseling support for employees, assessing and improving workplace safety through risk assessment

HUMAN RIGHTS MANAGEMENT

Policy

Human Rights Policy

Hankook & Company regards human rights as a universal human value and places human dignity and worth above all else, embracing its responsibility to protect and promote human rights across every aspect of its business. To that end, we maintain a human rights policy committing us to respect and protect the human rights of all our people—including contract, temporary, and foreign workers—as well as every stakeholder we engage through our business, from customers and local communities to suppliers.

We uphold international labor and human rights standards—among them the International Bill of Human Rights, the UN Global Compact, the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, and the UN Convention on the Rights of the Child—and comply with the applicable laws of every country where we operate. Where local law and international standards diverge, we apply whichever sets the higher bar.

In line with the UNGPs' disclosure principle, we report our human rights activities and their outcomes with full transparency. We publish our human rights policy on our global website, and our annual ESG Report illustrates how our operations affect human rights, the framework we use to manage them, and the initiatives we pursue—deepening stakeholder trust and carrying our human rights commitment forward.

Full version of our human rights policy

Management Activities

Stakeholder Communication

Hankook & Company respects human rights as it works toward a sustainable future built on shared growth with its stakeholders. In our pursuit to respect human rights, we gather stakeholder perspectives through diverse channels and incorporate them into our business operations, while sharing our ESG performance and plans in return. These channels range widely, from informal dialogue to strategic partnerships, and they reach a broad community—employees, customers, suppliers, shareholders and investors, governments, local communities, civil society organizations, and international bodies.

Stakeholder Communication Channels

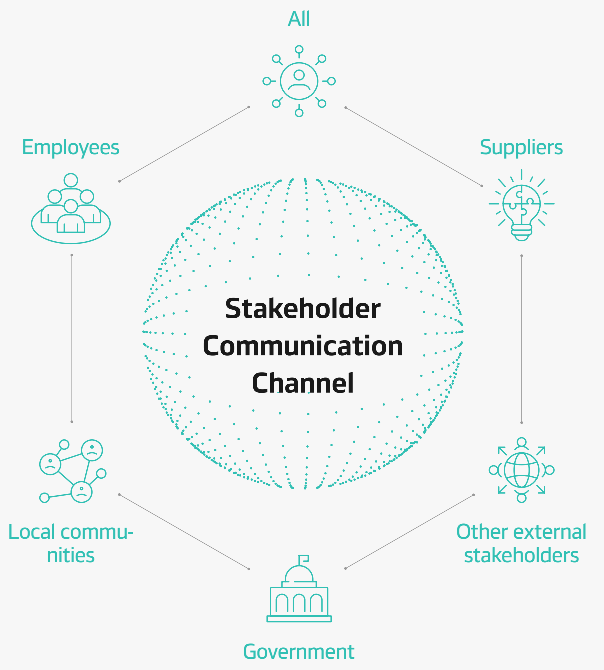
Misconduct Reporting
Receive proposals for improvements to our entire operations through the Misconduct Reporting section of our global website

Corporate culture assessment: Organizational Engagement Survey (global), culture survey
Assess our corporate culture to understand the current state of each organization and identify areas for improvement

Junior Board
Collect feedback from millennial and Gen Z opinion leaders to identify and improve issues

Complaints
Collect proposals for improvements in relation to employees' corruption, misconduct, or inappropriate practices and policies

Local communities and community leaders
Engage in continuous communication with community leaders as well as local governments in areas where we are based to gather community feedback



Human rights reports
Submit country-specific human rights reports in accordance with applicable legal requirements

Supplier communication
Collect feedback and strengthen partnerships through regular supplier communication channels

Supplier proposal program
Collect any ideas from suppliers to improve issues and pursue mutually beneficial supply chain relationships, and aware outstanding ideas

Shareholders
Host conference calls, attend conferences led by securities firms, and hold year-round IR meetings to collect and reflect feedback from domestic/overseas investors

Customers (OEMs, end customers, and dealers)
Operate wide-ranging communication channels including the customer satisfaction center, car maker assessments and meetings, and dealer discussion meetings

Employee Communication and Grievance Handling

Hankook & Company maintains a range of communication channels designed to cultivate a positive corporate culture built on horizontal communication, the resolution of employee grievances, and the prevention of workplace disputes. Our regular Organizational Engagement Survey and corporate culture innovation survey allow us to assess the state of each organization and drive improvement initiatives in response to issues identified. We operate a structured grievance mechanism through which any employee affected by an adverse impact may raise a concern. Grievances are heard through multiple channels and are managed on an ongoing basis to ensure prompt, proactive resolution. Designated grievance personnel, trained in our grievance-handling policies and guidelines, remedy harm in accordance with established procedures, reflecting our broader commitment to protecting workers' human rights and fostering a healthy, safe working environment.

HUMAN RIGHTS MANAGEMENT

Training

Human Rights Training

Hankook & Company delivers a range of human rights training designed to cultivate a healthy organizational culture, one in which every employee works on a foundation of respect and trust. In 2025, office and technical staff across the company completed online video training through Proactive Academy, our in-house learning management system, reaching a 95% completion rate. The curriculum addressed such human rights themes as respect for diversity, non-discrimination, fairness, and mutual respect, and equipped employees to bring these values into their daily work. It placed particular emphasis on the importance of diversity and inclusion and on fostering communication rooted in mutual respect among colleagues. We will continue expanding programs that deepen awareness of human rights and ethics, advancing a rights-respecting culture in which every employee is valued.

External Training for Grievance Handling Personnel

To reinforce the expertise and effectiveness of our grievance mechanism, we sponsored external training for the employees who handle grievances. Those appointed to the role attended two sessions of specialized external training, strengthening their practical expertise in relevant legislation, grievance procedures, and counseling and response techniques. At each site, we designate one male and one female grievance handling staff member, and provide a structured schedule of regular training. Together, these measures ensure that employees can raise concerns with confidence, and that every grievance receives a prompt and impartial response.

Human Rights Impact Assessment

Human Rights Impact Assessment Process

Hankook & Company conducts human rights impact assessment once a year across all global sites, including its Headquarters, domestic and overseas plants, R&D centers, and overseas offices and subsidiaries. This process allows us to proactively identify human rights risks affecting our employees and stakeholders, and to drive prevention, mitigation, remedication and monitoring to continuously strengthen our human rights practices along with protection. Beyond scores generated through multiple-choice surveys, we draw on employees' open-ended responses captured as Voice of Employee (VOE) input to understand vulnerable areas and set priorities and plans for improvement. In consultation with site leadership, we identify evaluation subjects with particular attention to groups considered vulnerable, such as employees returning from parental leave, new hires, and non-regular workers, using specialized questions to ensure a more precise assessment. To support accurate responses, we provide training on our human rights practices and policies as well as grievance mechanism ahead of the assessment. In 2025, the assessment covered all our global sites. From 2026, we plan to expand its target and scope to include human rights, environmental, and safety assessments across our supply chain.

Human Rights Impact Assessment Results

Hankook & Company draws on the previous year's assessment findings to identify areas for improvement by site and organization, then plans and implements targeted actions accordingly. In 2025, we conducted the assessment across seven sites worldwide. Year-over-year, employees' basic human rights protection and awareness improved overall, with no severe risks identified. In particular, we conducted additional assessments on occupational safety and health for representative managers at our domestic and overseas plants, and on responsible supply chain management for leaders (team leaders) within our global purchasing organization. Questions concerning compliance with fundamental labor laws, including the prohibition of child labor and occupational safety protections, yielded a very high proportion of positive responses. As in the prior year, however, the need for improvement was found to be comparatively high with respect to awareness of and trust in the grievance mechanism. We will continue to enhance our remediation procedures, protect the identities of affected individuals and whistleblowers, and strengthen transparency, alongside expanded training and awareness efforts, to build greater employee trust. Through these human rights due diligence activities, we remain committed to establishing the optimal policies and management systems.

Diversity

Enhancing Diversity in Talent Management

Hankook & Company advances its diversity agenda over the mid- to long-term, in the conviction that sustainable growth rests on a workforce in which people of different backgrounds work and grow together. Our focus extends beyond raising the share of women: we are building a more resilient talent management system that integrates recruitment, retention, development, and workplace improvement into a coherent whole. To this end, we are pursuing a target of 30% female representation among office staff in Korea by 2030, progressing toward this goal through job-specific hiring and the continual review of our workforce composition. We are also clarifying how we identify and develop our pipeline of leadership candidates, supporting the steady growth of female talent within the organization, while complementing these efforts with workplace improvements that support their retention and growth over the long term. By encouraging fuller use of our family-friendly programs and refining our approach to career development, we are reinforcing the conditions under which these policies take effect in practice.

1	Human rights impact assessment conducted annually
7	Sites covered by the 2025 human rights impact assessment
30%	Target for female representation among office staff in Korea by 2030

TALENT

Management System

Advancing Our Talent Management System

In pursuit of sustainable competitiveness, Hankook & Company operates a talent management system that unites recruitment, placement, evaluation, compensation, and development within a single, coherent framework. Our talent management function establishes consistent HR standards across Headquarters, sites, and R&D centers, and continually refines this framework in alignment with our organizational strategy. Guided by HR systems attuned to each job, role, and organizational context, we exercise care in selecting and placing talent, and we administer evaluation and compensation frameworks that weigh both performance and competency. Our core talent program enables us to manage individuals with high growth potential and professional expertise in a systematic manner, reinforcing the foundation for filling pivotal roles and cultivating leaders over the mid- to long-term. More recently, as digital transformation and the adoption of AI have expanded, we have concentrated on enhancing the efficiency of our HR operations and grounding them more firmly in data. Looking ahead, we will continue to develop a digitally enabled HR operating model that supports new ways of working and strengthens organizational productivity.

Support for Employee Growth

Growth-centered Talent Development

Hankook & Company regards the growth of its employees as a vital source of competitive strength and maintains training and leadership development systems tailored to specific roles and career stages. We provide distinct programs for new hires, working-level staff, and managers, while steadily broadening learning opportunities that build both job-specific expertise and shared competencies. To cultivate our next generation of leaders and core talent, we operate the Core Proactive Leader (CPL) and Proactive Talent Program (PTP): these initiatives extend growth opportunities—project assignments, coaching, and expanded responsibilities—to future leadership candidates and high performers, and help develop the practical leadership they need in areas such as team management, collaboration, and problem-solving. In parallel, we are expanding the learning infrastructure that strengthens our AI and data capabilities as digital transformation reshapes how we work. Through hands-on training and support for strengthening digital collaboration skills, we enable employees to apply new technologies in their day-to-day work, establishing a foundation for growth that adapts readily to an evolving workplace.

Performance Management

Performance Management System

At Hankook & Company, performance management serves not as a routine evaluation exercise but as a core operating system—one that aligns organizational and individual goals and advances employee growth and company performance in tandem. We continually refine this system to apply more consistent standards across our Headquarters, R&D organization, and sites, while remaining attentive to their distinct organizational context. Built on a continuous cycle that moves from goal-setting through performance review, evaluation, and feedback, the system rests on management standards that we are reinforcing to define managers' roles and responsibilities with greater clarity. We are equally committed to making performance management more actionable: evaluation results reach beyond a simple rating to inform each employee's development, placement, and compensation. Recognizing that a fair, well-received evaluation depends on dialogue, we place communication with those being evaluated at the center of our management approach, providing managers with training in feedback and communication.

Benefits

A Family-Friendly, Flexible Workplace

Hankook & Company provides a comprehensive range of employee benefits designed to help employees work with stability through every stage of life. Our programs span childbirth, childcare, family care, and health, supporting the balance of work and family through life-stage programs such as maternity leave, parental leave, reduced hours during the childcare period, fertility treatment leave, and prenatal check-up leave. Family care leave and reduced working hours allow employees to respond flexibly to circumstances such as a family member's illness, injury, or aging. Our flexible work arrangements, which give employees discretion over their working hours, foster both engagement and work-life balance, while health screening support extends preventive care to employees and their families alike. Beyond these, we offer benefits that support daily life and work together—welfare points, employee loans, family event support, leisure benefits, employee purchase discounts, and relocation allowances—ensuring that our employees can work in an environment of greater stability and security.

TALENT

Organizational Culture

Corporate Culture Grounded in Proactive Culture
Hankook & Company Group is building an organizational culture where continuous innovation and growth are driven by the autonomy and execution of its employees. At the center of this effort is Proactive Culture, the Group's distinctive corporate culture, characterized by employees who identify and solve problems on their own initiative, driving change across the organization through proactive thinking. Embedded throughout our policies and systems, this culture empowers employees to put innovation into practice as part of their everyday work.

Innovating the Way We Think
Hankook & Company Group fosters a culture driven by ideas and execution that inspires every employee to become an agent of innovation. Proactive Studio, our in-house platform, connects the full journey from idea proposal to execution, while Proactive LAB, our innovation challenge program, brings outstanding ideas to life. Together, these initiatives cultivate a culture that embraces challenge without fear of failure, reinforcing an execution-driven mindset in which ideas consistently translate into tangible outcomes.

Innovating the Way We Communicate
Hankook & Company Group is building a horizontal, a culture of open and respectful communication in which employees address one another by name, rather than by job title, as an expression of mutual respect and equality. We strengthen two-way communication by sharing company-wide news and insights through digital collaboration platforms, and operate a range of programs including Proactive Concert, Unexpected Connections, Unexpected Series, and Knowledge Sharing sessions. Unexpected Series, in particular, fosters connections across teams to help build collaborative relationships, promoting organic communication and collaboration that transcends organizational silos.

Innovating the Way We Work
Hankook & Company Group drives innovation in how we work, with change originating in the everyday behavior of our people. The "Less for Better" campaign scrutinizes inefficiencies in routine processes—reporting, meetings, and approvals—reshaping them into a work environment that is leaner and better geared for execution. The "Promise of Hankook" campaign advances a culture of trust founded on responsibility and respect, one in which colleagues extend consideration to one another and stand by their commitments. The "Better Together" campaign enables employees to experience the value of collaboration and connection firsthand; conducted through team-based activities, it broadens shared experience and draws the organization closer together. Complementing these efforts, our Junior Board program positions employees as agents of change and innovation, affording them the standing to act and grow from a foundation of positive culture. By carrying the ideas it surfaces through to tangible operational improvements, we continue to widen the reach of change and execution across the organization.

HEALTH AND SAFETY

Governance

Health and Safety Governance

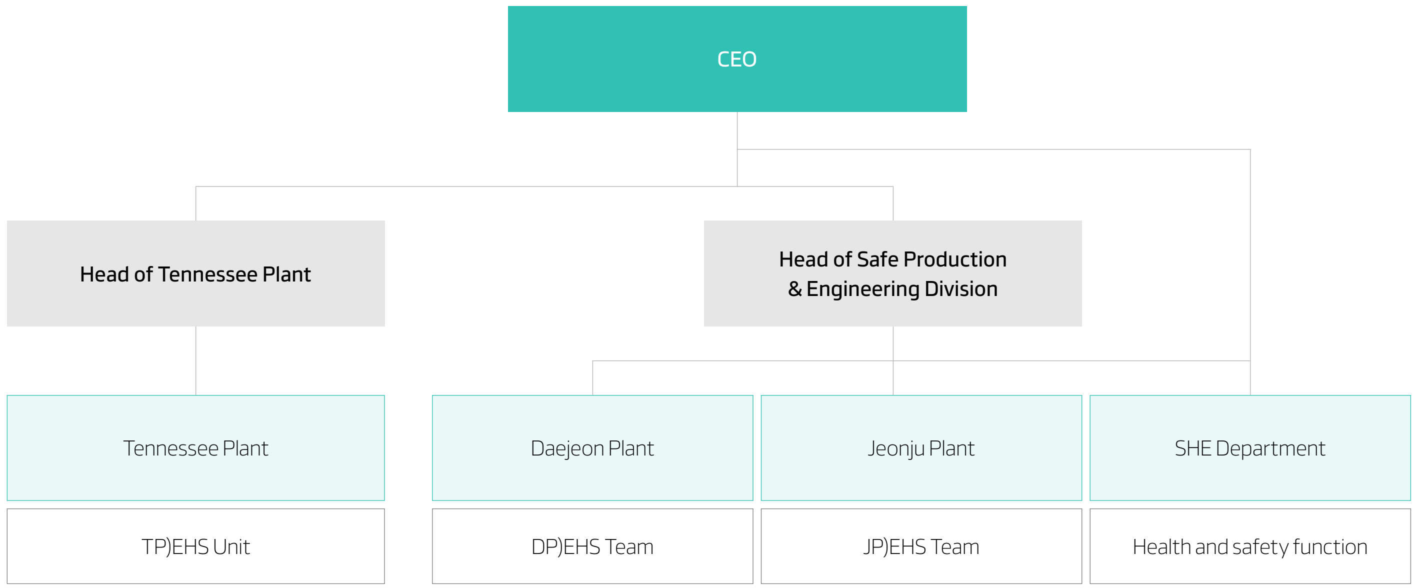
Hankook & Company has established a dedicated governance framework to ensure that health and safety is managed in a systematic and efficient manner. The SHE Department, which reports directly to the CEO, oversees health and safety across the company and supports the responsible management officer to continuously verify our fulfillment of the duty to ensure health and safety. At each site, dedicated safety teams carry out day-to-day health and safety activities, fostering a strong safety culture on the ground and preventing accidents to maintain safe working environments. In addition, the CEO chairs the SHE Management Committee, which formulates company-wide strategies and responses to health and safety issues and drives coordinated action across all sites to uphold our health and safety commitments.

Policy

Safety and Health Policy and Culture

Hankook & Company regards health and safety management as a core corporate value, grounded in the belief that every worker has the right to a safe working environment. We operate a preventive system that proactively addresses potential risks, and are channeling our company-wide capabilities into building a health and safety system that goes beyond regulatory compliance to meet global standards. To this end, we have established a safety and health management policy and principles, which apply not only to all employees but to everyone who works with the company, including contractors and suppliers. We continuously communicate these standards so that all employees understand and put them into practice, encouraging each individual to take ownership of health and safety and to make accident prevention part of their everyday work.

Organizational Chart for Health and Safety Management



Safety and Health Management Policy

The safety and health management policy of Hankook & Company is to prevent work-related injuries and health impairments to workers, and to provide a safe and healthy workplace. By eliminating organizational risk factors and implementing effective preventive and protective measures, we strive to minimize safety and health risks.

1. We recognize safety and health management as a top priority within our management strategy and continuously carry out activities to prevent all occupational injuries and work-related illnesses.
2. We establish and faithfully implement internal management standards that comply with applicable safety and health laws, regulations, and other relevant requirements.
3. We assess safety and health impacts, set safety and health objectives, and pursue continuous review and improvement through systematic implementation.
4. We ensure the safety and health of all workers by eliminating hazards and reducing safety and health risks, and actively promote continuous improvement of the safety and health management system, including education and training.
5. We establish communication systems with workers, worker representatives, and all relevant stakeholders to provide information and encourage consultation and participation in safety and health management activities.
6. This safety and health management policy applies not only to workers of the company but also to contractors, external partners, and all individuals engaged in work-related activities.

View the full version of the Safety and Health Management Policy (principles)

HEALTH AND SAFETY

Policy

Health and Safety Management System Certification (ISO 45001)
Hankook & Company operates a health and safety management system to prevent occupational accidents and systematically manage hazards across its sites. Both our domestic production sites, the Daejeon and Jeonju plants, have obtained ISO 45001 certification—covering 100% of domestic production facilities—demonstrating the professional rigor of our health and safety operations.

Health and Safety Management System Certification Overview

Certification type	ISO 45001 (health and safety management system)
Certification scope	100% of production sites in Korea (Daejeon, Jeonju)
Validity period	Until September 11, 2028

Health and Safety Management Process and Implementation
Hankook & Company operates a structured health and safety management process, grounded in the Occupational Safety and Health Act and other applicable regulations, to keep employees safe and maintain a comfortable working environment. A dedicated health and safety organization ensures accountable management and continues to strengthen our internal standards. We focus on prevention, conducting regular site inspections and safety patrols to identify and eliminate hazards before they result in incidents. Employees also receive tailored safety training on a regular basis, reinforcing a self-directed safety culture in which everyone takes personal responsibility for safety.

Strategy

Advancing the SHE (Safety, Health, and Environment) Management System and Fostering a Safety Culture
Hankook & Company's foremost goal is to create workplaces that are both safe and enjoyable. To this end, we are driving meaningful changes in safety awareness on the ground and embedding a self-directed safety culture. We operate a standardized management system that aligns with ISO 45001, the globally recognized standard for health and safety management. In particular, we apply the PDCA (Plan-Do-Check-Act) cycle to all safety activities, continuously identifying and addressing hazards to advance our safety management on a sustainable footing.

Training

Strengthening Health and Safety Training and Emergency Response Capabilities
Hankook & Company's structured training system is designed to instill safety awareness among on-site employees and strengthen their professional competence. Each year, we develop an annual training plan and deliver tailored health and safety programs selected for their practical relevance to each job function. To ensure objectivity and professional depth, we partner with reputable external institutions such as the Korean Red Cross and the Korea Industrial Health Association. Supervisors, who play a pivotal role in on-site safety, receive specialized training conducted by external professional institutions, helping them build the expertise to manage safety with clear accountability. In addition, we conduct company-wide emergency response drills every year, based on scenarios specific to each site, such as fire, explosion, and chemical leaks. Through these drills, we continue to strengthen our response capabilities, including the ability to take immediate initial action in an emergency.

Risk Management

Health and Safety Risk Management Process
Hankook & Company has placed the CEO at the center of its health and safety management system, establishing governance that spans the entire company. We have formulated a strategy for advancing our SHE management system to proactively manage emerging health and safety risks, while the dedicated health and safety organization reporting directly to the CEO conducts regular monitoring of our fulfillment of the duty to ensure health and safety. In response to heightened legal requirements, including the Serious Accidents Punishment Act, we have also designated health and safety teams at each site to ensure effective implementation on the ground. To mitigate risks, standardized risk assessments are conducted semiannually at all sites, complemented by ad-hoc assessments carried out immediately upon issues such as process changes or near misses, thereby eliminating potential hazards at their root. Each site also undergoes periodic independent reviews by external safety experts to address blind spots that internal procedures may overlook, securing both professional depth and objectivity in our risk management process.

Health and Safety Risk Management Process
Hankook & Company has placed the CEO at the center of its health and safety management system, establishing governance that spans the entire company. We have formulated a strategy for advancing our SHE management system to proactively manage emerging health and safety risks, while the dedicated health and safety organization reporting directly to the CEO conducts regular monitoring of our fulfillment of the duty to ensure health and safety. In response to heightened legal requirements, including the Serious Accidents Punishment Act, we have also designated health and safety teams at each site to ensure effective implementation on the ground. To mitigate risks, standardized risk assessments are conducted semiannually at all sites, complemented by ad-hoc assessments carried out immediately upon issues such as process changes or near misses, thereby eliminating potential hazards at their root. Each site also undergoes periodic independent reviews by external safety experts to address blind spots that internal procedures may overlook, securing both professional depth and objectivity in our risk management process.

HEALTH AND SAFETY

Safety Culture

Fostering a Safety Culture
Hankook & Company regards safety as its highest priority and is committed to embedding a culture in which every employee practices safety as part of their daily work. To prevent high-risk behaviors that could lead to serious accidents, we have established and announced the Seven Safety Rules, a set of field-oriented behavioral standards, and engage in company-wide safety communications to ensure all employees put them into practice. We have also installed standing banners and placards at key locations across our sites, keeping the rules in constant view and reinforcing their observance in everyday operations. To extend safety communications directly to the field, we have produced and distributed TBM (Toolbox Meeting) cards, which enable workers to review safety rules and share potential hazards before commencing work, further advancing a self-directed safety culture.

Seven Safety Rules

1	Perform LOTO (Lock Out, Tag Out) before responding to equipment trouble
2	Wear personal protective equipment (PPE)
3	Conduct safety checks before each task
4	Keep the work area clean and organized after every task
5	Speak up and correct unsafe behavior by colleagues
6	Stop work immediately when danger is detected
7	Never rush even under time pressure

Health and Safety Support for Suppliers

Strengthening Health and Safety Support for Contractors in Pursuit of Mutual Growth
Hankook & Company ensures the safety of contractors performing maintenance, transportation, and other work at its sites to the same standard applied to its own employees, and continues to strengthen collaborative partnerships to create safe shared workplaces. Before entering into any contract, our contractor qualification program evaluates each contractor's health and safety management capabilities from multiple angles, partnering only with companies whose safety competence has been verified. For high-risk operations, a permit-to-work system ensures that hazards are fully controlled before work proceeds. To build a safety net without blind spots, we have stepped up unannounced inspections of contractor worksites and focused on preventive measures that address potential hazards before they materialize, rooting risk management firmly in the field. We also convene regular health and safety councils with our contractors—gathering their feedback, supporting their training, and jointly reviewing and resolving hazards identified on site—to establish a safety management framework grounded in equal partnership and shared initiative.

Employee Health Management

Preventing and Responding to Musculoskeletal Disorders
Hankook & Company takes a multi-layered approach to preventing musculoskeletal disorders among its employees. At our plants in Korea, we conduct surveys of tasks posing a high risk of musculoskeletal disorders and analyze working environments and job processes using ergonomic analysis programs. The findings inform our efforts to identify improvements to reduce physical strain, implement engineering enhancements such as automation and equipment upgrades to lighten the physical load, and provide appropriate supportive braces where needed to help prevent musculoskeletal disorders. For tasks involving repetitive motions or awkward postures, we design and refine our work standards to reduce the risk of injury. Employees experiencing musculoskeletal pain can promptly receive medical care at a hospital of their choice, including company-designated hospitals, orthopedic clinics, and Korean medicine clinics, so that symptoms are treated before they develop into serious conditions.

Strengthening Workplace Environment Management
To protect employee health and maintain a comfortable, safe working environment, Hankook & Company conducts working environment monitoring twice a year, measuring exposure levels to hazardous agents such as noise, dust, and harmful chemicals and posting the results for employees. This monitoring allows us to assess the extent of employee exposure, correct any issues identified, and maintain a safe working environment, contributing to both the health and the productivity of our workforce. During the summer months, we monitor workplace temperatures on an hourly basis each day and improve working conditions while providing salt and glucose tablets to safeguard employees from heat-related illnesses. Through our hearing conservation program, we also work to eliminate major noise sources across our processes.

Employee Health Screening and Job Stress Management
Hankook & Company provides annual comprehensive health screenings for its employees, going beyond the statutory health examinations required by law, to support their long-term health and prevent disease. These comprehensive screenings cover employees and their families, helping to prevent chronic diseases and detect illnesses at an early stage. To provide more attentive care, we offer advanced screening options, including CT scans, MRIs, and colonoscopies, and allow employees to select the screening items they wish to receive from a significantly wider range of choices. Through these programs, we systematically support the health of our employees and their families and help them detect and prevent illness early. To support employees' mental well-being, job stress assessments are conducted alongside the annual screenings, giving employees a meaningful opportunity to identify and address workplace stress or personal difficulties.

SUPPLY CHAIN

Governance

Management Framework and Policy

Hankook & Company maintains a sustainable supply chain policy covering suppliers across all of its global operations, with the goal of eliminating potential environmental and social risks stemming from the sourcing of raw materials. Each year, we conduct regular ESG self-assessments of our suppliers to gain visibility into their ESG practices and review their fulfillment of environmental and social responsibilities based on their transparent disclosure—strengthening the reliability and sustainability of our supply chain. To grow together with our suppliers, we share the Hankook & Company Supplier Code of Conduct and require that suppliers respect and comply with it. The Code applies not only to our suppliers and their workers, contracted agencies and agents, and subcontractors, but also to all sub-tier suppliers with no direct contractual relationship with us. We may assess suppliers' compliance with the Code and, where necessary, conduct audits including on-site visits. Beginning in 2026, we have been distributing educational materials on key ESG issues to major suppliers through our ESG Letter, supporting ESG capacity-building across the supply chain. We will continue to refine our supply chain management framework and policies, with the aim of managing sustainability risks at every tier of our supply chain.

Supplier Code of Conduct

Supplier Management Process

Supplier Code of Conduct pledge and compliance	· Suppliers pledge annually to comply with the Hankook & Company Supplier Code of Conduct
Supplier ESG assessment and due diligence	· Conduct regular ESG due diligence and assessments of suppliers to identify and review risks
Identification and Management of Critical Suppliers	· Designate suppliers with significant impact on production as critical suppliers for focused management · Review and update the list of critical suppliers annually based on emerging issues and materiality
Supplier ESG risk remediation and monitoring	· Require high-risk suppliers to develop corrective action plans based on assessment results, with continuous monitoring of progress
Supplier ESG training and capacity building	· Provide suppliers with ESG training and capacity-building programs
ESG program performance management and committee reporting	· ESG Steering Committees set ambitious initiatives each year and report their implementation plans and results to the ESG Committee, enabling the ESG Committee to directly oversee supply chain ESG progress under an accountable, partnership-based governance structure · Report issues arising in the procurement process to the responsible committee

Supplier Communication

We provide a communication channel through which any supplier in our supply chain can report and seek resolution of ESG-related concerns, including unfair practices, without fear of retaliation. Through this open dialogue, we aim to strengthen our partnerships with suppliers and work together toward building a responsible supply chain.

ESG Assessment

Mandating Supplier ESG Self-Assessment

Every year, Hankook & Company requires suppliers to complete an ESG self-assessment, enabling them to evaluate their own ESG performance and collaborate with the company to address any gaps identified. The assessment spans six domains aligned with global ESG standards: human rights and labor, business ethics, health and safety, environment, sustainability, and supplier management. We apply this self-assessment consistently across our entire supplier base each year, and extend it to new suppliers through pre-screening to identify potential risks before they materialize. Where suppliers score low, we require them to implement improvement plans, thereby reinforcing the trust and stability that underpin our supplier relationships. In 2025, 72 suppliers completed the ESG self-assessment. Starting in 2026, we will conduct on-site due diligence of suppliers to foster a responsible supply chain, with a long-term plan to extend both self-assessments and due diligence to all suppliers.

Training and Improvement Support

Led by the Society Committee, Hankook & Company is advancing towards a sustainable supply chain and mutual growth with suppliers as the priorities that guide its supply chain management. Following the 2025 self-assessment, we provided ESG training to suppliers identified as requiring improvement, enabling them to address the gaps revealed by the assessment. In 2026, we will channel our efforts into developing sustainable raw materials in collaboration with our suppliers, while delivering targeted training in areas where they encounter difficulties, thereby broadening opportunities for shared growth. For suppliers where deeper review is warranted, we will also conduct ESG due diligence to verify conditions on site and pursue improvements jointly.

As external regulations take full effect, we plan to establish processes for assessing and mitigating related risks in advance, responding proactively to the evolving regulatory landscape and sustaining a resilient supply chain. To this end, we are reinforcing supply chain assessments and management measures to broaden supplier participation, and continuously expanding training and communication channels to deepen suppliers' understanding of the importance of ESG management and assessment. In particular, we intend to alleviate the burden on suppliers by providing support in areas they find most challenging, such as ESG disclosure and organizational management. These efforts will be complemented by a broader suite of programs designed to strengthen our suppliers' capacity for sustainable management.

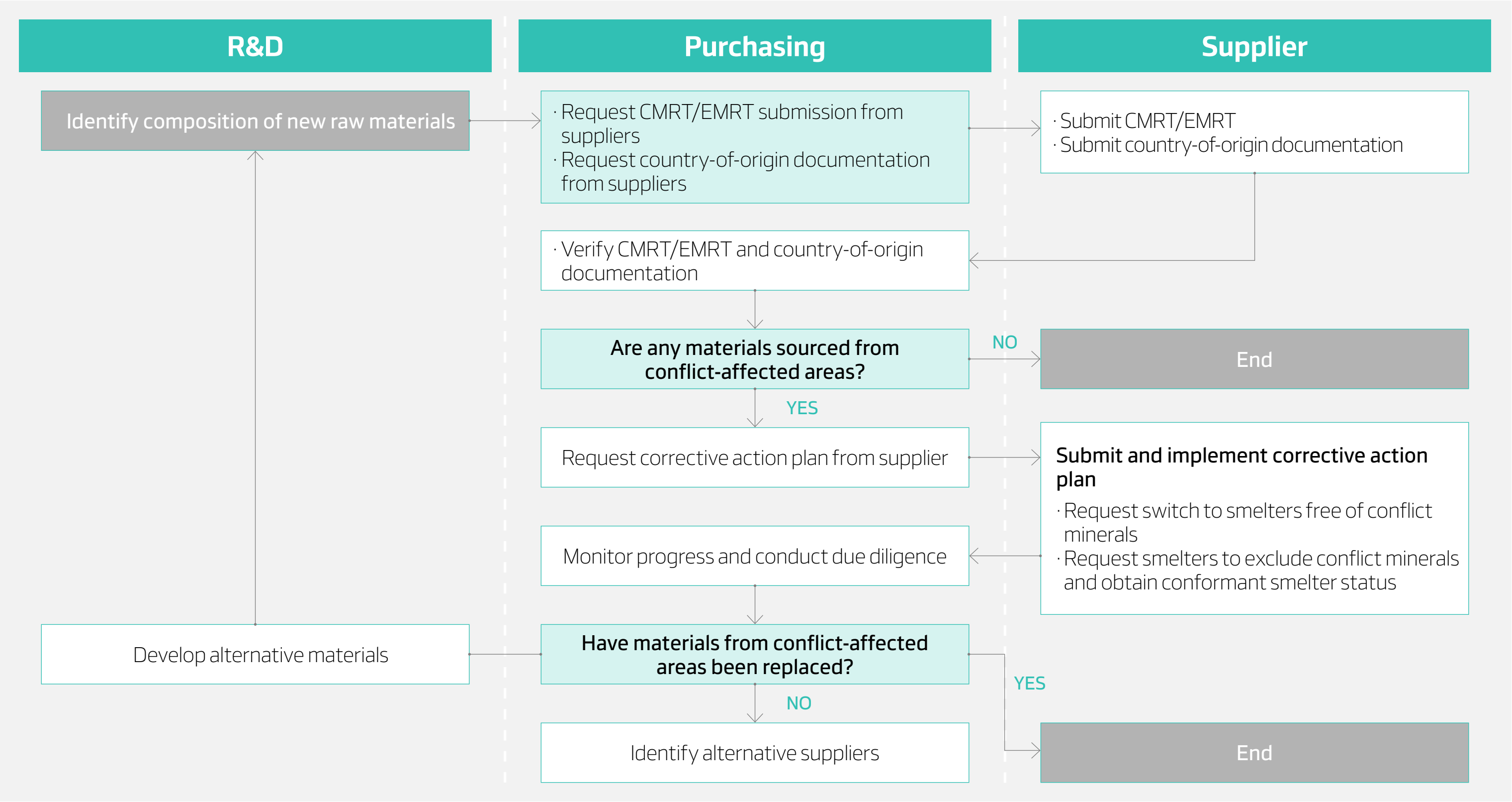
RESPONSIBLE MINERALS

Governance

Responsible Minerals Sourcing Policy

Hankook & Company implements a responsible minerals sourcing policy that alinges with the Responsible Minerals Initiative (RMI) and OECD Due Diligence Guidance. The policy is made available on our supplier portal, and all suppliers are required to comply with it. We also maintain systematic processes and procedures for tracing minerals across our supply chain and for identifying and assessing sourcing risks associated with minerals originating from conflict-affected and high-risk areas. To uphold human rights, protect the environment, and conduct business ethically and responsibly, we prohibit the use of illegally mined minerals, including conflict minerals (3TG: tin, tantalum, tungsten, and gold) as well as cobalt and mica. In addition, an annual responsible minerals survey is conducted across the supply chain, and suppliers found to fall short are required to take corrective actions, such as switching to RMI-conformant smelters. Beginning in 2026, we plan to provide suppliers with annual training on responsible minerals sourcing.

Responsible Sourcing Implementation and Continuous Improvement Cycle



Policy and Standards

Supply Chain Policy and Standards

Hankook & Company endorses the mission of the Responsible Minerals Initiative (RMI) to prevent mineral proceeds from financing armed groups, reducing violence and exploitation in conflict-affected regions, while promoting transparency and consumer confidence in mineral supply chains. In accordance with Annex II of the OECD Due Diligence Guidance, we do not conduct business with suppliers that fail to meet our conflict minerals management principles and standards.

Fundamental Principles on Responsible Minerals

1 . We do not use minerals associated with serious human rights abuses in the extraction, transport, or trade of minerals, including:
1-1 Any forms of torture, or cruel, inhuman, and degrading treatment
1-2 Any forms of forced or compulsory labor
1-3 Serious human rights violations and abuses, including sexual violence
1-4 Child labor
1-5 War crimes, genocide, and other violations of international humanitarian law
2. We do not use minerals linked to direct or indirect support to non-state armed groups or to any organizations engaged in or associated with terrorism.
3. We do not use minerals linked to direct or indirect support to public or private security forces.
4. We do not engage in bribery or the fraudulent misrepresentation of the origin of minerals, and we work to manage the risk of misrepresented minerals entering our supply chain.
5. We do not use minerals on which taxes, fees, and royalties due to governments have not been paid.
6. We do not use minerals linked directly or indirectly to money laundering or terrorist financing.

Scope of Application

Conflict Minerals Monitoring

Hankook & Company refrains from using minerals mined in conflict-affected regions where human rights abuses, labor exploitation, and other social harms occur, and operates a responsible minerals sourcing system across its entire supply chain. We have established a corporate policy covering conflict minerals (3TG: tin, tantalum, tungsten, and gold) as well as lead, a key raw material for our business, and have disclosed this policy on our website to ensure transparent communication with stakeholders. To address supply chain risks proactively, we conduct regular monitoring and due diligence of our suppliers, complemented by ongoing training and guidelines to prevent potential risks.

PRODUCT RESPONSIBILITY

Governance

Quality Organization
Hankook & Company is committed to delivering products and services of the highest quality, keeping pace with the transformation of the automotive industry. To this end, our quality organization engages in a wide range of activities, including quality strategy development, product quality management both inside and outside the company, quality assurance, and internal standardization. Close collaboration among the quality teams at each production site ensures that quality standards remain consistent across the organization. Our quality organization also operates a structured management process that enables early identification of and rapid response to quality issues at every stage, from product development through mass production to customer support.

Quality Management System
Hankook & Company's quality management system aligns with IATF 16949:2016, the international quality standard for the automotive industry. IATF 16949 certification has been obtained and is maintained at all sites involved in the design, development, production, and servicing of automotive lead-acid batteries—including our three production sites in Korea and abroad (Daejeon, Jeonju, and Tennessee), Headquarters, and R&D center. We also conduct regular internal audits and management reviews to continuously verify and improve the conformity of this system, advancing our quality operations in accordance with standardized processes.

Policy

Quality Management Policy
Hankook & Company communicates its quality policy across the entire organization, ensuring all employees understand it and put it into practice.

Quality Management Policy

The Quality Policy of Hankook& Company is to maximize customer satisfaction by creating the best quality and trust in accordance with the management philosophy to promote company development and establish a customer-oriented quality management system.
To achieve this, all executives and staff resolve and act as follows.

1. We identify the needs of our customers and actively reflect them in our work.
2. We prevent unreasonable, unnecessary and wasteful factors in advance through continuous improvement.
3. We realize and autonomous management system that strictly observes the established standards and makes it a daily life.
4. We grow together with our customers through constant value creation.

All employees share in the responsibility for establishing, implementing, maintaining, and continually improving our quality management system.

Strategy

Quality Strategy
Hankook & Company pursues globally recognized competitiveness in product quality, guided by a structured quality roadmap and a portfolio of key strategic initiatives. In manufacturing, we prevent defects from escaping the production process through process automation, error-proofing, and our Quality Tracking System (QTS), while ensuring rigorous process consistency to minimize quality variation and sustaining reliable product quality. Beyond the factory, we strengthen our field quality services to capture and act on customer feedback, and draw on our internal systems to enable close, rapid cross-functional collaboration in responding to quality risks. External certifications and effective audit readiness further reinforce customer confidence, creating continued opportunities for sales growth.

Quality Improvement Initiatives

Quality Improvement Efforts
Hankook & Company continuously raises its quality standards, drawing on systematic data analysis and proven methodologies. Risk analysis based on FMEA (Failure Mode and Effects Analysis) begins at the earliest stages of product development and mass production, eliminating potential quality risks before they materialize. When problems do arise, we apply structured methodologies—Six Sigma, PDCA, and 8D—to remove root causes and prevent recurrence. This process extends beyond our own operations to encompass the entire supply chain: close collaboration with suppliers from the procurement stage onward ensures the quality and reliability of incoming materials, while the requirements of OEMs and other global customers are woven into every stage of production to deepen customer satisfaction. This sustained commitment to quality earned us the Nissan Supplier Quality Award (Regional Quality Award) from Nissan in 2025.

COMMUNITY ENGAGEMENT

Governance

Hankook & Company Group regards social contribution as a key pillar of sustainable management, with ESG-related committees under the Board of Directors overseeing the direction and outcomes of its initiatives. At the executive level, management reviews strategic direction, annual priorities, and program performance, identifying areas for improvement along the way. The ESG Team leads the planning, operation, and performance management of our flagship programs while monitoring the progress and results of individual initiatives. In turn, each of our sites in Korea and abroad, together with relevant departments, engages in activities tailored to the context of their local communities.

Organizational Chart for Social Contribution

Board of Directors	Oversee the direction and key outcomes of social contribution
Top management	Review key priorities and major outcomes
ESG Team	Plan and operate programs
Sites, subsidiaries, and relevant departments	Implement activities and compile results

Policy

Guided by its Social Contribution Charter, Hankook & Company Group prioritizes as its core philosophy the faithful fulfillment of corporate social responsibility and the building of a sustainable future together with local communities. Toward this end, the Group directs the capabilities and resources built up through its business operations into the creation of social value, supporting neighbors and communities in need so that they can lead better lives. Underpinning this work is a foundation of trust with local communities, through which we continue to expand voluntary employee participation and advance giving initiatives designed with vulnerable groups and future generations in mind. Looking ahead, we will continue to uphold the principles of the Social Contribution Charter, fulfilling our role as a responsible corporate citizen that grows in step with local communities.

Strategy

With the launch of "Driving Forward, Together," its integrated Group ESG brand, Hankook & Company Group has articulated a clear identity: a mobility group that opens up mobility for everyone, connecting people, communities, and the environment in pursuit of sustainable social value. Drawing on the Group's capabilities and resources, we have set Mobility, Community, and Environmental as the three strategic pillars for social contribution, each guided by a corresponding execution principle—Access, Care, and Renew —that brings structure to its social impact initiatives. Access is about ensuring safe, equitable access to mobility, information, and services, brought to life through mobility-rights initiatives such as our vehicle sharing program and efforts to improve safety around children's school zones. Care reflects our sustained attention to the challenges facing local communities, expressed through co-prosperity activities such as contributions to neighborhood love funds and charity concerts. Renew centers on the restoration and regeneration of the environment, resources, and ecosystems, advancing environmental value through initiatives such as mangrove forest restoration and biodiversity conservation. Looking ahead, Hankook & Company Group will continue to align its business capabilities with social contribution efforts, evolving mobility-based social contribution into a forward-looking model built on advanced technology, driving sustainable change together with local communities.

Donation ceremony for the vehicle sharing program

Employee-driven Giving

Employee Engagement
Participatory Giving That Grows with Employees

Hankook & Company Group operates the Group-wide Donggeurami Employee Volunteer Group. Through this initiative, we have steadily broadened the scope and deepened the continuity of employee-driven social impact efforts, building a corporate culture in which giving and volunteering are woven into daily life, while extending positive change into the communities we serve. In 2025, our global employee volunteer hours reached 23,423, a 67.0% increase year-on-year, and we are working to expand participation further still, with a target of 25,000 hours by 2030.

Our core volunteer activities have continued without interruption: mural painting in which employees and their families repaint the walls and fences of social welfare facilities; talent donation in sports for children from vulnerable groups; hands-on care services for neighbors with limited mobility; support through lunch boxes and side dishes; winter kimchi-sharing; and blood donation campaigns. In 2025, growing voluntary participation led by our in-house clubs pushed the boundaries of this work further, extending our volunteer efforts into marine environment cleanups where employees collected marine debris such as waste tires and plastics by hand. In this way, employee volunteering has grown beyond community care to encompass the practice of environmental value as well.

COMMUNITY ENGAGEMENT

Shared Growth and Value Creation with Local Communities

Community Engagement
Creating Shared, Sustainable Value with Local Communities

Hankook & Company builds its foundation for shared growth with local communities through volunteer programs that bring employees and their families together. The flagship of these efforts is a family mural-painting program, held twice a year since 2022. This initiative has brightened the surroundings of schools, welfare facilities, and other community institutions while promoting the emotional well-being of community members. Over the past four years, more than 1,000 employees and family members have created murals at 15 sites across the Seoul metropolitan area and Daejeon—a body of work spanning approximately 1 kilometer in length and 2,400 square meters in area.

These hands-on social-giving activities have deepened trust with community members and laid the groundwork for us and our communities to grow together. Through programs shaped by the needs of the field, we take part in addressing local challenges and continue to expand the creation of sustainable social value.

As part of Hankook & Company Group's social contribution strategy which emphasizes solidarity with underserved groups, we sponsor a para-badminton league, helping to broaden the base of sports for people with disabilities. Throughout the four-month league concluded in 2025, we provided meaningful, hands-on support for the athletes' development and quality of life—operating complimentary tire inspection booths at and around the venues and offering tire exchange vouchers and refreshments.

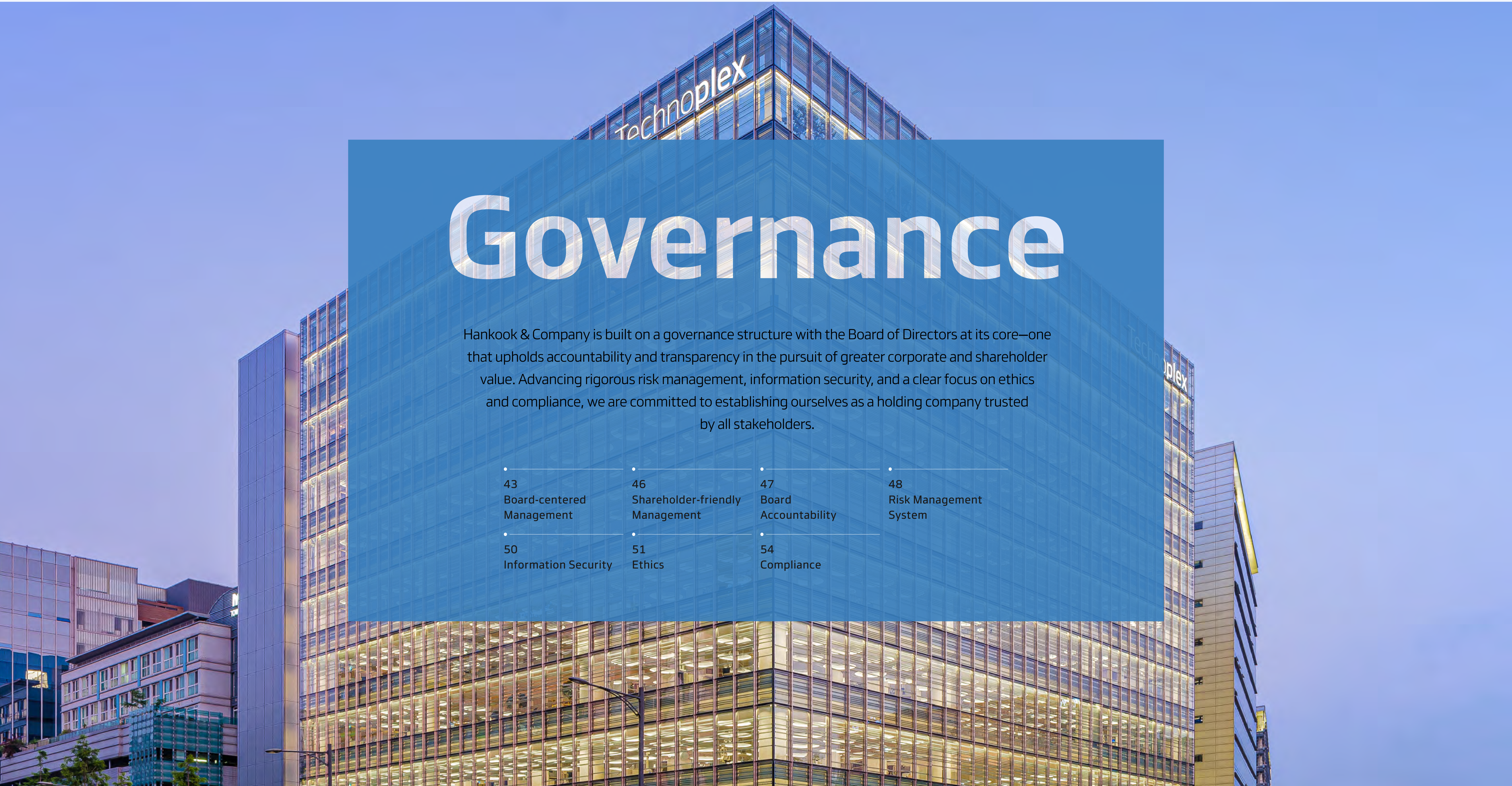
We maintain a steady commitment to donations and sponsorships in support of local communities. Through our mobility aid battery sharing program, we have helped improve mobility for approximately 3,800 people with disabilities over the fourteen years since 2012. This program provides dedicated batteries for powered wheelchairs, mobility scooters, and other assistive devices, easing both the mobility constraints and the financial burden faced by people with limited mobility. We have also donated a cumulative total of KRW 16.4 billion to the Community Chest of Korea and other organizations, supporting vulnerable groups and advancing community welfare. In addition, we have taken part in the 815 Run campaign, organized by Habitat for Humanity Korea, the international housing nonprofit, as a corporate sponsor for four consecutive years, helping improve housing conditions for the descendants of independence patriots and delivering practical support where it is most needed.

Our sense of social responsibility extends to ecology and the environment. By supporting the biodiversity conservation work of the Chollipo Arboretum, we raise awareness of the importance of protecting plant resources and preserving ecosystems, contributing to the wider embrace of sustainable environmental values. In doing so, we are broadening our social contribution beyond community support to encompass the natural environment and future generations.

Hankook & Company will continue to expand its employee-driven giving initiatives and community partnership programs, creating social value across welfare, education, the environment, and beyond as it grows together with the communities it serves.

Participants in the family volunteer mural-painting initiative

over 1,000 cumulative participants
2022~2025



Governance

Hankook & Company is built on a governance structure with the Board of Directors at its core—one that upholds accountability and transparency in the pursuit of greater corporate and shareholder value. Advancing rigorous risk management, information security, and a clear focus on ethics and compliance, we are committed to establishing ourselves as a holding company trusted by all stakeholders.

BOARD-CENTERED MANAGEMENT

Role and Responsibility

Board-Centered Governance

Hankook & Company builds its governance on soundness and transparency, in pursuit of sustainable growth, greater shareholder value, the protection of stakeholders' rights, and prudent management. At the center of this framework stands the Board of Directors as the highest decision-making body, operating on the foundation of the Articles of Incorporation. In accordance with our Corporate Governance Charter, we continue to strengthen the Board's independence, diversity, and expertise, steadily consolidating a governance system that is both stable and transparent.

To advance ESG management, we established the Sustainability Committee (ESG Committee) within the Board in November 2024. The Committee reviews and deliberates on strategic directions and key matters across environmental, social, and governance dimensions, guiding us toward sustainable growth. It shapes the direction and plans of our ESG strategy, and addresses specific matters of implementation including performance, associated risks, and response measures. In recognition of the growing societal expectations placed on ESG management, outside directors constitute a majority of the Committee, which is chaired by outside director Ho Young Lee.

In 2022, we published the Corporate Governance Charter, laying the foundation for a transparent, well-structured governance system that continually enhances value for the company, its shareholders, and its stakeholders. Grounded in five pillars—shareholders, the Board of Directors, audit bodies, stakeholders, and disclosure—the Charter serves as the guiding framework for our ESG management. In 2024, we also announced the Code of Ethics, defining the responsibilities that every member of the organization bears toward customers, shareholders, and employees. In 2025, the ethical management policy added clear standards of judgment and conduct in pursuit of sustainable growth with all stakeholders. Together, these instruments guide every employee of Hankook & Company in practicing the fundamental principles of ethical business conduct, fostering a corporate culture that leads by example.

To advance our governance, we follow a dedicated roadmap, reviewing and implementing detailed action plans. The results are reported to the Strategy Committee composed of top management, and the Commmittee's key activities are reported to the Sustainability Committee (ESG Committee), the highest decision-making body for ESG. In addition, we plan to introduce an evaluation of Board operations to uphold transparent and well-structured governance and improve the Board's performance. The evaluation will enable an objective review of how faithfully the Board fulfills its role as the company's key decision-making body, while providing a basis for continually refining the Board's operating methods and processes.

Composition of the Board

Board Expertise

Through the general meeting of shareholders, Hankook & Company appoints outside directors who bring deep knowledge and experience in fields such as corporate management, economics, law, accounting, and ESG, and who meet the qualifications prescribed by applicable laws. Alongside their established role of providing checks and oversight on management, outside directors support sound corporate decision-making through advice and counsel grounded in their respective areas of expertise. Board committees are structured to reflect each director's expertise, strengthening the efficiency, professional depth, and substantive role of the Board. In addition, we provide a range of dedicated training programs to deepen outside directors' understanding of the industry and enhance their expertise.

Board Independence

To enhance the transparency and independence of its Board, Hankook & Company maintains a majority of outside directors on its Board and separates the roles of Board Chair and CEOs. Directors are ultimately elected at the general meeting of shareholders, with candidates recommended through a transparent and fair process—by the Board for inside directors, and by the Outside Director Candidate Recommendation Committee for outside directors. Directors serve three-year terms and may be reappointed, and under the Enforcement Decree of the Commercial Act, outside directors may not serve more than six years at a single company, or nine years including its affiliates. Any vacancy on the Board is filled through individual election at a general meeting of shareholders. In composing the Board of Directors, we abide by the Commercial Act, the Monopoly Regulation and Fair Trade Act, and other applicable laws. An outside director candidate who falls under any of the grounds for disqualification cannot be appointed, and a sitting outside director who comes to fall under such grounds loses the position. To safeguard independence, we review these disqualification grounds against relevant laws, and the Outside Director Candidate Recommendation Committee screens each candidate in advance to confirm that the independence requirements are met.

Board Diversity

Hankook & Company appoints its directors with due consideration for diversity in gender, age, race, nationality, and background. This enables the Board to make transparent and sound decisions that take into account the perspectives of diverse shareholders and stakeholders. As of the end of April 2026, the Board consists of eight directors, five of whom are outside directors comprising a majority of the Board. We have also appointed two female outside directors, ensuring that the Board is not weighted toward any one single gender. Directors are expected to represent the rights and interests of all shareholders and stakeholders in a balanced manner, and every director holds equal standing, free from discrimination on the basis of gender, age, religion, race, or other such factors.

BOARD-CENTERED MANAGEMENT

Composition of the Board

Board Composition

As of the end of April 2026, the Board of Directors of Hankook & Company comprises eight members: three inside directors with extensive industry experience and five outside directors of proven capability and expertise across fields including business and economics, law, and academia—bringing the ratio of outside directors to 62.5%. As the highest decision-making body, the Board reviews and deliberates on matters prescribed by law or the Articles of Incorporation, matters delegated by the general meeting of shareholders, and the company's key management agenda. In doing so, the Board provides effective oversight of and checks on management, while its transparent, expert decision-making enables the company to respond effectively to the diverse challenges and issues it faces. To ensure transparency in Board operations, all directors are elected at the general meeting of shareholders in accordance with the Articles of Incorporation, and outside director Jae Wan Park, appointed by the Board pursuant to the Board regulations, serves as its Chair.

Board Operations and Activities

The Board of Directors meets quarterly in regular session, with extraordinary meetings convened as needed under the company's Board regulations. Meetings are called by the CEO, with written or verbal notice provided to all directors at least one week in advance. Resolutions are adopted by a majority vote of directors present at a meeting attended by a majority of the Board, unless applicable law requires otherwise. To enable outside directors to fulfill their duties effectively, agenda materials are distributed ahead of each meeting and regular briefings are provided on key management developments. In 2025, the Board held 11 meetings and addressed 39 agenda items, including resolutions and reports. Outside directors attended 100% of meetings, and inside directors 53%, for an overall attendance rate of 84%.

Board of Directors

(As of the end of May 2026)

Category	Name	Position	Gender	Date of Birth	Key Career Highlights	Term Expiration
Inside Directors	Jong Ho Park	Co-CEO Chair of the Management Committee Member of the Sustainability Committee Member of the Outside Director Candidate Recommendation Committee	Male	Jan. 1964	- Current) Other Non-Executive Director, Hanon Systems - Current) President, Head of Business Operations, Hankook & Company - President, Management Support, Hankook Tire & Technology - Vice President, Management Support, Hankook Tire & Technology - Vice President, Financial Services Headquarters, Hankook Tire & Technology - Vice President, Management Planning Division, Hanon Systems - Executive Director, Strategy and Finance, Hankook Tire - Managing Director, LG Electronics - Secretary and Secretary-General, National Tax Service and Ministry of Strategy and Finance	Mar. 30, 2028
	Joon Hyun Kim	Co-CEO Member of the Management Committee Member of the Sustainability Committee	Male	Oct. 1973	- Current) Vice President, General Manager, Hankook & Company - Vice President, Head of Food Korea Management Support Office, CJ CheilJedang Corp. - Vice President, Head of Management Support Office, CJ CheilJedang Corp. - Vice President, Head of Business Management, CJ Corp. - Chief Financial Officer (Deputy Secreetary), CJ Corp. - Financial Operations Officer (Deputy Secretary), Financial Services Office, CJ Corp. - Finance Team, CJ Corp. - Financial Strategy Team, CJ Corp. - Samil PwC * Korean Certified Public Accountant (KICPA)	Mar. 30, 2029
	Jung Soo Park	Head of the Financial Planning Division Member of the Management Committee	Male	May 1971	- Current) Executive Director, Head of Financial Planning Office, Hankook & Company - Executive Director, Head of Financial Accounting Division, Hankook Tire & Technology - Managing Director, Financial Accounting, Hankook Tire & Technology - Head of Finance Team, Hankook Tire - Finance Team, Hankook Tire - Head of Financial Center, Headquarters, LG Electronics	Mar. 30, 2029

(As of the end of May 2026)

Category	Name	Position	Gender	Date of Birth	Key Career Highlights	Term Expiration
Outside Directors	Jae Wan Park	Chair of the Board of Directors Member of the Audit Committee Member of the Sustainability Committee Member of the Outside Director Candidate Recommendation Committee Member of the Compensation Committee	Male	Jan. 1955	- Current) Chairman, School Foundation, Sungkyunkwan University - Current) Chairman, Korean Peninsula Advancement Foundation - Professor Emeritus, Department of Public Administration, Sungkyunkwan University - Professor, Department of Public Administration / Graduate School of State Affairs, Sungkyunkwan University - Minister of Employment and Labor / Minister of Strategy and Finance	Mar. 30, 2028
	Ho Young Lee	Chair of the Audit Committee Chair of the Sustainability Committee Member of the Related Party Transactions Committee	Male	Sep. 1960	- Current) Professor, Business Administration, Yonsei University (Director, ESG/Corporate Ethics Research Center, Yonsei University) - Current) Outside Director, GS E&C - Chairman, Korean Society of Ethics and Management - Chairman, Korea Accounting Information Society	Mar. 27, 2027
	Sang Hoon Lee	Chair of the Outside Director Candidate Recommendation Committee Chair of the Compensation Committee Member of the Audit Committee	Male	Mar. 1973	- Current) CEO, Cadence Capital LLC. - Outside Director, KOREA ZINC - Outside Director, Hyundai Card - Other Non-Executive Director, SSG.com - Other Non-Executive Director, Chair of the Board of Directors, LOCK&LOCK - Outside Director, Chairman of the Remuneration Committee, Hyundai Commercial - Korea's General Representative, Affinity Equity Partners, - McKinsey & Company Seoul Office, New York Office	Mar. 27, 2027
	Haeng Hee Lee	Member of the Audit Committee Member of the Sustainability Committee Member of the Related Party Transactions Committee	Female	Jun. 1964	- Current) Outside Director, Musinsa - Current) Chairman, Love Snail - Director, Sookmyung Women's University Foundation - Director, KB Financial Public Interest Foundation - President & CEO, Corning Korea - Head of Automotive Environment Business Division, Corning Korea - President, Multinational Enterprise CEO's Association	Mar. 29, 2029
	Chi Kyung Yeo	Chair of the Internal Transactions Committee Member of the Audit Committee Member of the Outside Director Candidate Recommendation Committee Member of the Compensation Committee	Female	Jan. 1977	- Current) General Representative, Yeo Chi-kyung law firm - Compliance Committee, Hanwha Group/ Managing Director and Compliance Officer, Hanwha Life - Public Prosecutor (Incheon, Busan, Suwon District Prosecutors' Office, among others)	Mar. 30, 2029

BOARD-CENTERED MANAGEMENT

Board Composition

Review of Outside Director Independence Requirements

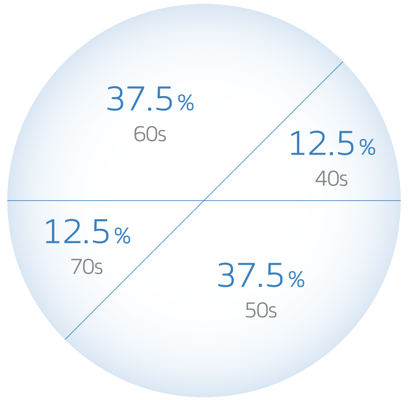
Requirement	Jae Wan Park	Sang Hoon Lee	Ho Young Lee	Haeng Hee Lee	Chi Kyung Yeo
The director must not have been employed by the company in an executive capacity within the last five years.	○	○	○	○	○
The director must not have a family member who accepts any payments from the company or any parent or subsidiary of the company in excess of USD 60,000 within the last three years.	○	○	○	○	○
The director must not have a family member of an individual who is employed by the company or by any parent or subsidiary of the company as an executive officer.	○	○	○	○	○
The director must not be an advisor or consultant to the company or a member of the company's senior management.	○	○	○	○	○
The director must not be affiliated with a significant customer or supplier of the company.	○	○	○	○	○
The director must not have a personal services contract (s) with the company or a member of the company's senior management.	○	○	○	○	○
The director must not be affiliated with a not-for-profit entity that receives significant contributions from the company.	○	○	○	○	○
The director must not have been a partner or employee of the company's external auditor over the past three years.	○	○	○	○	○
The director must not have any other conflict of interest that the Board determines to indicate they can't be considered independent.	○	○	○	○	○

Operational Overview

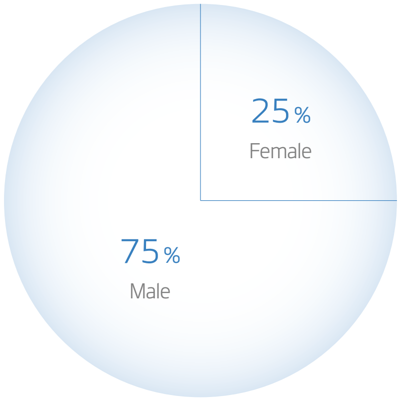
Outside Director Training Provided

Date	Provider	Directors in Attendance	Training Topic
Aug. 7, 2025	Samil PwC	Ho Young Lee, Jae Wan Park, Se Jin Min, Sang Hoon Lee	Future of business shaped by advanced governance, among other topics
Sept. 5, 2025	EY Han Young	Ho Young Lee	Seminar on accounting transparency
Nov. 6, 2025	Korea Listed Companies Association	Ho Young Lee, Jae Wan Park	Early disclosure practices and case analyses of controls against misappropriation of funds, among other topics
Apr. 24-25, 2025	Institute of Internal Auditors Korea	Ho Young Lee	Specialized training on internal audit

Directors by Age Group



Directors by Gender



2025 Board Activities and Attendance

Category	Details
Meetings held	11
Resolutions	23
Reports	16
Average attendance	84%
Inside director attendance	62%
Outside director attendance	100%

BOARD-CENTERED MANAGEMENT

Remuneration of the Board

Remuneration of the Board

Our directors are compensated within the annual remuneration limit approved by the general meeting of shareholders in accordance with relevant company regulations, along with incentives provided based on business performance measured against economic, social, and environmental performance metrics. Of the KRW 7 billion total director remuneration limit approved at the 71st general meeting of shareholders held in 2025, approximately KRW 5.8 billion was paid out. At the 72nd general meeting of shareholders held on March 26, 2026, KRW 5 billion was approved as the director remuneration limit, down by KRW 2 billion from the previous year, taking comprehensive account of changes in the composition of the Board and other relevant factors.

Remuneration of Directors and Audit Committee Members (unit: KRW million)

Category	Number of Persons	Total Remuneration	Average Remuneration per Person
Inside directors (registered directors)	2	5,540	2,770
Audit Committee members	4	267	67

1. Figures are as of December 31, 2025.
2. All outside directors of the company serve as members of the Audit Committee.
3. Average remuneration per person is calculated as a simple average of total remuneration.

Performance Evaluation of CEOs and Executives

Incentives tied to the performance evaluation of CEOs and executives include executive incentives and management incentives. Executive incentives are short-term performance bonuses determined by comprehensively considering performance indicators such as the year's revenue and operating profit, together with executives' contribution to the company's overall management performance including progress on strategic initiatives. Management incentives are performance bonuses tied to the company's mid- to long-term achievements, awarded to executives at the Senior Vice President level and above. They are determined by comprehensively evaluating management performance across three perspectives: financial (key management results, TSR disparities, etc.), strategy and innovation (organizational innovation activities, discovery of new growth drivers, etc.), and ESG (standing on the Dow Jones Best-in-Class Indices). Meanwhile, we conclude the advisory agreement with retiring executives, which is designed to deter professional misconduct[1)] during an executive's tenure and to strengthen internal controls more broadly. The agreement includes clawback provisions stipulating that if any professional misconduct during an executive's term of office is identified after their resignation, they must return the amount that matches the severity of the damage done to the company from the management advisory payments they received. These provisions further stipulate that in cases when an executive's damage to the company exceeds their provided advisory payment, they are held liable for the difference.

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

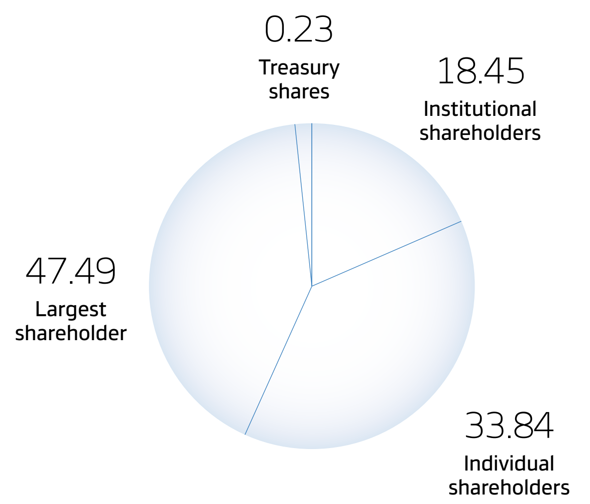
SHAREHOLDER-FRIENDLY MANAGEMENT

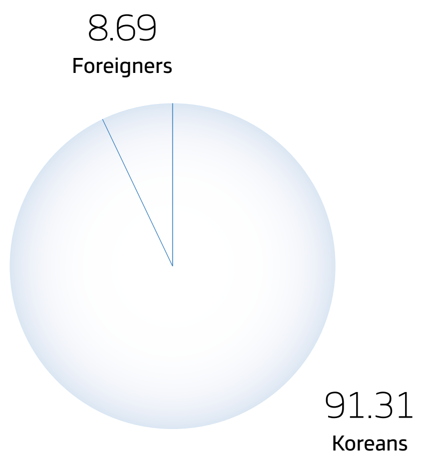
Shares Issued

Under its Articles of Incorporation, Hankook & Company is authorized to issue a total of 250,000,000 shares with a par value of KRW 500 per share. As of December 31, 2025, the total number of shares issued stood at 94,935,240. Each share carries one vote in accordance with the Articles of Incorporation, and 217,096 treasury shares are excluded from voting rights pursuant to the Commercial Act.

Shareholder Overview (as of Dec. 31, 2025)

(unit %)





Category	Number of Shareholders	Proportion of Total Shareholders (%)	Number of Shares	Proportion of Total Shares (%)
Institutional shareholders	612	3.97	17,514,870	18.45
Individual shareholders	14,808	95.95	32,122,027	33.84
Largest share-holder	12	0.08	45,081,247	47.49
Treasury shares	1	0.01	217,096	0.23
Total	**15,433**	**100.00**	**94,935,240**	**100.00**

Nationality	Number of Shares	Proportion of Total (%)
Korean	86,684,744	91.31
Non-Korean	8,250,496	8.69
Total	**94,935,240**	**100.00**

SHAREHOLDER-FRIENDLY MANAGEMENT

Shareholder Voting Rights

Facilitating the exercise of shareholder voting rights is a continuing priority for Hankook & Company. In pursuit of maximum shareholder participation in the general meeting of shareholders, we introduced electronic voting and electronic proxy voting at the 66th such meeting, and have made these mechanisms consistently available through the 72nd general meeting. We also participate in the voluntary program to stagger shareholder meeting dates, scheduling our annual general meeting at a time of lower concentration to enable broader shareholder attendance. Following each general meeting, we disclose the detailed vote tally in favor of and against every agenda item on our website, reinforcing the transparency of our general shareholder meetings.

Shareholder Return Policy

Committed to advancing shareholder value, Hankook & Company delivers returns to shareholders by building long-term corporate value through sustainable growth and by paying consistent, dependable dividends anchored in business performance. In setting dividend levels, we take a holistic view of business results, financial position, and capital expenditure plans. In line with our business performance, we have raised the dividend per share every year for the past five years, driving steady growth in total cash dividends over the same period. We have also sustained an average payout ratio above 30% of consolidated net income across those five years, strengthening the stability and predictability of returns for our investors. In March 2026, we disclosed our Corporate Value-up Plan (simplified), pledging to maintain a minimum annual payout ratio of 25%. Going forward, we will continue delivering sustained dividends underpinned by efficient management and stable business operations and honor our commitment to meaningful shareholder returns.

Communication with Shareholders

Hankook & Company is committed to reaching out closer to shareholders and investors in Korea and abroad. Around February, May, August, and November each year, we hold quarterly earnings calls alongside fair disclosures of our preliminary business results. In 2025, we established a dedicated IR team, creating a single channel for proactive, seamless communication with all stakeholders, enhancing the timeliness of information delivery while raising the professionalism and accuracy of the information we provide. Our earnings calls bring together securities analysts and institutional investors from Korea and overseas to review quarterly business results and key management activities. All earnings materials are made available on our corporate website, ensuring equal access for every investor.

We actively participate in Non-Deal Roadshows (NDRs), held in person or via conference call for major institutional investors in Korea and abroad, as well as domestic and international IR conferences hosted by securities firms. At these events, our senior management and staff directly present the company's business updates, address topics of investor interest, and listen closely to investor feedback. Retail shareholders enjoy the same access as institutional investors: they can reach our IR staff directly through the dedicated IR phone line and email address posted on our website.

To further strengthen shareholder communication, we strictly observe disclosure deadlines and safeguard the transparency and accuracy of our disclosures through pre-review and systematic internal verification. In 2025, we filed four fair disclosures, five informational disclosures, and three English-language disclosures, enhancing both the reliability and accessibility of the information we provide. We will continue these efforts—delivering timely, accurate information to all shareholders on an equal basis.

BOARD ACCOUNTABILITY

Governance

Hankook & Company embeds Board-driven responsible management across the organization through a tiered, committee-based governance framework—the ESG Committee, the ESG Strategy Committee, and the ESG Steering Committees. The ESG Committee, established within the Board of Directors, serves as the highest decision-making body, reviewing and deliberating on strategic directions and key matters across the environmental (E), social (S), and governance (G) dimensions. At the top management level, the ESG Strategy Committee shapes company-wide direction and addresses key issues, while the ESG Steering Committees, organized by focus area, translate strategy into concrete initiatives and drive their execution. The Governance Committee, in turn, oversees the roadmap and action items for advancing our corporate governance. We further reinforce the transparency and effectiveness of this committee-led responsible management framework through the Corporate Governance Charter, the Compensation Committee, and other supporting mechanisms.

Composition of Board Committees

Committee	Key Function	Composition (Chair:●)
Audit Committee	- Audit the company's accounting and business operations - Examine the company's financial position and assets - Handle matters prescribed by laws or the Articles of Incorporation and matters delegated by the Board - Request business reports from directors - Approve the appointment of the external auditor	Ho Young Lee●, Jae Wan Park, Sang Hoon Lee, Haeng Hee Lee, Chi Kyung Yeo
Management Committee	- Deliberate and resolve on matters delegated by the Board, including general management, finance, and enterprise-wide risk management	Jong Ho Park●, Joon Hyun Kim, Jung Soo Park
Outside Director Candidate Recommendation Committee	- Recommend, screen, and select outside director candidates for election at the general meeting of shareholders, in accordance with applicable laws, the Articles of Incorporation, and Board regulations	Sang Hoon Lee●, Jong Ho Park, Jae Wan Park, Chi Kyung Yeo
Internal Transactions Committee	- Conduct prior review and approval of transactions with affiliates and related parties under the Monopoly Regulation and Fair Trade Act, based on the authority delegated by the Board over large-scale internal transactions	Chi Kyung Yeo●, Ho Young Lee, Haeng Hee Lee
Sustainability Committee (ESG Committee)	- Deliberate and resolve on environmental, social, and governance matters to strengthen sustainability management	Ho Young Lee●, Jong Ho Park, Joon Hyun Kim, Jae Wan Park, Haeng Hee Lee
Compensation Committee	- Resolve on the remuneration limit for directors, ensure objectivity and transparency in the director remuneration process, and handle key remuneration-related matters and items delegated by the Board	Sang Hoon Lee●, Jae Wan Park, Chi Kyung Yeo

※ Reference: Hankook & Company's Board composition as of April: inside directors (3): Jong Ho Park, Joon Hyun Kim, Jung Soo Park / outside directors (5): Jae Wan Park, Sang Hoon Lee, Ho Young Lee, Haeng Hee Lee, Chi Kyung Yeo

Composition of Committees

To ensure the efficient, stable operation of the Board and full compliance with applicable laws and regulations, Hankook & Company operates six committees under the Board of Directors: the Audit Committee, the Management Committee, the Outside Director Candidate Recommendation Committee, the Internal Transactions Committee, the Sustainability Committee (ESG Committee), and the Compensation Committee.

Board Committee Meetings Held in 2025

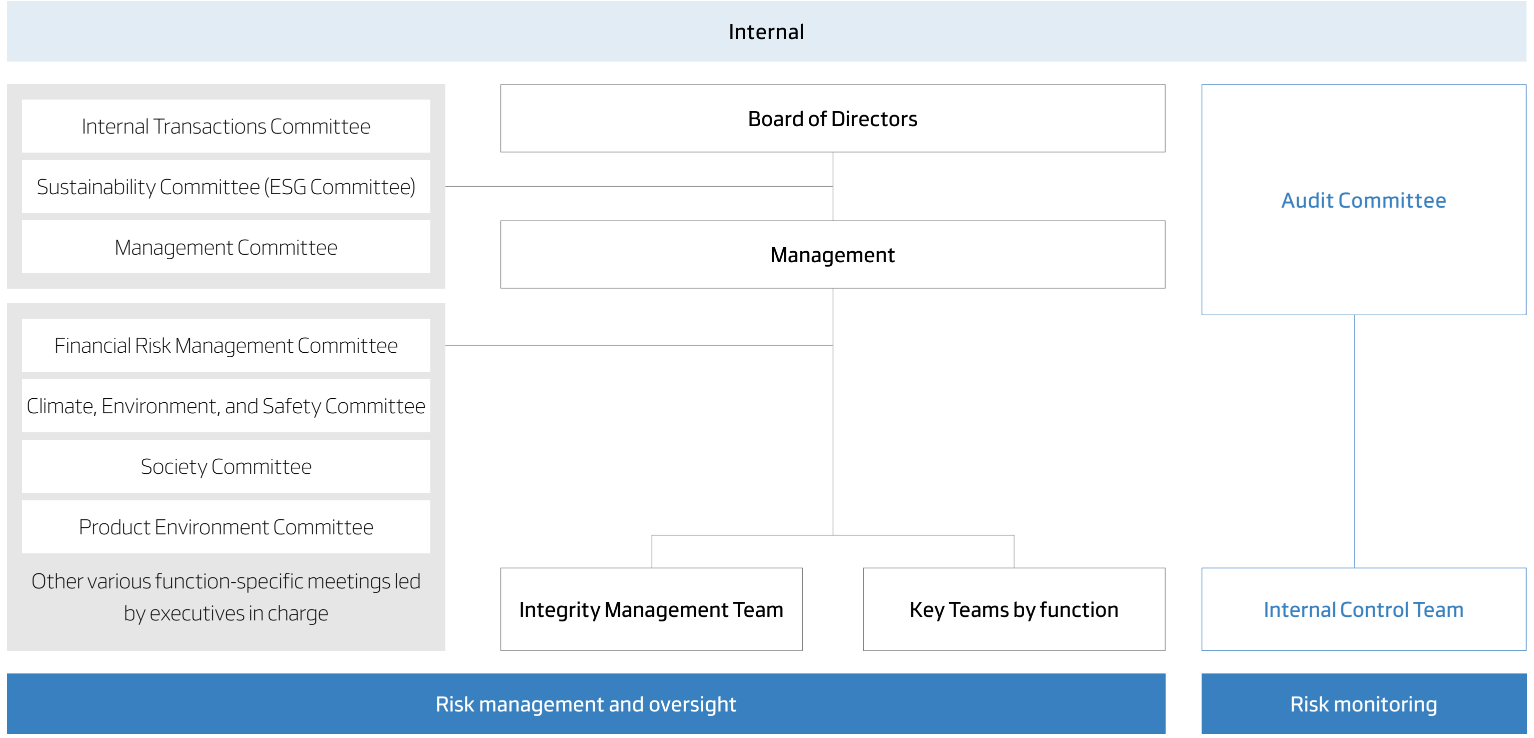
Committee	Agenda	Meetings Held
Audit Committee	35 (resolution: 13 / report: 22)	11
Management Committee	3 (resolution: 3 / report: 0)	2
Outside Director Candidate Recommendation Committee	1 (resolution: 1 / report: 0)	1
Internal Transactions Committee	1 (resolution: 1 / report: 0)	1
Sustainability Committee (ESG Committee)	2 (resolution: 2 / report: 0)	3
Compensation Committee	2 (resolution: 2 / report: 0)	2

RISK MANAGEMENT SYSTEM

Governance

Hankook & Company operates a multi-layered risk management structure to manage risks effectively across the organization. The first line of defense rests with the key teams of each function and the Integrity Management Team, which identify risks that may arise across business operations. Identified risks are then reported to committees overseeing major risk areas, such as the Product Environment Committee, and managed at the senior management level as the second line of defense. Among these, material risks are escalated to the Board of Directors and discussed by the Audit Committee. The Audit Committee operates independently and, as of April 2026, consists of five outside directors. In 2025, the Committee convened eleven times, addressing resolution and report agenda items including the operation of internal control mechanisms, business audits, the evaluation of the CEOs and the internal accounting manager, and the operation of internal control over financial reporting.

Organizational Chart for Risk Management



Risk by Type

Hankook & Company reviews its financial, non-financial, business, and operational risks at least twice a year, transparently sharing the findings and response plans with stakeholders through multiple channels, including the business report, annual report, and ESG report. Internally, these risk considerations inform every aspect of management—from strategy formulation and product and material development to supplier selection—and risk management performance is built into the KPIs of key risk management functions. To embed a risk-aware culture across the company, every member of the organization, from outside directors to employees, receives regular training on risk management and related topics. Staff in key teams complete compliance training on their legal and regulatory obligations, while outside directors sharpen their risk oversight capabilities through core training on internal control over financial reporting among others.

Risk Response Process

Hankook & Company takes a tiered approach to risk management: working-level teams identify and conduct the initial review of key risks, relevant committees perform a second-level examination, and the Board of Directors and the Audit Committee provide third-level oversight. The Finance Team and the Financial Risk Management Committee take the lead on financial risks, while the ESG Team, EHS Team, Information Security Infrastructure Team, and other responsible departments address non-financial risks in concert with specialized committees such as the Climate, Environment, and Safety Committee. For business and operational risks, functional teams across purchasing, HR, SHE, R&D, and audit work hand in hand with the Society Committee and the Product Environment Committee. Material issues are escalated to the Board and the Audit Committee to ensure management and oversight at the company-wide level. This multi-layered framework enhances both the effectiveness and timeliness of our risk management.

Risk Management and Response Process

Key Risk		1st line (key teams)	2nd line	3rd line
Financial risk	F/X Liquidity Internal accounting	Finance Team	Financial Risk Management Committee	Board of Directors Audit Committee
Non-financial risk	Environment Climate change Information security	ESG Team EHS Team Information Security Infrastructure Team	Climate, Environment, and Safety Committee	
Business risk	Supply chain management New business Industry innovation Investment execution	Purchasing Team Security & Innovation Team Corporate Management Team	Society Committee Product Environment Committee	
Operational risk	Employees Safety R&D Compliance	HR Team SHE Department R&D Planning Project Integrity Management Team		

RISK MANAGEMENT SYSTEM

Monitoring and Reporting

Financial Risk

The year 2025 is marked by sustained uncertainty, as the prolonged global downturn dampened consumer sentiment, geopolitical tensions deepened, and instability weighed on markets at home and abroad. Major economies held to their tight monetary stance even as inflation moderated, while geopolitical shocks—from the Russia-Ukraine war to the U.S.-Iran war that erupted in early 2026—continue to drive volatility in exchange rates and interest rates. Navigating this environment, Hankook & Company responds to external variables with agility, anchored in systematic risk management. We closely monitor financing costs and foreign exchange positions to minimize exposure to sharp market swings, and we maintain structural risk controls as a matter of discipline. We also share market intelligence swiftly through active communication within and beyond the organization, enabling management to detect financial market volatility early and make well-informed decisions at speed.

Liquidity Risk

Anticipating continued volatility in global financial markets and lingering trade uncertainty, we manage our funding with a conservative stance. We keep a constant watch on cash positions and liquidity levels across regions, and, guided by our funding plan management framework, we secure the liquidity our operations require in advance. We also review our credit lines and borrowing capacity with financial institutions on a regular basis, ensuring the flexibility to meet funding needs whenever they arise.

Foreign Exchange Risk

In 2025, the dollar's sustained strength and volatility across major currencies—compounded by shifting trade policies—deepened uncertainty in foreign exchange markets. Hankook & Company actively manages the currency exposure arising from its global production and sales operations, deploying a risk management framework that pairs natural hedging with financial hedging. We track movements in major currencies at all times, containing earnings volatility and keeping our business operations on a stable footing.

Information Security

The acceleration of digital transformation and the spread of generative AI have given rise to increasingly sophisticated cyber threats, from data breaches and ransomware to supply chain attacks. Hankook & Company counters these threats by monitoring for intrusions in real time, conducting regular vulnerability assessments, and training employees in security awareness—raising the bar for security across both IT and OT environments. We also operate a security management system that meets the exacting standards of the global automotive industry, while reinforcing our internal controls and sharpening our readiness against external threats.

Health and Safety

Hankook & Company works toward safe workplaces built on robust accident prevention, focusing on eliminating potential hazards through risk assessments and advancing its inspection systems. We deliver hands-on, participatory safety and health training in the field and reinforce line-level safety management led by supervisors. At the same time, we create a safer, more comfortable working environment—reducing musculoskeletal strain, improving workplace conditions such as heat and fume exposure, and ensuring the safe handling of chemicals in use. We also hold our sites to rigorous execution of critical safety procedures, including lockout-tagout (LOTO), embedding a culture of safety across our global operations.

Fire Safety

Fire ranks among the most critical risks we face, with direct consequences for production continuity and human safety. Hankook & Company therefore places top priority on securing high-risk fire zones and building the capacity to respond in the earliest moments of an incident. We continue to expand early fire detection and response equipment across our sites, and we have standardized emergency response scenarios and drill programs at each workplace. Through these efforts, we focus on lowering the likelihood of fire and strengthening our response so that, should one occur, its impact is kept to a minimum.

INFORMATION SECURITY

Governance

Hankook & Company operates a company-wide security framework spanning administrative, technical, and physical security to manage information security effectively. Our Chief Information Security Officer (CISO) anchors this enterprise-wide security governance, systematically driving the execution of security policies and strategy. We appoint site-level security personnel covering physical security to reflect the distinct characteristics and operating environment of each site, while supporting day-to-day security operations through a standing Information Security Council. The Council serves as a collaborative platform that promotes the sharing of security intelligence across sites and takes an integrated view of issues spanning the administrative, technical, and physical domains. Its work includes sharing major security issues and countermeasures, reviewing the results of vulnerability assessments, tracking each site's progress on security initiatives, and communicating and verifying compliance with information security requirements. Building on these efforts, we identify potential risks at each site before they materialize and manage them systematically—steadily elevating our information security posture company-wide.

Policy

To address shifting global business conditions and country-specific data protection requirements, Hankook & Company maintains a systematic information security policy. This policy is continuously refined by weighing external laws and regulations and our own internal operating environment. On the external side, we continue to monitor major global personal data protection laws and local regulatory requirements, including Korea's Personal Information Protection Act and Act on Promotion of Information and Communications Network Utilization and Information Protection as well as the GDPR[1], translating corresponding compliance obligations within our policies and guidelines.

Internally, we engage in regular internal reviews in line with changes in our operations and the wider IT environment, spanning new IT services, shifting operational processes, and the expansion of digital transformation (DX). Security risk assessment results and operational status data base our efforts to enhance the effectiveness of our policy on an ongoing basis. Meanwhile, TISAX[2]— information security certification specific to the automotive industry —serves as our benchmark for maintaining a security management system aligned with global standards. To position security as a shared responsibility across the organization, we have established the User Security Compliance Rules, designed for immediate application in day-to-day operations. Through these efforts, we encourage employees to voluntarily practice sound security habits and endeavor to build a company-wide, sustainable information security system, thereby fostering a robust culture of security.

1) GDPR (General Data Protection Regulation) : European Union's data protection regulation, in force since 2018
2) TISAX (Trusted Information Security Assessment Exchange) : An information security assessment standard established by the German Association of the Automotive Industry (VDA)

Information Security Activity

Hankook & Company rolls out multifaceted, systematic information security activities to prevent internal and external data leaks and ensure the stability of its infrastructure. Each year, we establish an information security operating plan, continuously revise our information security regulations and guidelines to keep pace with a changing environment, and regularly convene site-level consultative groups to enable close communication and coordination across our sites. To strengthen technical and managerial security, we conduct ongoing security reviews, vulnerability assessments, and mock hacking exercises, allowing us to proactively identify and address potential security vulnerabilities. We also respond actively to security audits conducted by external organizations and OE customers, continuing to demonstrate a level of security reliability that meets global standards.

Information Security Training

Hankook & Company conducts a range of training programs and awareness campaigns to raise employees' information security awareness and foster a culture of secure practices. To help security rules become a natural part of everyday work, we regularly notify employees of key security guidelines company-wide. In preparation for increasingly sophisticated external attacks, we conduct practical, hands-on prevention training, including simulated phishing exercises, on a regular basis in both the first and second halves of each year. This ensures that we continue to strengthen employees' security vigilance and our organization's emergency response capabilities.

Breach Prevention and Response

Hankook & Company systematically protects its data and systems in line with global security requirements and internal security policies. To ensure stable system operations, we perform routine data backups, and we maintain response processes and a crisis management system to address potential security breaches. Through real-time threat monitoring, we detect signs of intrusion at an early stage and activate a rapid response system, allowing us to respond effectively to a wide range of cyber security threats. Risk factors identified through internal vulnerability assessments are incorporated in our corrective action plans and managed on an ongoing basis, safeguarding the company and its stakeholders from external threats.

Improvement Activity

Hankook & Company conducts regular system security assessments to identify vulnerabilities before they surface, steadily improving its level of information security. In March 2025, three of our sites in Korea—Headquarters, the Daejeon Plant, and the Jeonju Plant—earned TISAX Level 2 certification for the first time, meeting the information security standard required by the global automotive industry. The external expert assessment provided objective validation of the adequacy and operational level of our security management system, reinforcing the reliability of our internal security framework. We will maintain the certification through regular audits every three years. In parallel, we will continue to pursue improvement initiatives across the board—advancing our security solutions and proactively managing risks as external laws and regulations change—to bring our information security capabilities further in line with global standards.

ETHICS

Governance

Participation in the Compliance Committee

In 2025, Hankook & Company Group elevated its existing compliance committee, previously housed within the holding company, into an independent, specialized Compliance Committee operating at the Group level, further strengthening its framework for identifying and preventing compliance risks across the Group. Since July 2025, 13 major Group affiliates, including Hankook & Company, have signed the Agreement on the Establishment and Operation of the Compliance Committee and continue to participate in its activities. The Compliance Committee is mandated to strengthen business ethics by preventing and reducing the legal and ethical risks facing Group affiliates. Reviewing major agenda items in advance and providing advisory input on the advancement of governance, the Committee contributes to fostering a culture of integrity and enhancing internal control systems across the Group. The Compliance Committee convened nine times in 2025, deliberating and discussing a range of agenda items, including compliance training performance, the advancement of the compliance system, and reports on the compliance capability-building roadmap.

Operational Overview of the Compliance Committee

Meeting	Agenda
1st (Mar. 7)	· Report on the 2025 Compliance Committee operating plan · Report on 2024 ISO 37301 activities · Report on 2024 compliance training results · Report on the 2024 evaluation of consolidated internal control over financial reporting · Report on the 2025 compliance training plan for employees
2nd (May 12)	· Report on measures to advance the Compliance Committee - Amendment of the Committee's operating regulations - Adoption of detailed enforcement rules for Committee operations - Report on agreements with affiliates regarding Committee operations - Resolution on the appointment of a new co-chair
3rd (Jun. 4)	· Report on court rulings involving executives and related follow-up measures (completed) · Upcoming schedule and matters to be reported (discussed)
4th (Jul. 3)	· Report on the amendment of company vehicle management regulations and their operation · Progress report on the advancement of the compliance framework
5th (Aug. 7)	· Report on enhanced control activities related to the 2025 anti-fraud fund controls disclosure · Report on the operation of 2025 consolidated internal control over financial reporting · Report on plans to strengthen compliance in response to amendments to the Commercial Act · (Additional discussion) Measures to secure the effectiveness of Committee functions
6th (Sept. 10)	· Report on shareholder-related matters - Report on the Committee's responses to shareholder inquiries · Report on compliance measures for subcontract payment practices · Report on measures to enhance the effectiveness of Committee functions
7th (Oct. 22)	· Report on the incident at the ES plant · Report on the Securities and Futures Commission's resolution regarding Model Solution's accounting violations · Report on the draft Innovation Roadmap (2025) for strengthening compliance capabilities · Compliance Committee follow-up report
8th (Nov. 19)	· Report on the H2 2025 operation of Hankook Tire & Technology's consolidated internal control over financial reporting · Report on Hankook Tire & Technology's 2025 ISO 37301 operations · Report on the Innovation Roadmap (2025) for strengthening compliance capabilities
9th (Dec. 18)	· Progress report on shareholder-related matters · Report on the review of internal transactions among affiliates · Report on measures to strengthen Hanon Systems' IT information security

Policy

Ethical Business Conduct

Grounded in its ethical management policy and code of ethics, Hankook & Company upholds a clear set of ethical standards and principles of conduct that extend to all stakeholders including employees and suppliers. We have set out the fundamental ethics every employee must observe: compliance with laws and internal regulations, protection of critical information, legitimate use of company assets, fair partnerships with suppliers, and data privacy. In holding ourselves to these standards, we fulfill our responsibilities to customers and shareholders and foster a management environment in which employees' human rights are respected and evaluation and compensation rest on fairness. We further cultivate a mature culture of ethics—drawing a clear line between public duties and private interests, promoting a sound organizational climate, and respecting employees' political views—while complying fully with environmental and occupational safety and health laws to prevent accidents. Furthermore, we honor international conventions and uphold anti-corruption practices, fulfilling our social responsibility as a global corporate citizen. To ensure these standards are practiced rigorously in the field, the Integrity Management Office monitors the implementation of related policies across the organization.

Ethical Management Policy

Hankook & Company is committed to ethical management as a global company, contributes to enhancing corporate value and national standing, fulfills its social responsibilities, and pursues sustainable growth together with all stakeholders, including customers, shareholders, business partners, workers, local communities, and the environment.
We actively adhere to and implement the following Ethical Management Principles as the standards for value judgment and conduct.

1. Compliance with Laws and Principles
We faithfully comply with applicable domestic and international laws, regulations, and international conventions and practice ethical and transparent management.

2. Respect for Customers
We place customers as our top priority and strive to provide safe, high-quality products and services, thereby earning customer trust and satisfaction.

3. Trust of Shareholders and Investors
We enhance the value of shareholders and investors and secure long-term trust through rational and responsible decision-making.

4. Respect for Workers and Fair Opportunities
We provide equal and fair opportunities to all workers, respect diversity and inclusion, and support self-realization. We also foster innovative and efficient working environments to create safe, healthy, and fulfilling workplaces.

5. Protection of the Environment and Human Rights
We protect the environment and contribute to addressing climate change, while respecting human rights and preventing violations in all business activities.

6. Responsibility to Local Communities and Global Society
We respect the laws and cultures of the countries and regions in which we operate and contribute to the development of local communities and the sustainability of the global society.

7. Information Protection and Responsible Management
We safely protect personal data and corporate information and maintain a responsible approach in the use of digital technologies and emerging technologies.

8. Ethical Leadership and Practice
All workers, including executives and employees, are expected to lead by example and practice ethical behavior. Where violations occur, we respond promptly and establish a sound ethical culture through internal reporting mechanisms and whistleblower protection systems.

ETHICS

Training

Strengthening Ethics Training

Hankook & Company delivers business ethics training on a regular basis so that ethical awareness becomes second nature in how employees conduct themselves. To deepen understanding of ethical business conduct and embed a culture of compliance in everyday practice, we develop and deliver this training through online video courses. In 2025, we conducted two such programs: the first-half course addressed the understanding and necessity of ethics, the importance of transparency and trust, equal opportunity free of discrimination, and social responsibility and community contribution; the second-half compliance course examined the importance of legal compliance, core compliance concepts, compliance obligations as seen through court precedents, and the elements of an effective compliance system. We also include business ethics as a required component of the onboarding curriculum for new hires, ensuring they understand our code of ethics and culture of integrity and are equipped to apply both in their day-to-day work.

Building Ethics Awareness among Employees

To cultivate sound ethical values among employees and encourage voluntary practice, we publish the monthly Compliance Newsletter, covering the latest compliance trends and issues, and share it company-wide through our internal groupware and other channels. During periods that call for heightened ethical vigilance, such as traditional holidays and vacation seasons, we run dedicated campaigns, including the "No Giving, No Receiving of Holiday Gifts" campaign and the voluntary reporting campaign for gifts and entertainment received while encouraging active participation from all employees. To make our reporting channels easier to access, we placed QR code posters for the mobile-accessible ethics reporting system on in-house kiosks and across our sites in 2025.

Ethics Training Content

Compliance Training Topics

Section	Content
Power of Compliance	- What compliance means - Why compliance matters - Latest trends in compliance
Compliance System	- Compliance obligations as seen through court precedents - What makes a compliance system effective - The Hankook & Company Group compliance framework

Compliance Newsletter Content

Compliance Newsletter Monthly Themes

Month	Theme	Month	Theme
Jan.	Ethics, practiced by all	Jul.	Preventing financial fraud and ethical business conduct
Feb.	Preventing conflicts of interest and corporate ethics	Aug.	Reporting ethics violations
Mar.	Human rights and corporate ethics	Sept.	Holiday greetings: warm words, not gifts
Apr.	Business ethics with suppliers	Oct.	Compliance and ethics
May	Information security in the digital age	Nov.	Proper use of corporate cards
Jun.	DEI (Diversity, Equity, Inclusion)	Dec.	2025 compliance at a glance

ETHICS

Ethics Activity

Hankook & Company operates an anonymous ethics bulletin board, a space for two-way communication where employees can raise questions on business ethics and discuss compliance risks arising in their work.

Whistleblowing Mechanism

Promoting the Whistleblowing Mechanism and Conducting Internal Assessments
To facilitate the Hankook & Company Group's integrated whistleblowing mechanism, we actively publicize our whistleblowing channel to internal and external stakeholders. We operate the Misconduct Reporting channel, which serves to enhance organizational transparency and firmly establish a culture of ethics, and in 2025, we investigated a total of two valid reports.

Investigation and Follow-up

Where our internal assessments identify wrongful practices or inappropriate work processes, we recommend corrective action, and the HR Committee imposes disciplinary measures on employees found to have engaged in misconduct as an appropriate step to prevent recurrence. We also continue to strengthen the effectiveness of our whistleblowing mechanism by operating anonymous reporting channels and upholding strict whistleblower protection principles, thereby reinforcing trust in the system. In 2025, we engaged in activities to foster a speak-up culture across the organization, including publicizing the global Misconduct Reporting channel to our overseas sites.

Awareness-Raising

Publicizing an Ethics Whistleblowing Channel

Global Ethics Whistleblowing Mechanism (Misconduct Reporting)

COMPLIANCE

Compliance Operation

Compliance Check Sheet

In October 2025, Hankook & Company introduced the Compliance Check Sheet to gain a thorough picture of its compliance status, from regulations and organizational structure through to actual operations. The check sheet is organized around six core themes: compliance policies and regulations, the operation of the compliance organization, risk prevention for the Group and management, compliance implementation by the Board and management, the internal whistleblowing mechanism, and compliance training. To ensure that the findings and improvements identified in this first assessment do not end as a one-off exercise, we will make the review a regular practice from 2026. This, in turn, will strengthen our compliance fundamentals and build an even more robust risk prevention framework.

Theme	Item	Expected Outcomes
1. Operation of the compliance organization	1-1. Appointment of the compliance officer	Operation of the compliance officer role, adherence to appointment requirements, and guaranteed authority to act
	1-2. Compliance organization and staffing	Documented organizational chart, staffing, roles and responsibilities (R&R), and regulations
	1-3. Prevention control function	Established procedures for prior consultation
	1-4. Detective control function	Operation of compliance reporting channels and established procedures
	1-5. Internal audit and ad-hoc reviews	Established procedures for internal audits and ad hoc reviews of compliance risks
2. Compliance policies and regulations	2-1. Establishment and implementation of compliance control standards	Established standards and procedures for compliance control
	2-2. Compliance regulations	Operating regulations, detailed enforcement rules, and related documents in place
3. Group-wide and management risk prevention	3-1. Intra-Group transaction risk	Established procedures for prior review and deliberation/resolution on the appropriateness of internal transactions
	3-2. Key decision-making risk	Established risk control standards and procedures; external verification (Compliance Committee, legal counsel, etc.)
	3-3. Management risk	Responses to risks involving changes in management positions, performance evaluation, unlawful conduct, and the granting and exercise of incentives
4. Compliance implementation by the Board and management	4-1. Reporting of compliance activities	Reporting of compliance activities and retention of supporting records
	4-2. Management's commitment to compliance	Communication of compliance messages inside and outside the company
	4-3. Substantive operation of the Board	Guaranteed rights of Board members to participate and voice opinions
5. Internal whistleblowing mechanism	5-1. Operation of the internal whistleblowing system	Operation of multiple whistleblowing channels (systems)
	5-2. Enhanced accessibility	Whistleblowing open to internal and external parties, with clear guidance
	5-3. Promoting active use	Whistleblower protection measures in place
	5-4. Follow-up measures	Reporting of cases and outcomes, development of remediation measures, and monitoring of implementation
6. Compliance training and awareness surveys	6-1. Compliance training	Long-term training plans established and implemented
	6-2. Compliance awareness surveys	Awareness surveys conducted

Fair Tarde Compliance

Hankook & Company provides employees with a range of fair trade-related training to support compliance with relevant fair trade laws and regulations across all business and sales operations.

Anti-Corruption and Antitrust Management

To raise ethics awareness among all employees and foster a culture of voluntary ethical practice, Hankook & Company launches targeted campaigns during national holidays and vacation periods, when the need for business ethics is especially heightened. Representative examples include the Not Giving or Receiving Holiday Gifts campaign and the voluntary bribery reporting campaign, which help embed a culture of anti-corruption across the organization. In 2025, we produced and displayed electronic posters promoting our whistleblowing mechanism using internal kiosks, raising employee awareness of ethical business conduct and further strengthening our efforts to facilitate a speak-up culture.

We further uphold the principles of fair and free competition, strictly prohibiting antitrust violations and unfair trade practices that undermine fair trade, including collusion, unfair conduct related to bidding, and abuse of market-dominant position. To institutionally reinforce these principles, we revised our ethics regulations in 2025 to introduce relevant provisions, establishing clear grounds for sanctions in the event of violations. Through these efforts, we aim to ensure transparency and fairness across all transactions and to advance responsible corporate management.

Hankook & Company Ethical Regulations
Implementation Guidelines
Whistleblowing Mechanism Guidelines
View the full version of the Ethical Regulations

APPENDIX

PERFORMANCE SUMMARY

ESG PERFORMANCE SUMMARY

Economic Performance (consolidated)

Financial Performance

Item		Unit	2023	2024	2025
Sales		KRW million	1,089,668	1,390,995	1,457,552
Sales breakdown by region	Korea	%	33.88	35.27	34.46
	China		7.68	6.03	6.68
	Americas		40.17	45.68	44.16
	Asia		8.66	3.94	4.25
	Others		9.61	9.08	10.45
Cost of sales		KRW million	730,918	859,698	916,629
Gross income			358,749	531,297	540,922
Operating income			256,563	418,268	411,626
Income before tax			205,603	391,291	387,238
Income tax			18,369	40,578	40,009
Net income			187,234	350,713	347,229
Other comprehensive income			38,008	171,662	117,824
Total comprehensive income			225,243	522,375	465,053
Total assets			4,640,995	5,136,426	5,259,625
Total liabilities			624,304	683,552	478,545
Total equity			4,016,691	4,452,873	4,781,079

General

Consumption of Key Raw Materials

Item	Unit	2023	2024	2025
Lead[1)]	ton	137,479	157,868	162,437
Sulfuric acid		33,790	36,972	37,540
Total	**ton**	**171,270**	**194,841**	**199,977**

1) Figures restated due to a change in the calculation method for lead consumption

Consumption of Secondary Raw Materials (recycled materials)

Item	Unit	2023	2024	2025
Lead[1)]	ton	104,433	118,030	118,493
Sulfuric acid		0	0	0
Total	**ton**	**104,433**	**118,030**	**118,493**

1) Figures restated due to a change in the calculation method for lead consumption

Environmental

Energy Consumption

Item			Unit	2023	2024	2025
Korea	Non-renewable energy	Fuel	TJ	193	214	236
		Purchased electricity		1,317	1,437	1,476
	Renewable energy	Renewable energy		0	0	0
	Subtotal			1,510	1,651	1,713
	Ratio of renewable energy		%	0	0	0
Global	Non-renewable energy	Fuel	TJ	53	51	50
		Purchased electricity		76	80	81
	Renewable energy	Renewable energy		0	0	0
	Subtotal			129	132	131
	Ratio of renewable energy		%	0	0	0
Total	**Non-renewable energy**	**Fuel**	**TJ**	**246**	**266**	**286**
		Purchased electricity[1]		**1,393**	**1,517**	**1,558**
	Renewable energy	**Renewable energy**		**0**	**0**	**0**
	Subtotal			**1,638**	**1,783**	**1,844**
	Ratio of renewable energy		**%**	**0**	**0**	**0**
Intensity[2]			**TJ/ton of product**	**0.07**	**0.07**	**0.07**

1) - Korea: Calculated based on country-specific calorific values by fuel type (as prescribed in the annexed table of the Enforcement Rules of the Energy Act)
- Global: Calculated based on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories
2) Intensity figures restated due to an error in aggregating production weight

Reduction of Energy Consumption[1]

Item		Unit	2023	2024	2025
Korea	Fuel	MWh	-	-	141
	Purchased electricity		-	-	888
	Subtotal		-	-	1,028
Total	**Energy optimization for production process**	**MWh**	**-**	**-**	**141**
	Heating/cooling energy improvement		**-**	**-**	**888**
	Switch to high-efficiency LED lighting		**-**	**-**	**-**
	Total		**-**	**-**	**1,028**

1) 2025 data cover domestic production sites (Daejeon and Jeonju Plants) only.

Combined GHG Emissions (Scope 1, 2)

Item		Unit	2023	2024	2025
Korea[1]	Scope 1	tCO_2eq	9,818	10,877	11,993
	Scope 2 (Market-Based)		63,015	68,765	70,657
	Scope 2 (Location-Based)		63,015	68,765	70,657
Global	Scope 1		2,710	2,627	2,549
	Scope 2 (Market-Based)		8,195	8,657	8,752
	Scope 2 (Location-Based)		8,195	8,657	8,752
Total	**Scope 1**	**tCO_2eq**	**12,528**	**13,505**	**14,542**
	Scope 2 (Market-Based)		**71,210**	**77,422**	**79,409**
	Scope 2 (Location-Based)		**71,210**	**77,422**	**79,409**
	Scope 1+2 (Market-Based)		**83,738**	**90,927**	**93,951**
	Scope 1+2 (Location-Based)		**83,738**	**90,927**	**93,951**
Intensity (market-based)[2]		**tCO_2eq/ton of product**	**0.36**	**0.35**	**0.36**

1) GHG emissions restated due to a change in data scope
2) Intensity figures restated due to an error in aggregating production weight

Environmental

GHG Emissions (Scope 3)

Item	Unit	2023	2024	2025
Category 1 (purchased goods and services)	tCO_2eq	-	-	281,813
Category 2 (capital goods)		-	-	15,755
Category 3 (fuel- and energy-related activities not included in Scope 1 or 2)		-	-	15,362
Total	**tCO_2eq**	**-**	**-**	**312,931**

Reduction of GHG Emissions[1]

Item	Unit	2023	2024	2025
Korea	tCO_2eq	-	-	436
Total	**tCO_2eq**	**-**	**-**	**436**

1) 2025 data cover domestic production sites (Daejeon and Jeonju Plants) only.

Carbon Cost Savings[1]

Item	Unit	2023	2024	2025
Korea	KRW million	-	-	4
Total	**KRW million**	**-**	**-**	**4**

1) 2025 data cover domestic production sites (Daejeon and Jeonju Plants) only.

Air Pollutant Emissions[1]

Item		Unit	2023	2024	2025
Korea	NOx (nitrogen oxides)	kg	5,662	10,120	10,565
	SOx (sulfur oxides)		8,945	9,307	8,659
	PM (dust and others)		14,198	13,033	11,833
Total	**NOx (nitrogen oxides)**	**kg**	**5,662**	**10,120**	**10,565**
	SOx (sulfur oxides)		**8,945**	**9,307**	**8,659**
	PM (dust and others)		**14,198**	**13,033**	**11,833**

1) Domestic production sites (Daejeon and Jeonju Plants) only

Water Pollutant Discharge[1]

Item		Unit	2023	2024	2025
Korea	SS (suspend solids)	kg	1,535	2,935	3,184
	TOC (total organic carbon)		935	898	1,010
	BOD (biochemical oxygen demand)		635	821	1,022
	T-N (total nitrogen)		675	667	618
	T-P (total phosphorus)		51	149	10
Total	**SS (suspend solids)**	**kg**	**1,535**	**2,935**	**3,184**
	TOC (total organic carbon)		**935**	**898**	**1,010**
	BOD (biochemical oxygen demand)		**635**	**821**	**1,022**
	T-N (total nitrogen)		**675**	**667**	**618**
	T-P (total phosphorus)		**51**	**149**	**10**

1) Domestic production sites (Daejeon and Jeonju Plants) only

Environmental

Chemical Releases[1]

Item		Unit	2023	2024	2025
Korea	Chemical substances	ton	0.200	0.342	0.901

1) Domestic production sites (Daejeon and Jeonju Plants) only

Water Withdrawal

Item		Unit	2023	2024	2025
Korea	Tap water	m³	554,557	603,218	627,174
	Groundwater		0	0	0
Global	Tap water		34,104	41,314	38,300
	Groundwater		0	0	0
Subtotal	Tap water		588,661	644,532	665,474
	Groundwater		0	0	0
Total		**m³**	**588,661**	**644,532**	**665,474**
Intensity[1]		m³/ton of product	2.51	2.45	2.53

1) Intensity figures restated due to an error in aggregating production weight

Water Discharge[1]

Item	Unit	2023	2024	2025
Korea	m³	350,576	359,839	297,102
Total	**m³**	**350,576**	**359,839**	**297,102**
Intensity	m³/ton of product	1.65	1.53	1.25

1) Domestic production sites (Daejeon and Jeonju Plants) only

Water Consumption[1]

Item	Unit	2023	2024	2025
Korea	m³	203,981	243,379	330,072
Total	**m³**	**203,981**	**243,379**	**330,072**
Intensity	m³/ton of product	0.96	1.04	1.39

1) Domestic production sites (Daejeon and Jeonju Plants) only

Water Reuse

Item	Unit	2023	2024	2025
Korea	m³	30,698	34,126	27,250
Global		-	-	-
Total	**m³**	**30,698**	**34,126**	**27,250**

Water Reuse Rate

Item	Unit	2023	2024	2025
Korea	%	5.25	5.35	4.16
Global		0	0	0
Total	**%**	**4.96**	**5.03**	**3.93**

Environmental

Waste Generation

Item				Unit	2023	2024	2025
Korea	Outsourcing	Landfill	General waste	ton	0	0	0
			Hazardous waste		0	0	0
		Incineration (without energy recovery)	General waste		0	0	0
			Hazardous waste		0	0	0
		Hazardous waste	General waste		0	0	0
			Hazardous waste		196	173	194
		Recycling	General waste		895	889	920
			Hazardous waste		3,757	5,261	5,883
	Other waste				0	0	0
Global[1]	Outsourcing	Landfill	General waste	ton	0	0	0
			Hazardous waste		0	0	0
		Incineration (without energy recovery)	General waste		0	0	0
			Hazardous waste		0	0	643
		Hazardous waste	General waste		0	0	0
			Hazardous waste		0	0	0
		Recycling	General waste		0	0	0
			Hazardous waste		0	0	745
	Other waste				0	0	0
Total[2]	**Outsourcing**	**Landfill**	**General waste**	**ton**	**0**	**0**	**0**
			Hazardous waste		**0**	**0**	**0**
		Incineration (without energy recovery)	**General waste**		**0**	**0**	**0**
			Hazardous waste		**0**	**0**	**643**
		Hazardous waste	**General waste**		**0**	**0**	**0**
			Hazardous waste		**196**	**173**	**194**
		Recycling	**General waste**		**895**	**889**	**920**
			Hazardous waste		**3,757**	**5,261**	**6,628**
	Other waste				**0**	**0**	**0**
	Total waste generation				**4,848**	**6,323**	**8,385**
	Intensity[3]			**Ton/ ton of product**	**0.02**	**0.02**	**0.03**

1) Waste data aggregation expanded to global sites in 2025
2) Increase in figures due to the expanded aggregation of waste data from global sites in 2025
3) Intensity figures restated due to an error in aggregating production weight

Eco-friendly Vehicles

Item	Unit	2023	2024	2025
Total fleet size	Vehicles	9	13	11
Eco-friendly vehicles in fleet		-	-	-
Ratio of eco-friendly vehicles in fleet	%	0	0	0

Significant Violation of Environmental Laws and Regulatioons[1]

Item	Unit	2023	2024	2025
Number of violations of legal obligations and regulations	Cases	-	2	1
Fines associated with the above	KRW million	-	0.48	0.48

1) Domestic production sites (Daejeon and Jeonju Plants) only

Percentage of Products Covered by LCA[1]

Item	Unit	2023	2024	2025
Korea	%	2.92	4.50	3.75
Global		0	6.68	0
Total	**%**	**2.68**	**4.70**	**3.44**

1) Number of products with LCA conducted / Total number of products manufactured (EA/EA)

Social

Employees

Item			Unit	2023	2024	2025
Total employees	Korea		Persons	1,123	1,194	1,219
	Europe			7	5	6
	Americas			339	220	253
	Total		**Persons**	**1,469**	**1,419**	**1,478**
Employees of employment type	Regular	Male	Persons	1,220	1,176	1,220
		Female		186	177	182
	Non-regular	Male		53	57	70
		Female		10	9	6
	Percentage of non-regular employees		%	4.3	4.7	5.1
Employees by employment type and by region	Regular	Korea	Persons	1,065	1,129	1,164
		Europe		6	5	6
		Americas		335	219	232
		Total	**Persons**	**1,406**	**1,353**	**1,402**
	Non-regular	Korea	Persons	58	65	55
		Europe		1		
		Americas		4	1	21
		Total	**Persons**	**63**	**66**	**76**
Employees by region	Korea		Persons	1,123	1,194	1,219
	Europe			7	5	6
	Americas			339	220	253
	Total		**Persons**	**1,469**	**1,419**	**1,478**
Employees by age group	Under 30		%	20.6	17.5	15.0
	30s			35.3	36.1	36.7
	40s			26.1	26.1	27.1
	50s			14.8	17.5	18.7
	60s			3.3	2.7	2.4

Employees

Item			Unit	2023	2024	2025
Employees by gender	Korea	Male	Persons	1,042	1,085	1,103
		Female		81	109	116
	Global	Male		231	148	187
		Female		115	77	72
Employees by job category	Office workers in Korea		Persons	365	422	457
	Operators in Korea			759	772	762
	Office workers overseas			82	81	79
	Operators overseas			263	144	180
Workers who are not employees and whose work is performed at the company (subcontractor workers)	Subcontractors at Korean plants[1]		Persons	101	101	104
Parental leave (Korea)	Employees due to return to work after parental leave		Persons	12	12	16
	Employees who returned to work after parental leave			11	11	15
	Return-to-work rate		%	91.7	91.7	93.8
	Employees who took parental leave by gender	Male	Persons	4	12	15
		Female		2	6	10
	Employees who returned to work after parental leave by gender[2]	Male		3	1	7
		Female		3	1	4

1) Based on the company's plants (Daejeon and Jeonju)
2) Employees who returned to work after parental leave and remained employed for 12 months or more by gender

Social

Employees

Item		Unit	2023	2024	2025
Percentage of female employees[1]		%	21.13	24.63	24.72
Female leadership metrics[1]	Percentage of female managers[2]	%	17.1	21.2	20.2
	Number of female executives	Persons	1	2	1
	Percentage of female executives[3]	%	7.7	12.5	5.9
	Percentage of females in *STEM positions[4]	%	20.6	21.1	19.3
	Percentage of females in revenue-generating functions[5]	%	34.2	36.2	33.3
Percentage of management-level employees by nationality	Korea	%	88.9	90.9	94.7
	Europe	%	0.3	0.3	0.3
	Americas	%	10.8	8.8	5.0
Ratio of standard entry-level wage by gender to local minimum wage at major sites	Korea	%	169	161	163
	Americas[6]	%	214	214	214

1) Based on office workers in Korea
2) Female managers defined as P2 and P3 or above
3), 4), 5) Based on office workers in Korea
6) Based on the State of Tennessee (against the statutory minimum wage of USD 7.25)
*STEM : Science, Technology, Engineering and Mathematics

Recruitment

Item			Unit	2023	2024	2025
New hires	Total		Persons	497	537	459
	By gender	Male	Persons	378	418	381
		Female	Persons	119	119	78
		Male	%	76.1	77.8	83.0
		Female	%	23.9	22.2	17.0
	By age group	Under 20	Persons	250	219	206
		30s	Persons	161	178	149
		40s	Persons	57	76	63
		Over 50	Persons	29	64	41
		Under 20	%	50.3	40.8	44.9
		30s	%	32.4	33.1	32.5
		40s	%	11.5	14.2	13.7
		Over 50	%	5.8	11.9	8.9
	Number of new hires by region	Korea	Persons	231	262	215
		Europe	Persons	2	1	1
		Americas	Persons	264	274	243
	Percentage of new hires by region	Korea	%	46.5	48.8	46.8
		Europe	%	0.4	0.2	0.2
		Americas	%	53.1	51.0	52.9
	Korea	Office workers	Persons	67	140	80
		Operators	Persons	164	122	135
	Overseas	Office workers	Persons	47	20	20
		Operators	Persons	219	255	224

Social

Turnover

Item		Unit	2023	2024	2025
Turnover	Total	Persons	426	486	444
	Male		337	384	363
	Female		89	102	81
	Under 20		178	197	192
	30s		145	147	138
	40s		55	70	56
	Over 50		48	72	58
Turnover rate		%	29.0	34.2	30.0
Voluntary turnover		Persons	375	352	342
Voluntary turnover rate[1]		%	25.5	24.8	23.1
Average years of employment		Years	1.8	2.2	1.3

1) Departures other than involuntary turnover (transfers to affiliates, contract expiration, retirement at retirement age, disciplinary dismissal, death, etc.) are counted as voluntary turnover (resignations).

General and Mandatory Training

Item		Unit	2023	2024	2025
Average training hours per person[1]	Total	Hours	40.7	41.4	50.9
Average training expenses per person[2]	Total	KRW 1,000	519	527	659
Training participants[3]	Total	Persons	399	431	482
Transition support training outcomes[4]	Retirement preparation support training	Persons	24	11	0
Detailed training outcomes	Human rights[5]	Target employees (persons)	1,111	1,107	1,202
		Employees completed (persons)	1,104	1,102	1,200
		Completion rate (%)	99.4	99.5	99.8
	Ethics[6] (anti-corruption and fair trade)	Target employees (persons)	1,061	1,009	1,180
		Employees completed (persons)	1,056	1,000	1,160
		Completion rate (%)	99.5	99.1	98.3
	Prevention of sexual harassment[7]	Target employees (persons)	361	355	427
		Employees completed (persons)	356	354	424
		Completion rate (%)	98.6	99.7	99.3

1), 2), 3), 7) Based on office workers in Korea
4), 5), 6) Based on office workers and operators in Korea

Social

Health and Safety

Item		Unit	2023	2024	2025
Number of fatalities	Employees	Cases	0	0	1
	Suppliers		0	0	0
Employees Fatality rate	Employees	%	0	0	0.69
	Suppliers		0	0	0.00
Number of injuries	Employees	Cases	8	12	6
	Suppliers		0	0	0
Employees Injury rate[1]	Employees	Cases/ million hours	0.69	1.05	0.56
	Suppliers		0	0	0
Number of occupational illness	Employees	Cases	3	2	1
	Suppliers		0	0	0
Safety KPIs	Lost Time Injury Frequency Rate (LTIFR)[2] Employees	Cases/ million hours	2.16	4.38	2.02
	Lost Time Injury Frequency Rate (LTIFR) Suppliers		0	0	0
	Other Injury Frequency Rate (OIFR)[3]		1.29	0.88	0.40

1) Injury Rate (IR): Total number of occupational injuries / Total hours worked × 200,000 hours
2) Lost Time Injury Frequency Rate (LTIFR): Number of accident-related occupational injuries / Total hours worked × 1,000,000 hours
3) Other Injury Frequency Rate (OIFR): Number of illness-related occupational injuries / Total hours worked × 1,000,000 hours

Ratio of Remuneration of Women to Men by Job Level

Item		Unit	2023	2024	2025
Average for all employees		KRW million	78	81	94
Average for male employees			80	84	97
Average for female employees			56	52	68
Female-to-male average ratio	Gender pay ratio (female to male)	%	70.0	61.9	70.1

Performance and Compensation

Item		Unit	2023	2024	2025
Employees who received regular performance reviews	Global	Persons	393	438	498
Employees subject to performance reviews			447	503	538
Percentage of employees receiving regular performance reviews		%	87.9	87.1	92.6

Grievance Handling

Item		Unit	2023	2024	2025
Grievances handled[1]	Global	Cases	68	70	83

1) Covers the filing and handling of grievances from office workers and operators in Korea

Labor Union[1]

Item		Unit	2023	2024	2025
1Covers the filing and handling of grievances from office workers and operators in Korea	Global	Persons	710	720	719
Union members			710	720	720
Membership rate		%	100	100	100

1) Based on operators in Korea (excluding temporary workers)

Social

Supply Chain

Item		Unit	2023	2024	2025
Supplier ESG assessment	Suppliers subject to assessment	Companies	78	74	74
	Suppliers assessed		14	71	72
	Assessment completion rate	%	17.9	95.9	97.3
	Number of critical suppliers[1]	Companies	20	20	20
	Percentage of critical suppliers participating in ESG assessment	%	17.9	100.0	100.0
	On-site audit rate		0	0	0
	Corrective actions taken	Cases	0	0	0
	Supplier grievances handled		0	0	0
Supplier training and communication	Training outcomes	Persons/hours/sessions	0	0	6/3/1

1) Suppliers with annual purchases of KRW 5 billion or more

Customer and Product Responsibility

Item	Unit	2023	2024	2025
Customer complaints handled	Cases	64	31	27
Customer complaints regarding personal data		0	0	0
Recalls		0	0	0
Recall costs as a percentage of revenue	%	0	0	0
Involuntary recalls	Cases	0	0	0

Community Engagement

Item	Unit	2023	2024	2025
Social contribution expenditure	KRW 100 million	11.3	20.4	22.5
Donations	KRW million	1,128.98	2,041.96	2,250.27

Governance and Ethics

Board of Directors

Item		Unit	2023	2024	2025
Composition of the Board	Total	Persons	7	7	6
	Inside directors		3	3	2
	Outside directors		4	4	4
	Female		1	1	1
Percentage of outside directors		%	57.10	57.10	66.67
Percentage of female directors			14.30	14.30	16.67
Board meetings held		Meetings	9	6	11
Board meeting attendance		%	-	-	-
Board evaluation conducted		N/Y	-	-	-

ESG Operation

Item	Unit	2023	2024	2025
ESG Committee[1] meetings held	Meetings	-	-	3
Key ESG agenda items	Items	-	-	2

1) The Committee has been in operation since 2025, following the establishment of a sustainability committee approved at the 4th Board meeting of 2024

Information Security

Item	Unit	2023	2024	2025
Information security training provided[1]	Persons	356	374	442
	Completion rate (%)	100	100	100
Security inspections[2] conducted	Cases	-	-	2
Information security breaches		-	-	0

1) Based on office workers in Korea
2) Phishing email simulation drills conducted in the first and second halves of 2025

Ethics and Compliance

Item	Unit	2023	2024	2025
Ethics pledge[1] sign-off rate	%	99	99	100
Misconduct reports filed	Cases	1	1	2
Misconduct reports handled		1	1	2
Resolution rate of misconduct reports	%	100	100	100
Ethics training provided[2] (fair trade and anti-corruption)	Persons	1,128	1,197	1,196
	%	99	93	98
Membership fees and contributions to policy-related organizations (industry associations, chambers of commerce, etc.*)	KRW million	169	176	214

1) Based on office workers in Korea
2) Based on office workers and operators in Korea

ESG DISCLOSURE INDEX

GRI INDEX

General Disclosures

Category	no.	Disclosure	Page	Remarks
The organization and its reporting practices	2-1	Organizational details	p.6	
	2-2	Entities included in the organization's sustainability reporting	p.4	
	2-3	Reporting period, frequency and contact point	p.4	
	2-4	Restatements of information	N/A[1]	
	2-5	External assurance	p.4, p.83~84	
Activities and workers	2-6	Activities, value chain and other business relationships	p.4, p.6, p.11~12, p.14~16, p.37~41	
	2-7	Employees	p.61~62	
	2-8	Workers who are not employees	p.61	
Governance	2-9	Governance structure and composition	p.10, p.43~45	Business Report Corporate Governance Report
	2-10	Nomination and selection of the highest governance body	p.43~44	
	2-11	Chair of the highest governance body	p.47	
	2-12	Role of the highest governance body in overseeing the management of impacts	p.10, p.43, p.47	
	2-13	Delegation of responsibility for managing impacts	p.10, p.29, p.43~44, p.48, p.50	
	2-14	Role of the highest governance body in sustainability reporting	p.10, p.43, p.47	
	2-15	Conflicts of interest	p.43, p.47	
	2-16	Communication of critical concerns	p.10, p.29, p.43, p.48, p.50	
	2-17	Collective knowledge of the highest governance body	p.43~45	
	2-18	Evaluation of the performance of the highest governance body	p.46	
	2-19	Remuneration policies	p.46	
	2-20	Process to determine remuneration	p.46	
	2-21	Annual total compensation ratio	Confidential	

1) Through 2025, Hankook & Company disclosed its sustainability information in the form of a Fact Book. Beginning in 2026, the company fully reorganized its disclosure framework into an ESG Report aligned with the GRI Standards. As a result, certain disclosure items differ from previous publications in reporting scope and standards, limiting direct comparison. Going forward, the company will transparently disclose consistent time-series data, with the year of this report's publication as the baseline.

Category	no.	Disclosure	Page	Remarks
Strategy, policies and practices	2-22	Statement on sustainable development strategy	p.5	
	2-23	Policy commitments	p.19, p.30, p.34, p.37, p.38, p.39, p.43, p.47, p.48, p.50, p.51, p.54	
	2-24	Embedding policy commitments	p.19, p.30, p.34, p.37, p.38, p.39, p.43, p.47, p.48, p.50, p.51, p.54	
	2-25	Processes to remediate negative impacts	p.11, p.30~31, p.34~36, p.37, p.38, p.39, p.48~51, p.53	
	2-26	Mechanisms for seeking advice and raising concerns	p.30~31, p.53	
	2-27	Compliance with laws and regulations	p.54	
	2-28	Membership associations	p.80	
Stakeholder engagement	2-29	Approach to stakeholder engagement	p.14, p.30, p.37~38	
	2-30	Collective bargaining agreements	p.64	
Disclosures on material topics	3-1	Process to determine material topics	p.15	
	3-2	List of material topics	p.16	
	3-3	Management of material topics	p.18~54	

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Material Topics (2025)

Material Issue	Category	no.	Disclosure	Page
Climate change mitigation E	Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	p.76~79
	Energy	302-1	Energy consumption within the organization	p.57
		302-3	Energy intensity	p.57
		302-4	Reduction of energy consumption	p.57
	Emissions	305-1	Direct (Scope 1) GHG emissions	p.57
		305-2	Energy indirect (Scope 2) GHG emissions	p.57
		305-3	Other indirect (Scope 3) GHG emissions	p.58
		305-4	GHG emissions intensity	p.57, p.58
		305-5	Reduction of GHG emissions	p.58
Supply chain sustainability management S	Activities and workers	2-6	Activities, value chain and other business relationships	p.4, p.6, p.11~12, p.14~16, p.37~41
	Procurement Practices	204-1	Proportion of spending on local suppliers	-
	Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	p.37
		308-2	Negative environmental impacts in the supply chain and actions taken	p.37, p.65
	Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	p.37
		414-2	Negative social impacts in the supply chain and actions taken	p.37, p.65

Material Issue	Category	no.	Disclosure	Page
Occupational health and safety enhancement S	Occupational Health and Safety	403-1	Occupational health and safety management system	p.34~36
		403-2	Hazard identification, risk assessment, and incident investigation	p.34~36
		403-3	Occupational health services	p.34~36
		403-4	Worker participation, consultation, and communication on occupational health and safety	p.34~36
		403-5	Worker training on occupational health and safety	p.35~36
		403-6	Promotion of worker health	p.36
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p.34, p.35
		403-8	Workers covered by an occupational health and safety management system	p.34
		403-9	Work-related injuries	p.64
		403-10	Work-related ill health	p.64
Ethics and compliance framework enhancement G	Business ethics policies	2-23	Policy commitments	p.19, p.30, p.34, p.37, p.38, p.39, p.43, p.47, p.48, p.50, p.51, p.54
		2-24	Embedding policy commitments	p.19, p.30, p.34, p.37, p.38, p.39, p.43, p.47, p.48, p.50, p.51, p.54
	Ethics reporting and grievance handling	2-26	Mechanisms for seeking advice and raising concerns	p.30~31, p.53
	Compliance framework and violations	2-27	Compliance with laws and regulations	p.54
	Anti-corruption risk assessment	205-1	Operations assessed for risks related to corruption	p.54
	Anti-corruption training and pledge	205-2	Communication and training about anti-corruption policies and procedures	p.54, p.66
	Fair trade and antitrust compliance and violations	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p.66

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GRI INDEX

Material Topics (2025)

Material Issue	Category	no.	Disclosure	Page
Sustainable raw materials E	Materials	301-1	Materials used by weight or volume	p.56
		301-2	Recycled input materials used	p.56
	Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	p.37
		308-2	Negative environmental impacts in the supply chain and actions taken	p.37, p.65
Energy management E	Energy	302-1	Energy consumption within the organization	p.57
		302-3	Energy intensity	p.57
		302-4	Reduction of energy consumption	p.57
Transparent and responsible corporate governance G	Governance	2-9	Governance structure and composition	p.10, p.43~45
		2-10	Nomination and selection of the highest governance body	p.43~44
		2-11	Chair of the highest governance body	p.47
		2-12	Role of the highest governance body in overseeing the management of impacts	p.10, p.43, p.47
		2-13	Delegation of responsibility for managing impacts	p.10, p.29, p.43~44, p.48, p.50
		2-14	Role of the highest governance body in sustainability reporting	p.10, p.43, p.47
		2-15	Conflicts of interest	p.43
		2-16	Communication of critical concerns	p.10, p.29, p.43, p.48, p.50
		2-17	Collective knowledge of the highest governance body	p.43~45
		2-18	Evaluation of the performance of the highest governance body	p.46
		2-19	Remuneration policies	p.46
		2-20	Process to determine remuneration	p.46

Material Issue	Category	no.	Disclosure	Page
Product resource circularity E	Materials	301-2	Recycled input materials used	p.56
	Reclamation	301-3	Reclaimed products and their packaging materials	p.24~25
	Energy	302-5	Reductions in energy requirements of products and services	p.22, p.57
	Emissions	305-5	Reduction of GHG emissions	p.22, p.58
	Waste	306-1	Waste generation and significant waste-related impacts	p.20, p.25~26, p.60
		306-2	Management of significant waste-related impacts	p.20, p.25~26
	Product responsibility	417-1	Requirements for product and service information and labeling	p.39

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Other Topic-specific Disclosures

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Economic Performance	201-1	Direct economic value generated and distributed	p.46, p.56
	201-2	Financial implications and other risks and opportunities due to climate change	p.76~79
Anti-corruption	205-1	Operations assessed for risks related to corruption	p.54
	205-2	Communication and training about anti-corruption policies and procedures	p.54, p.66
	205-3	Confirmed incidents of corruption and actions taken	p.66
Materials	301-1	Materials used by weight or volume	p.56
	301-2	Recycled input materials used	p.56
Energy	302-1	Energy consumption within the organization	p.57
	302-4	Reduction of energy consumption	p.57
Water and Effluents	303-1	Interactions with water as a shared resource	p.23, p.25
	303-2	Management of water discharge-related impacts	p.23, p.25
	303-3	Water withdrawal	p.59
	303-4	Water discharge	p.59
	303-5	Water consumption	p.59
Emissions	305-1	Direct (Scope 1) GHG emissions	p.57
	305-2	Energy indirect (Scope 2) GHG emissions	p.57
	305-3	Other indirect (Scope 3) GHG emissions	p.58
	305-4	GHG emissions intensity	p.57, p.58
	305-5	Reduction of GHG emissions	p.58
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	p.23, p.58

Category	no.	Disclosure	Page
Waste	306-1	Waste generation and significant waste-related impacts	p.20, p.25~26, p.60
	306-2	Management of significant waste-related impacts	p.20, p.25~26
	306-3	Waste generated	p.60
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	306-5	Waste directed to disposal	p.60
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	p.37
	308-2	Negative environmental impacts in the supply chain and actions taken	p.37, p.65
Employment	401-1	New employee hires and employee turnover	p.62, p.63
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p.33
	401-3	Parental leave	p.61
Occupational Health and Safety	403-1	Occupational health and safety management system	p.34~36
	403-2	Hazard identification, risk assessment, and incident investigation	p.34~36
	403-3	Occupational health services	p.34~36
	403-4	Worker participation, consultation, and communication on occupational health and safety	p.34~36
	403-5	Worker training on occupational health and safety	p.35~36
	403-6	Promotion of worker health	p.36
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p.34~35
	403-8	Workers covered by an occupational health and safety management system	p.34
	403-9	Work-related injuries	p.64
	403-10	Work-related ill health	p.64

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Other Topic-specific Disclosures

Category	no.	Disclosure	Page
Training and Education	404-1	Average hours of training per year per employee	p.63
	404-2	Programs for upgrading employee skills and transition assistance programs	p.32
	404-3	Percentage of employees receiving regular performance and career development reviews	p.32, p.64
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	p.10, p.43~44, p.61, p.66
	405-2	Ratio of basic salary and remuneration of women to men	p.64
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	p.31, p.64
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Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	p.31, p.37~38
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	p.40~41, p.65
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	p.37
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Marketing and Labeling	417-1	Requirements for product and service information and labeling	p.39
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	p.35~36, p.39
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	p.65
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p.65~66

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SASB INDEX

Transportation Sector - Auto Parts

Topic	Code	Accounting Metric	Page
Energy Management	TR-AP-130a.1	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable	p.22, p.57
Waste Management	TR-AP-150a.1	(1) Total amount of waste from manufacturing (2) Percentage hazardous (3) Percentage recycled	p.25, p.60
Product Safety	TR-AP-250a.1	Number of recalls issued, involuntary recalls, and consumer complaints	p.39, p.65
Design for Fuel	TR-AP-410a.1	Disclosure on products designed to increase fuel efficiency and/or reduce emissions	p.39
Efficiency	TR-AP-440a.1	Description of the management of risks associated with the use of critical materials	p.37~38, p.65
Materials Sourcing	TR-AP-440b.1	Percentage of products sold that are recyclable	Not disclosed
	Materials Efficiency	Percentage of input materials from recycled or remanufactured content	p.24~25, p.56
Competitive Behavior	TR-AP-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	p.54, p.66

Activity Metrics		Details
Activity Metrics	Number of parts produced	Not disclosed
	Weight of parts produced	Not disclosed
	Area of manufacturing plants	Not disclosed

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ESRS INDEX

ESRS 2 - General Disclosures

ESRS	Disclosure Requirement	Page
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GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	p.10, p.15~16, p.43, p.47
GOV-4	Statement on due diligence	p.15, p.29~31, p.37~38, p.51~54
GOV-5	Risk management and internal controls over sustainability reporting	p.4, p.10~11, p.48, p.72~73
SBM-1	Strategy, business model and value chain	p.5~9, p.15~16, p.37~38
SBM-2	Interests and views of stakeholders	p.14, p.30
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	p.15~16
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	p.15~16
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	p.4, p.15~16

E1 - Climate Change

ESRS	Disclosure Requirement	Page
E1-1	Transition plan for climate change mitigation	p.20, p.22, p.67~70
E1-2	Policies related to climate change mitigation and adaptation	p.19~20, p.22, p.67
E1-3	Actions and resources in relation to climate change policies	p.20~22, p.57~58, p.70
E1-4	Targets related to climate change mitigation and adaptation	p.20, p.22, p.70
E1-5	Energy consumption and mix	p.22, p.57
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E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	p.68~69

E2 - Pollution

ESRS	Disclosure Requirement	Page
E2-1	Policies related to pollution	p.19~20, p.23
E2-2	Actions and resources related to pollution	p.20, p.23, p.58~59
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E2-4	Pollution of air, water and soil	p.23, p.58~59

E5 - Resource Use and Circular Economy

ESRS	Disclosure Requirement	Page
E5-1	Policies related to resource use and circular economy	p.19~20, p.24~25
E5-2	Actions and resources related to resource use and circular economy	p.24~25, p.56, p.60
E5-3	Targets related to resource use and circular economy	p.20, p.22, p.24~25
E5-4	Resource inflows	p.24, p.56
E5-5	Resource outflows	p.25, p.60

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ESRS INDEX

S1 - Own Workforce

ESRS	Disclosure Requirement	Page
S1-1	Policies related to own workforce	p.29~31, p.32~36
S1-2	Processes for engaging with own workers and workers' representatives about impacts	p.14, p.30, p.32~33, p.35
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	p.30~31, p.53, p.64~66
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	p.29~36, p.61~64
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	p.12, p.31, p.34~36
S1-6	Characteristics of the undertaking's employees	p.61~62
S1-7	Characteristics of non-employees in the undertaking's own workforce	p.61
S1-8	Collective bargaining coverage and social dialogue	p.64
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S1-16	Remuneration metrics (pay gap and total remuneration)	p.64
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S2 - Workers in the Value Chain

ESRS	Disclosure Requirement	Page
S2-1	Policies related to value chain workers	p.30, p.37~38
S2-2	Processes for engaging with value chain workers about impacts	p.14, p.30, p.37, p.65
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	p.37, p.53, p.65
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	p.37~38, p.65
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	p.12, p.37~38, p.65

G1 - Business Conduct

ESRS	Disclosure Requirement	Page
G1-1	Business conduct policies and corporate culture	p.52~54
G1-2	Management of relationships with suppliers	p.37~38, p.65
G1-3	Prevention and detection of corruption and bribery	p.51~54
G1-4	Incidents of corruption or bribery	p.53, p.65~66
G1-5	Political influence and lobbying activities	p.65

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UN SDGs INDEX

Hankook & Company supports the UN Sustainable Development Goals (SDGs) championed by the United Nations and the international community, and has taken an active part in addressing universal human challenges and the environmental issues facing our planet. We are committed to contributing to society through an even broader range of initiatives in the years ahead.

SDGs	Related Initiatives/Reporting Content	Page
No Poverty	Vehicle sharing and support for mobility-vulnerable groups	p.40
	Support for vulnerable groups through volunteer activities at global operational sites	p.41
Zero Hunger	Providing fertilizer, formic acid coagulant, and tools to smallholder natural rubber farmers	p.26~27
	Free nutritious meal service volunteering	p.27
Good Health and Well-being	Building a safety culture and accident prevention activities	p.34~36
	Health checkups, psychological counseling, and wellness-based health management	p.36
Quality Education	Training for company-wide leaders and grievance handling personnel	p.31
	Supporting employee growth and job-specific training	p.31~32
	Supplier ESG training and the SPARK Program	p.37
	Science education and road safety education for local communities	p.40
Gender Equality	Operating a women's leadership mentoring program	p.31
	Disclosure of the percentage of female managers and executives	p.62
Clean Water and Sanitation	Management of water pollutants and monitoring of effluent	p.23
	Water reuse and water withdrawal reduction activities	p.25
Affordable and Clean Energy	Scaling renewable energy (PPA, photovoltaics)	p.22, p.68~70
	Optimizing energy efficiency and managing leaks	p.22
	Disclosure of energy consumption and intensity data	p.57
Decent Work and Economic Growth	Human rights management and protection of the working environment	p.29~32
	Talent development, performance management, and flexible work and family-friendly programs	p.29~32
	Occupational health and safety, and safety support for suppliers	p.34~46

SDGs	Related Initiatives/Reporting Content	Page
Industry, Innovation and Infrastructure	Advancing eco-friendly product R&D and LCA	p.24~25, p.68~70
	Product responsibility and quality management	p.39
Reduced Inequality	Strengthening diversity, inclusion, and women's leadership	p.29~32
	Operating grievance handling, flexible work, and family-friendly programs	p.29~32
Sustainable Cities and Communities	Community co-prosperity and vehicle sharing activities	p.40~41
	Activities to spread a culture of traffic safety	p.40
Responsible Consumption and Production	Advancing sustainable raw materials and the circular economy	p.22, p.24~25
	Expanding waste recycling and water reuse	p.25
	Operating a responsible minerals and responsible supply chain sourcing system	p.38
Climate Action	Advancing 2050 Net Zero and greenhouse gas reduction	p.69
	TCFD-aligned disclosure of climate risks and strategy	p.68~70
	Supplier Net Zero activities and supply chain emissions management	p.22
Life Below Water	Reducing water use and reusing water	p.25
Life on Land	Biodiversity risk assessment and conservation	p.27
Peace, Justice and Strong Institutions	Operating the Board of Directors, shareholder rights, and risk management systems	p.43~49
	Operating information security, ethicals, and compliance systems	p.50~54
Partnerships for the Goals	Participation in global initiatives (UNGC, WBCSD, TIP, GPSNR)	p.30, p.71
	Advancing supplier ESG training and collaboration	p.37

ESG DISCLOSURE INDEX

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

In line with the recommendations of the TCFD, we disclose our approach to climate-related risks and opportunities across the four core areas of governance, strategy, risk management, and metrics and targets, as set out below.

1. Governance

Hankook & Company has established Board-level governance for climate action across the company, proactively identifying and managing climate-related risks and opportunities throughout its business. In 2024, we established the Sustainability Committee under the Board of Directors. The Committee exercises regular oversight and takes part in key decision-making on material sustainability issues, including climate change—identifying risks, shaping response strategies, reviewing company-wide targets and policies, and monitoring implementation progress.

1) The Role of the Board

The Sustainability Committee under Hankook & Company's Board of Directors pursues corporate sustainability as a core value and deliberates on sustainable management strategies and policies as well as mid- to long-term business plans. The Committee also receives reports on key sustainability matters, including climate-related agenda items such as the setting of reduction targets for carbon neutrality, reduction strategies, and reduction activities and their outcomes, as part of the company's climate action.

Date	Agenda	Climate-related Initiative
May 8, 2025	Establishment of the Group's ESG framework	Establishing a group-wide climate action framework, including GHG reduction targets and a carbon-neutral roadmap
Nov. 6, 2025	Integrated update of ESG policies	Consolidating and updating the Group's environmental management principles and policies, incorporating climate change response policies
Dec. 2, 2025	Integrated update of ESG policies	Consolidating and updating the Group's environmental management principles and policies, incorporating climate change response policies

2) The Role and Responsibilities of Management

All members of Hankook & Company's management recognize climate action as one of the key priorities of sustainable management and lead GHG reduction efforts across every area of the business. As Chair of the ESG Strategy Committee, the Chief Business Officer (CBO) sets the company-wide direction for major ESG priorities, including climate action, and makes decisions on significant investments, while reviewing and managing reduction outcomes, reduction performance, execution plans, and areas for improvement. To address climate change across the entire value chain, we operate four Steering Committees under the ESG Strategy Committee—Product and Environment, Climate, Environment, and Safety, Society, and Governance. The chair of each committee, a designated executive, is responsible for identifying and executing key initiatives and managing the resulting performance, thereby reinforcing management accountability.

3) Decision-Making Process

Hankook & Company operates an integrated decision-making system for climate action, built on close coordination among the Board of Directors, its committees, and management. Our dedicated ESG function manages all aspects of our climate response—including reduction targets for carbon neutrality and GHG reduction strategies—and reports on key issues to the responsible executives and the CBO on an ongoing basis, escalating material matters directly to the Board. Chaired by the executives responsible for each area, the ESG Steering Committees identify practical climate initiatives across the value chain, review implementation approaches, and manage progress and performance. The ESG Strategy Committee, chaired by the CBO, oversees our climate action in practice by reviewing the ESG Steering Committees' annual plans and results—their mid- to long-term targets, execution plans, and operational performance—along with reports on current issues. Where matters discussed by the Strategy Committee are material or call for Board-level judgment, they are elevated to the Sustainability Committee for consideration and reflected in strategic decisions on key climate and sustainability matters.

ESG DISCLOSURE INDEX

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

In line with the recommendations of the TCFD, we disclose our approach to climate-related risks and opportunities across the four core areas of governance, strategy, risk management, and metrics and targets, as set out below.

2. Strategy

Hankook & Company works continuously to manage and address the risks and opportunities that climate change presents across its business. We continuously monitor how climate-related issues affect our operations to identify risks and opportunities, and we quantify their potential financial impacts by classifying, evaluating, and analyzing these factors by type. We have divided potential risks into transition risks and physical risks and analyzed their impacts factor by factor, developing risk management strategies and measures to address them. To capture the opportunities arising from climate change, we have analyzed opportunity factors and their impacts across two categories: products and energy sources. Building on this analysis, we will systematically pursue response strategies in products and services, including strengthening our closed-loop raw material recycling systems and developing products with improved environmental performance, alongside strategies for low-carbon energy sources, including greater energy efficiency and the transition to renewable energy. Through the ESG Steering Committees, we plan to continuously review our strategies and measures for addressing climate-related risks and opportunities, analyze outcomes, and derive more effective approaches, thereby strengthening our overall response capabilities.

1) Climate-related Risks

Category			Time Horizon			Risk	Potential Financial Impact	Our Response
			Short-term	Mid-term	Long-term			
Transition risk	Policy and legal	Existing	V	V	V	Tighter GHG reduction requirements and an increased share of auctioned emission allowances	- Increased carbon-related compliance costs	- Monitor GHG emissions and allowance costs - Drive GHG reductions through energy efficiency and process innovation
		Emerging	V	V	V	Operational disruption from inadequate response to emerging policies	- Restricted market access and reduced sales depending on the level of compliance with emerging policies	- Develop proactive response strategies by monitoring global policy trends - Enhance response effectiveness by strengthening the ESG Steering Committee system
	Technology				V	Delayed adoption of low-carbon and closed-loop recycling technologies	- Increased costs of transitioning to low-carbon and closed-loop recycling technologies - Reduced market competitiveness from delayed technology transition	- Develop new technologies, including improved energy efficiency and process methods - Develop eco-friendly products through lightweighting and eco-design
	Market		V	V	V	Growing customer demand for eco-friendly and lower-carbon products	- Reduced demand for existing products and services and increased costs to develop new products	- Manage product-level GHG emissions through life cycle assessment (LCA) - Expand eco-friendly products by developing eco-friendly raw materials
	Reputation		V	V	V	Erosion of stakeholder trust and growing negative perceptions	- Declining corporate value and reduced investment from weaker investor appeal and credit ratings	- Disclose climate response information and performance in line with global standards - Build trust through regular engagement with stakeholders
Physical risk	Acute		V	V		Disruption to production processes from more frequent extreme weather events, including heatwaves, heavy rainfall, and typhoons	- Reduced production capacity from extreme weather at site locations - Recovery costs arising from infrastructure damage - Increased site operating costs from rising average temperatures	- Establish disaster response scenarios and conduct training - Analyze and manage impacts on equipment through regular risk assessments - Review energy efficiency improvements and the transition to renewable energy
	Chronic				V	Impacts of ecosystem change driven by chronic global warming		

2) Climate-related Opportunities

Category		Time Horizon			Risk	Potential Financial Impact	Our Response
		Short-term	Mid-term	Long-term			
Opportunity	Products and services		V	V	- Growing demand for low-carbon products and services - Creation of eco-friendly businesses through emerging product development	- Increased revenue from growing demand for eco-friendly products and services - Increased revenue from launching new and emerging products	- Develop raw material recycling technologies to build a closed-loop recycling system - Develop products with improved environmental performance (lightweighting, performance) - Build a product carbon footprint management system through life cycle assessment (LCA)
	Energy sources	V	V	V	Use of low-carbon energy sources	- Reduced direct and indirect operating costs	-Reduce energy consumption through energy efficiency management - Reduce GHG emissions through the transition to renewable energy - Manage GHG emissions and engage in strategic trading of emission allowances

ESG DISCLOSURE INDEX

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

In line with the recommendations of the TCFD, we disclose our approach to climate-related risks and opportunities across the four core areas of governance, strategy, risk management, and metrics and targets, as set out below.

3) Organizational Strategy under Various Climate-Related Scenarios, Including a Below-2°C Scenario

To analyze climate change impacts across the organization, Hankook & Company conducted a forward-looking climate risk analysis based on the IEA's Net Zero Emissions (NZE) by 2050 Scenario and the SSP5-8.5 scenario presented in the IPCC's Sixth Assessment Report. The IEA NZE 2050 Scenario, in which the world undergoes a large-scale energy transition to achieve carbon neutrality by 2050 and limits the global temperature rise to below 1.5°C, was selected in consideration of our own 2050 carbon-neutrality target.

The scenario assumes a rapid expansion of renewable energy to achieve carbon neutrality by 2050, together with improvements in energy efficiency and the accelerated development and commercialization of low-carbon technologies. It also projects a continued rise in carbon prices to approximately USD 140 per ton by 2030 and around USD 2,050 per ton by 2050, positioning carbon pricing as a powerful economic driver of GHG reductions. Drawing on this scenario, we identified transition risks and analyzed their impacts; recognizing these as material factors for our business, we incorporate them into our financial planning, target setting, and transition strategy to prepare for the risks ahead.

For a clearer analysis of future climate change impacts, we selected the SSP5-8.5 scenario from among the four scenarios presented in the SSP framework (SSP1-2.6, SSP2-4.5, SSP3-7.0, and SSP5-8.5). This scenario centers on rapid industrial and technological development and assumes high fossil fuel use and unchecked, urban-centered development. Under its assumptions of continued fossil fuel use and unchecked development, the global average temperature is projected to rise by 5.2°C and precipitation to increase by 10% in the latter half of the 21st century (2081-2100); for Korea, the average temperature is projected to rise by 6.3°C and precipitation to increase by 16%. In particular, the analysis confirmed that in Korea, heatwave-related impacts, such as higher daily maximum temperatures and more frequent heatwave days driven by rising average temperatures, would be especially significant.

We operate three manufacturing sites, two of which—our major production sites—are located in Korea, in Daejeon and Jeonju. Daejeon, in particular, is projected to experience the greatest impact from extreme weather events in Korea under the SSP5-8.5 scenario. We identified potential climate-related risks, including reduced production capacity and damage to production infrastructure from extreme weather events such as rising average temperatures and heatwaves. In response, we have positioned climate action as a key sustainability priority, establishing mid- to long-term strategies for achieving carbon neutrality and response measures for the identified risks, and managing them through a dedicated framework. Through initiatives led by the Climate, Environment, Safety Committee including energy efficiency improvements, GHG reductions, and the transition to renewable energy, we are driving tangible GHG reductions across our production sites to prepare for future climate change risks.

3. Risk Management

1) Process for Identifying and Assessing Climate-Related Risks

Hankook & Company periodically identifies, assesses, and addresses climate-related issues and risks. Our dedicated ESG function identifies climate-related risks and opportunities, including climate risks, internal and external issues, stakeholder requirements, and recent developments. Identified risks are prioritized by reviewing their magnitude of impact, urgency, and likelihood of occurrence, and key risks and opportunities are reported to management and the ESG Strategy Committee for integration in our key ESG initiatives and budget. In addition, further risks identified, such as changes in domestic and international regulations and issues at our sites in Korea and abraod, are reported to the responsible executives and the CBO on an ongoing basis as needed. At an ESG Strategy Committee meeting held in 2025, we analyzed recent trends—including green technology, grid parity, and renewable energy outlooks—along with their anticipated impacts on the company, and reported these to the CBO and management to discuss our strategic direction.

2) Process for Managing Climate-Related Risks

As climate-related risks arise across the entire value chain, they are managed by three ESG Steering Committees—Climate, Environment, and Safety; Product and Environment; and Society. The Climate, Environment, and Safety Committee addresses the manufacturing stage corresponding to Scope 1 and 2; the Product and Environment Committee oversees research and development; and the Society Committee responsible for the supply chain addresses Scope 3 risks related to the supply chain, raw material sourcing, product development, and life cycle assessment. Each committee establishes and implements key initiatives in its respective area. The initiatives of all three committees are submitted and presented as agenda items to the ESG Strategy Committee, and their progress is monitored through the Steering Committees at least three times a year. The ESG Team oversees the operation of all ESG Strategy and ESG Steering Committee activities, and beyond the established initiatives, the Team works to share additional risks identified over the course of the year and ensure they are incorporated into the initiatives.

3) How Processes for Identifying, Assessing, and Managing Climate-Related Risks Are Integrated into the Organization's Overall Risk Management

To ensure enterprise-wide risk management, Hankook & Company annually compiles from relevant departments the types and details of potential risks, along with the responsible parties, target deadlines, and assessment methods. The ESG Team shares the key items among the identified climate-related risks to ensure they are reflected in the company-wide management system, and has shared the anticipated financial impacts associated with the Emissions Trading System (ETS), including projected purchase and sale amounts. In addition, the CBO identifies recent issues and potential risks each year through the ESG Strategy Committee, while the executives responsible for relevant areas including production, research and development, and purchasing manage risks by identifying and implementing key initiatives in their capacity as chairs of the ESG Steering Committees.

ESG DISCLOSURE INDEX

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

In line with the recommendations of the TCFD, we disclose our approach to climate-related risks and opportunities across the four core areas of governance, strategy, risk management, and metrics and targets, as set out below.

4. Metrics and Targets

We manage metrics in terms of both absolute levels and intensity, drawing on Scope 1, 2, and 3 GHG emissions (tCO_2eq), global production volume (tons), and energy consumption, among others.

1) Scope 1, 2, and 3 GHG Emissions Data

We manage and disclose our Scope 1, 2, and 3 emissions data systematically through internally established processes. For Scope 3 emissions, we prioritized three categories based on considerations such as emissions magnitude and data management, and we calculated the emissions with reference to the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard. We plan to expand our coverage of major categories by refining our Scope 3 emissions calculation and data management systems.

Scope 3 Emissions in 2025 (Unit: tCO_2eq)

Purchased goods and services	Capital goods	Fuel- and energy-related activities no included in Scope 1 or Scope 2
281,813	15,755	15,362

2) Targets and Performance Used by the Organization to Manage Climate-Related Risks and Opportunities

As part of its climate action, Hankook & Company aims to reduce carbon emissions (Scope 1 and 2) at its domestic sites by 40% by 2030 against a 2023 baseline and to achieve carbon neutrality by 2050. We are working to reduce Scope 1 and 2 GHG emissions through initiatives such as upgrading facility efficiency, optimizing energy use, and using renewable energy. We also continue to minimize the environmental impact of our products through the use of eco-friendly raw materials and eco-friendly product design. To quantitatively assess these efforts, we completed the calculation and third-party verification of Scope 3 emissions for selected categories in 2025.

ESG DISCLOSURE INDEX

UNGC / MEMBERSHIPS

UN Global Compact (UNGC)

Hankook & Company supports the Ten Principles of the UN Global Compact, a leading global initiative for sustainable management, and works to embed them in the way it does business. This report details our progress on that commitment, and we will continue to put the principles into practice as a responsible corporate citizen.

Principle		Report Content	Page
Human rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	Human rights and diversity	p.29~32
	Principle 2: make sure that they are not complicit in human rights abuses.		
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Human rights and talent	p.29~32
	Principle 4: the elimination of all forms of forced and compulsory labour;		
	Principle 5: the effective abolition of child labour; and		
	Principle 6: the elimination of discrimination in respect of employment and occupation.		
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges;	Environmental management, climate action, pollutant management, resource use and circular economy, biodiversity, sustainable raw material sourcing and product responsibility	p.19~27, p.37~39
	Principle 8: undertake initiatives to promote greater environmental responsibility; and		
	Principle 9: encourage the development and diffusion of environmentally friendly technologies.		
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Ethics and compliance	p.51~54

Sustainability-related Membership in Associations and Organizations

Association	Purpose of Membership and Activities
Korea Chamber of Commerce and Industry (KCCI)	Monitoring domestic and international economic and industrial policy trends and participating in business networks
Korea International Trade Association (KITA)	Responding to import/export and global trade environments
Korea Automobile & Mobility Association (KAMA)	Responding to automotive industry policies and regulations
Korea Enterprises Federation (KEF)	Responding to policies on labor, employment, and occupational safety
Korea Industrial Technology Association (KOITA)	Strengthening R&D capabilities and pursuing technological innovation
Korea Standards Association (KSA)	Strengthening capabilities in national and international standards and management system operations across quality, environment, and occupational safety and health

ASSURANCE STATEMENT

VERIFICATION STATEMENT

INDEPENDENT VERIFICATION STATEMENT Hankook & Company Co., Ltd.

INTRODUCTION

The Korea Testing & Research Institute (KTR) conducted an independent third-party verification of Hankook & Company Co., Ltd. 2025 greenhouse gas (GHG) emissions in accordance with ISO 14064-3:2019 and the "Verification Guidelines for the Operation of the Emissions Trading Scheme (Ministry of Environment Notification No. 2025-165)."
This verification statement has been prepared based on the defined scope and level of assurance, and it applies solely to the GHG information within the specified boundaries.

SCOPE

· Organizational boundary: the whole business under the operational control
· Verification object workplaces: A total of 17 business site under Hankook & Company Co., Ltd. operational control
· Reporting period: Calendar year of 2025
· Reporting greenhouse gas: CO_2, CH_4, N_2O, HFCs, PFCs, SF_6
· Type of emission: Direct Emissions (Scope 1), Indirect Emissions (Scope 2)
· The level of assurance: Reasonable assurance (materiality threshold: ±5.0%)

STANDARDS

· Guidelines on Reporting and Verification of Emissions under the Emissions Trading Scheme (Ministry of Environment Notification No. 2025-64)
· Emissions Trading Scheme Statement Guidelines (2024)
· 2006 IPCC Guidelines for National Greenhouse Gas Inventories
· 2025 Emission Monitoring Plan

※ Annex 1. Greenhouse gas emissions and energy consumption for each site

Verification Procedures

According to the Guidelines for Greenhouse Gas Emissions Reporting and Certification under the Emissions Trading System, total emissions are reported as truncated values at the operational site level. Therefore, the sum of Scope 1 and Scope 2 emissions may not exactly match the reported total emissions.

Limitations of Verification

This verification was performed by applying a sampling methodology in accordance with the verification plan, targeting the emissions statement and related data, information, and associated systems provided by Hankook & Company Co., Ltd. Where criteria and methodologies were not explicitly prescribed in the applicable guidelines, the verification was conducted based on the relevant guidelines, the emissions statement preparation manual, and the professional judgment of the verification body. Consequently, this verification inherently carries a limitation regarding the possibility of certain detection errors.

CONCLUSION

The "2025 Greenhouse Gas Emissions and Energy Consumption Statement" of Hankook & Company Co., Ltd. has been prepared without material misstatements. The reported greenhouse gas data and information are fairly presented. The statement was appropriately prepared in accordance with the Ministry of Environment's Guidelines on Reporting and Verification of Emissions under the Emissions Trading Scheme. Furthermore, we confirm that Hankook & Company Co., Ltd. has established an adequate system for collecting, aggregating, and analyzing quantitative data to calculate greenhouse gas emissions within the defined reporting period and organizational boundaries.

[Annex 1] Greenhouse Gas Emissions

(Unit: tCO_2eq)

Verification object workplaces	Scope 1	Scope 2	Total
Daejeon Plant	5,575.056	29,665.194	35,240.250
Jeonju Plant	5,302.430	39,100.193	44,402.623
Pangyo Head Office	72.450	278.694	351.144
Technodome (R&D Center)	19.454	94.134	113.588
Pilot Line	0.000	444.497	444.497
Daejeon Parking Lot	0.000	0.000	0.000
Gimhae Warehouse	0.000	0.262	0.262
Sanggye Direct Store	11.351	70.681	82.032
Bucheon Direct Store	9.389	128.926	138.315
Yeoksam Direct Store	15.614	1,350.018	1,365.632
Academy House (Training Institute)	244.969	231.206	476.175
Busan Hub (Logistics Center)	0.000	570.491	570.491
Busan Warehouse	0.000	0.000	0.000
Busan Warehouse #2	0.000	42.345	42.345
Busan Warehouse #3	0.000	0.000	0.000
Busan Warehouse #4	0.000	19.773	19.773
Busan Warehouse #5	0.000	14.120	14.120
Total	11,250.713	72,010.534	83,261.247

* According to the Guidelines for Greenhouse Gas Emissions Reporting and Certification under the Emissions Trading System, total emissions are reported as truncated values at the operational site level. Therefore, the sum of Scope 1 and Scope 2 emissions may not exactly match the reported total emissions.

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March 27, 2026
Approved by

ASSURANCE STATEMENT

VERIFICATION STATEMENT

GHG Emissions Verification Hankook & Company Co., Ltd.

The Korea Management Registrar Inc. (hereinafter "KMR") has conducted the verification on the greenhouse gas (here in after "GHG") emission (Scope 1,2 and 3) in 2025 of Hankook & Company Co., Ltd.

PURPOSE & SCOPE

The purpose of this verification is to present an independent verification opinion on the greenhouse gas emissions inventory and the scope of the verification is as follows.
- Verification of places of business and emissions facilities under the control of Hankook & Company Co., Ltd.

STANDARDS

· ISO 14064-3;2019
· ISO 14064-1:2018
· WRI/WBCSD GHG Protocol (2013)
· IPCC Guidelines for National Greenhouse Gas Inventories (2006)
· Guidelines on Emission Reporting and Certification under the Greenhouse Gas Emissions Trading Scheme (Ministry of Environment, 2025-64)

PROCEDURE

The assurance was conducted by the KMR based on a risk analysis approach and data evaluation.The data and factors applied to the calculation of GHG emissions were determined to be appropriate based on objective evidence.

INDEPENDENT

KMR does not have any stake in the verified entity and does not conduct verification with biased opinions/views. We have drawn an independent and objective verification conclusion based on the verification standards, and reviewed the every aspect of the verification we performed throughout the entire verification process through internal review.

LIMITATION

The verification team verified the related reports, information and data presented by the audited institution by sampling or enumeration methods. As a result, there are many inherent limitations, and there may be disagreements in the interpretation of appropriateness. Although we have tried to faithfully perform verification that meets the verification standards, we suggest that errors, omissions, and false statements that could not be found may be latent as the limitations to the verification.

OPINION

· The assurance engagement was performed to satisfy a limited assurance level, and no significant distortions were found in the verification results.
· According to KMR's approach, nothing was found that would lead to a finding that
· Hankook & Company Co., Ltd. failed to disclose data and information that was accurate and reliable in all material respects.
· Criticality: meets the criterion, which is less than 5%

RESULTS

Based on the above assurance criteria, we did not identify any inappropriate calculations or errors for the emissions of major emitting facilities. As a result, we express "unmodified" opinion.

※ The entity shall be responsible for preparing the verification materials in accordance with relevant laws and standards, and KMR's responsibility shall be limited to the parties to the verification contract under the terms and conditions agreed upon, and shall not be responsible for any other decisions, such as investments based on this verification opinion.
※ The company shall comply with the use of accreditation and logo marks under the agreement agreed with KMR.

Scope 1, 2 Emissions (Unit: tCO_2eq)

GHG Emissions	Direct emissions (Scope 1)	Indirect emissions (Scope 2)	Total
Tennessee Plant	2,549.058	8,751.862	11,300.919

* Total amount and sum of emissions by item may differ by rounding

Scope 3 Emissions (Unit: tCO_2eq)

Category	Scope 3	Emissions
CAT 1	Purchased goods and service	281,813
CAT 2	Capital goods	15,755
CAT 3	Fuel and energy-related activities (not included in scope 1 or scope 2)	15,362
Total		**312,931**

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May 26th, 2026
CEO
E. J Hwang

ASSURANCE STATEMENT

INDEPENDENT ASSURANCE STATEMENT

To the Stakeholders of HANKOOK & COMPANY CO.,LTD.

The Korea Productivity Center (hereinafter the "Assurer") was appointed by HANKOOK & COMPANY CO.,LTD. (hereinafter the "Company") to provide independent assurance of its "2025-2026 HANKOOK & COMPANY CO.,LTD. Sustainability Report" (hereinafter the "Report"), and hereby presents the following assurance statement.

Responsibility and Independence

The Company is fully responsible for the reliability and accuracy of all the information and opinions presented in the Report. The Assurer is responsible solely for the third party assurance of the content in the Report. As an independent assurance agency, the Assurer was neither involved in the process of preparing the Report, nor in any conflicts of interest that may undermine our independence.

Assurance Standard and Method

This assurance was conducted in accordance with Type 2 assurance and the Moderate Level based on AA1000AS (2020)[1].
The Assessor reviewed whether the Client complied with the four principles of inclusivity, materiality, responsiveness, and impact presented by AA1000AP (2018)[2]. Based on the four-principle composition method, we carried out the assessment service.
On the basis of documents and information presented by the Client and in the field interviews, we checked all indicators and information specified in the Report to confirm their balance, comparability, accuracy, timeliness, clarity, and reliability.

Methodology

This assurance was conducted through the following methods:
- Verified if the requirements of the GRI Standards 2021 were fulfilled.
- Verified the compliance with the principles of the Report contents and quality based on the GRI Standards 2021.
- Verified the selection of material issues covered and the appropriateness of the contents.
- Verified the suitability of the contents and any errors in expression through a comparison analysis with other sources.
- Verified the basis of Core data and information and the internal process and system through on-site inspection at the headquarters

Findings and Conclusion

It is the Assurer’s opinion that the Report represents the sustainability efforts and performance results of the Company in a fair and accurate way. In addition, the Assurer verified that the Report fulfils the requirements of GRI Standards 2021. It was confirmed that the contents of the Report is in compliance with General Disclosure, and the material issues are reported following the Material Topic and related Topic Disclosure.

1) AA1000AS (2020): AA1000 Assurance Standard (2020) is the global assurance standard established by Accountability to provide a comprehensive way of verifying an organization's management, compliance with the principles and reliability of performance data for reporting its sustainability issues.
2) AA1000AP (2018): AA1000 Accountability Principles Standard (2018) is the global assurance principles established Accountability to provide the basis for the AA1000 Assurance Standard.

[Universal Standards]
Organizational and its reporting practices (2-1~5), Activities and workers (2-6~8), Governance (2-9~21), Strategy, policies and practices (2-22~28), Stakeholder engagement (2-29~30), Material topics (3-1~3)

[Topic Standards]
Economic Performance (201-1~2), Anti-corruption (205-1~3), Anti-competitive Behavior (206-1), Materials (301-1~3), Energy (302-1,3~4), Water and Effluents (303-1~5), Emissions (305-1~5,7), Waste (306-1~5), Supplier Environmental Assessment (308-1~2), Employment (401-1~3), Occupational Health and Safety (403-1~10), Training and Education (404-1~3), Diversity and Equal Opportunity (405-1~2), Non-discrimination (406-1), Child Labor (408-1), Forced or Compulsory Labor (409-1), Local Communities (413-1), Supplier Social Assessment (414-1~2), Customer Health and Safety (416-1~2), Marketing and Labeling (417-1), Customer Privacy (418-1)

- Inclusivity: Stakeholder Engagement
  The Assurer confirmed that the Company communicated with stakeholders to comply with the Inclusivity principle through the relevant communication channels. The Company defined its five stakeholder groups as customers, partners, local communities, shareholders and investors, and employees, and collected opinions from stakeholders through communication channels that considered the different characteristics of each stakeholder. Collected opinions were reflected in management strategies, and is also verified that this type of management decision-making process is a good example.
- Materiality: Identification and Reporting of Material Issues
  The Assurer verified that the Company used a materiality test process for identifying its material issues. In particular, the Company identified its material issues through an analysis of international standards and evaluation criteria such as GRI Standards 2021, UN SDGs, ESRS, media research, benchmarking of cases in the same industry and major companies.
  The Company also collected opinions on environmental and social factor and financial impact from internal and external stakeholders. In addition, the Assurer verified that the Company proposed its future strategy to respond to the selected issues by reporting the issues derived from the materiality test process in accordance with the Stakeholder Matrix.
- Responsiveness: Organization's Response to Issues
  It was verified that the Company diagnosed major expectations that affect the stakeholders’ performance and established appropriate measures to respond to them, of which the contents were properly stated on the Report. In particular, the Assurer verified the Company’s response to material issues objectively through an annual survey and interview of stakeholders. Moreover, the Report earnestly discloses all corresponding activities and their performances regarding the major issues of sustainability management.

ASSURANCE STATEMENT

INDEPENDENT ASSURANCE STATEMENT

· Impact: Measuring Sustainability Impact
The Company considers the societal impact of the organization by establishing the boundaries of the impact of major issues. Moreover, the Report earnestly discloses the product and development activities to focus on the environmental and safety impacts of the product and social issues and to minimize the negative impact through ESG management.

· Reliability: Reliability and quality of specific information
In addition to compliance with AA1000AP (2018) principles, the Assurer conducted reliability verification on economic, environmental, and social performance information related to sustainability performance. Interviews were conducted with the person in charge to verify the information and data, and it was confirmed that the information was reliable through data sampling, supporting documents, and external sources and public data. We found no intentional errors or misstatements in the sustainability performance information.

Limitations

The Assurer verified the Report based on the aforementioned assurance standards. The on-site verification was carried out at the headquarters in Seoul. The financial data in the Report was verified through the financial statements and disclosure information which was audited by an auditor, while the aggregated data at the corporate level are used for the verification of Environmental and Social performance. The Assurer discloses that the results may vary if further verification procedures are performed. The Assurer expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Recommendation

The Assurer recognizes the diverse efforts and performance made by the Company and suggests the following for the Company's publication of the Report in the future and the improvement of its sustainability standards:

· The Company identified 8 material issues for each area of environment, society, and governance. The Company has systematically managed these issues and transparently discloses strategies, policies, governance, activities, and performance of each issue. In the future, it is recommended that the Company continuously monitor and disclose ESG management and business performance so that it can be shared with stakeholders.

SMART KPC 한국생산성본부

AA1000 Licensed Report 000-81/V3-50LNT

June 2026
CEO Sung-Joong Park

Yong-Hwa Lee, Director

The ESG Consulting Center of the Korea Productivity Center is a fully qualified independent assurance agency. It is officially certified by AccountAbility that established AA1000, the international standard for stakeholder engagement and assurance. It has the Assurance Committee with of experienced experts who are qualified for the consultation and assurance of sustainability practice.

Hankook
& Company