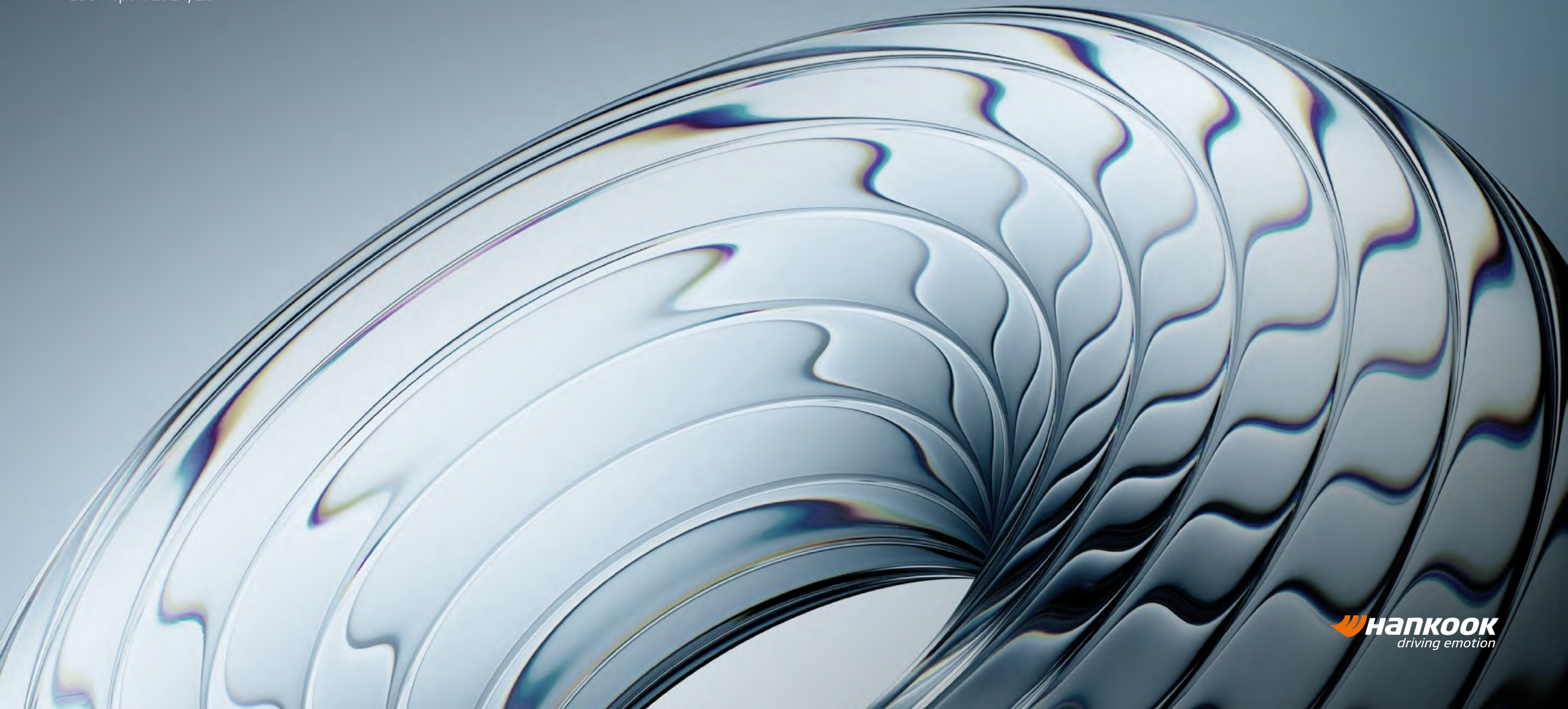
SUSTAINABLE MOBILITY

Hankook Tire & Technology
ESG Report 2024/25



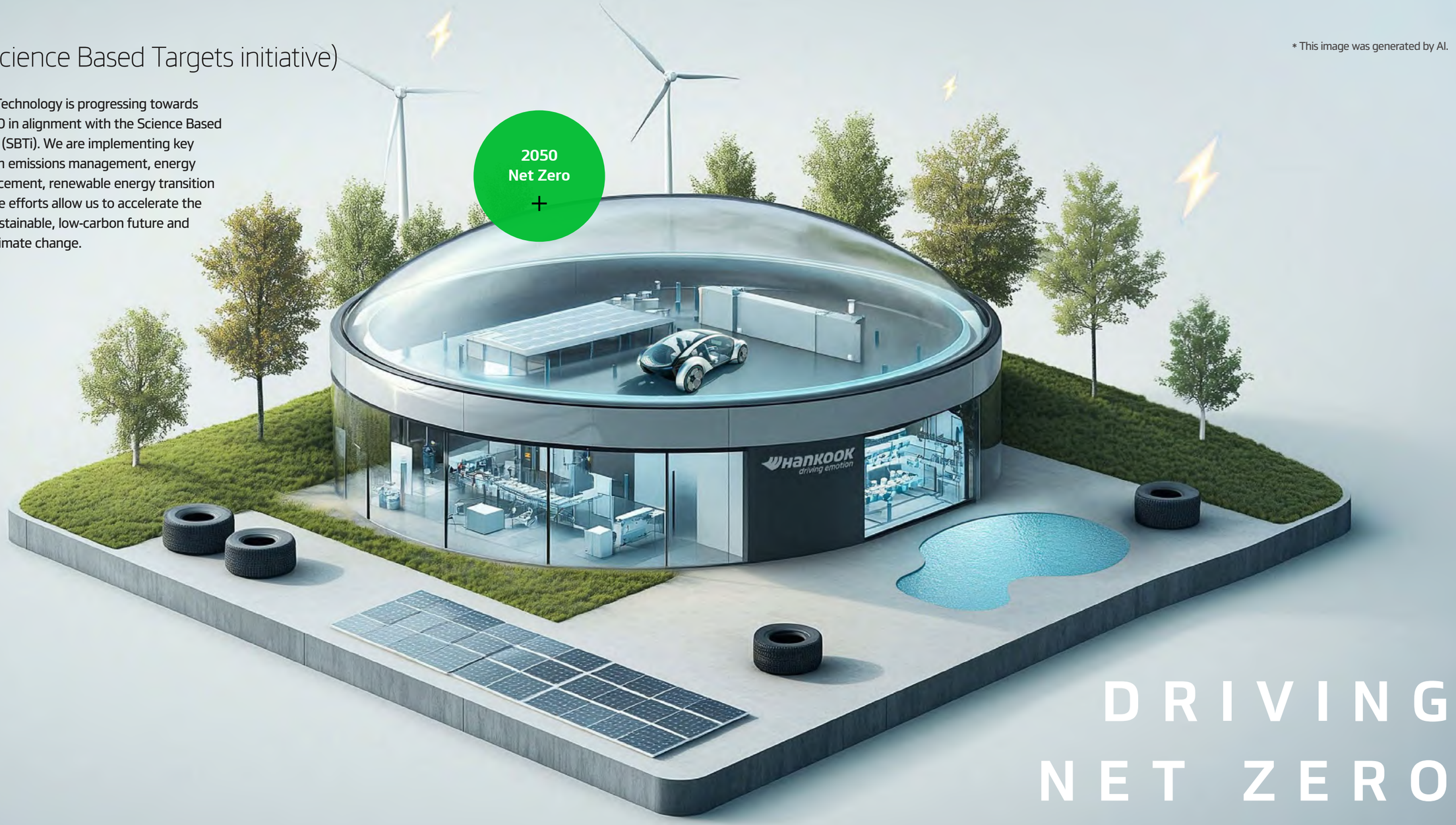
HANKOOK
driving emotion

CONTENTS

Interactive User Guide
The Hankook Tire & Technology ESG Report 2024/25 was published as an interactive PDF to facilitate navigation between relevant pages and enable direct links to external webpages.

SBTi (Science Based Targets initiative)

Hankook Tire & Technology is progressing towards Net Zero by 2050 in alignment with the Science Based Targets initiative (SBTi). We are implementing key priorities - carbon emissions management, energy efficiency enhancement, renewable energy transition - in phases. These efforts allow us to accelerate the transition to a sustainable, low-carbon future and counter global climate change.



* This image was generated by AI.

DRIVING
NET ZERO

Open Innovation for Circular Economy

Hankook Tire & Technology's commitment to sustainable development goes beyond its products; we are expediting our efforts to scale sustainable business to aid in the tire industry's initiative to transition into a circular economy. Moving forward, we will broaden the applicable scope of renewable and recycled materials to fulfill our responsibility as a leader in fostering a resource circulation ecosystem.

* This image was generated by AI.

DRIVING
SUSTAINABILITY

Vehicle Sharing

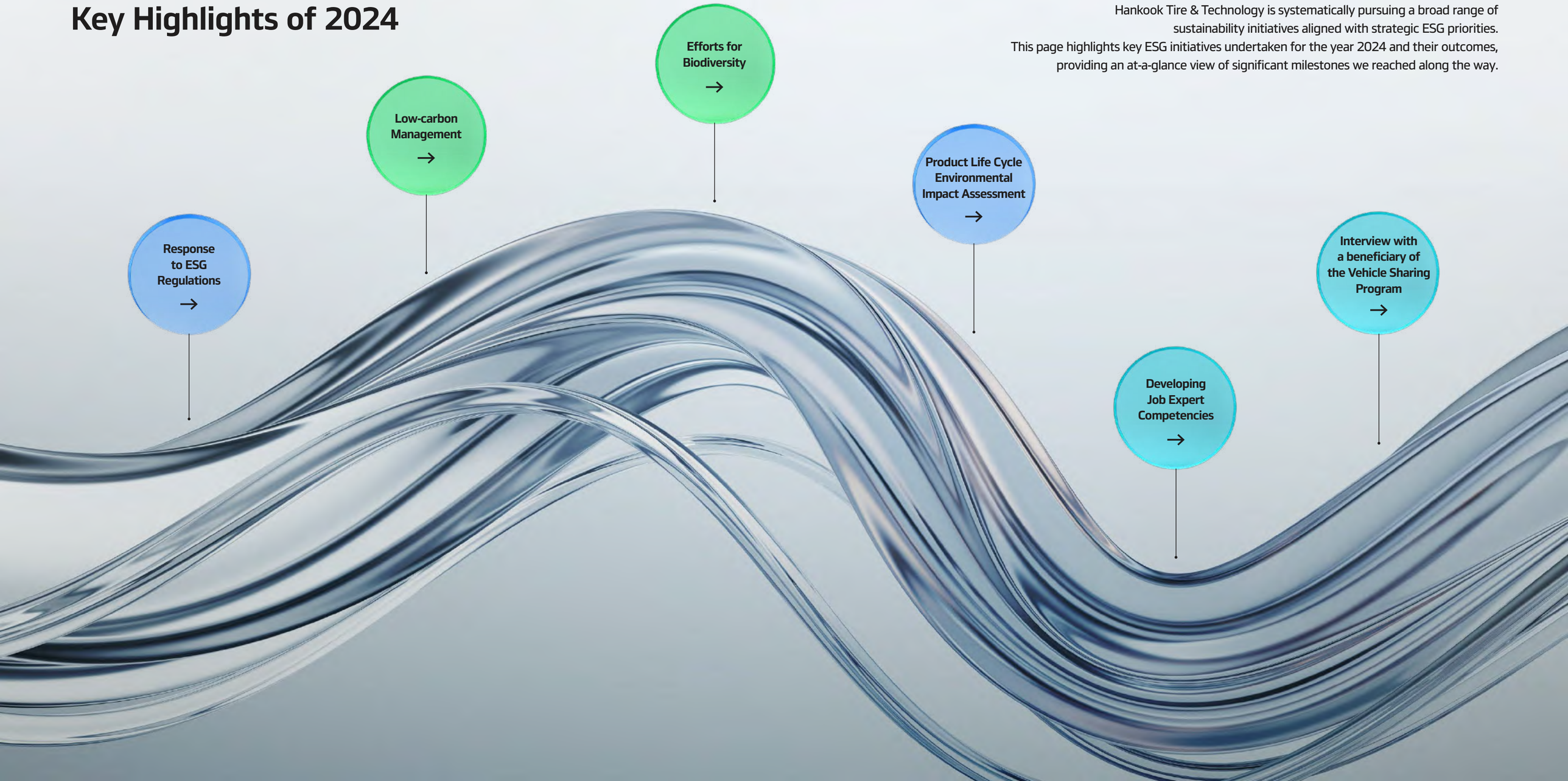
Hankook Tire & Technology's vehicle sharing program empowers mobility-vulnerable groups to live more independently and access welfare services with greater ease, making a meaningful impact in local communities. We remain committed to the value of co-prosperity, working hand in hand with local communities for shared growth.

* This image was generated by AI.

DRIVING FORWARD

Key Highlights of 2024

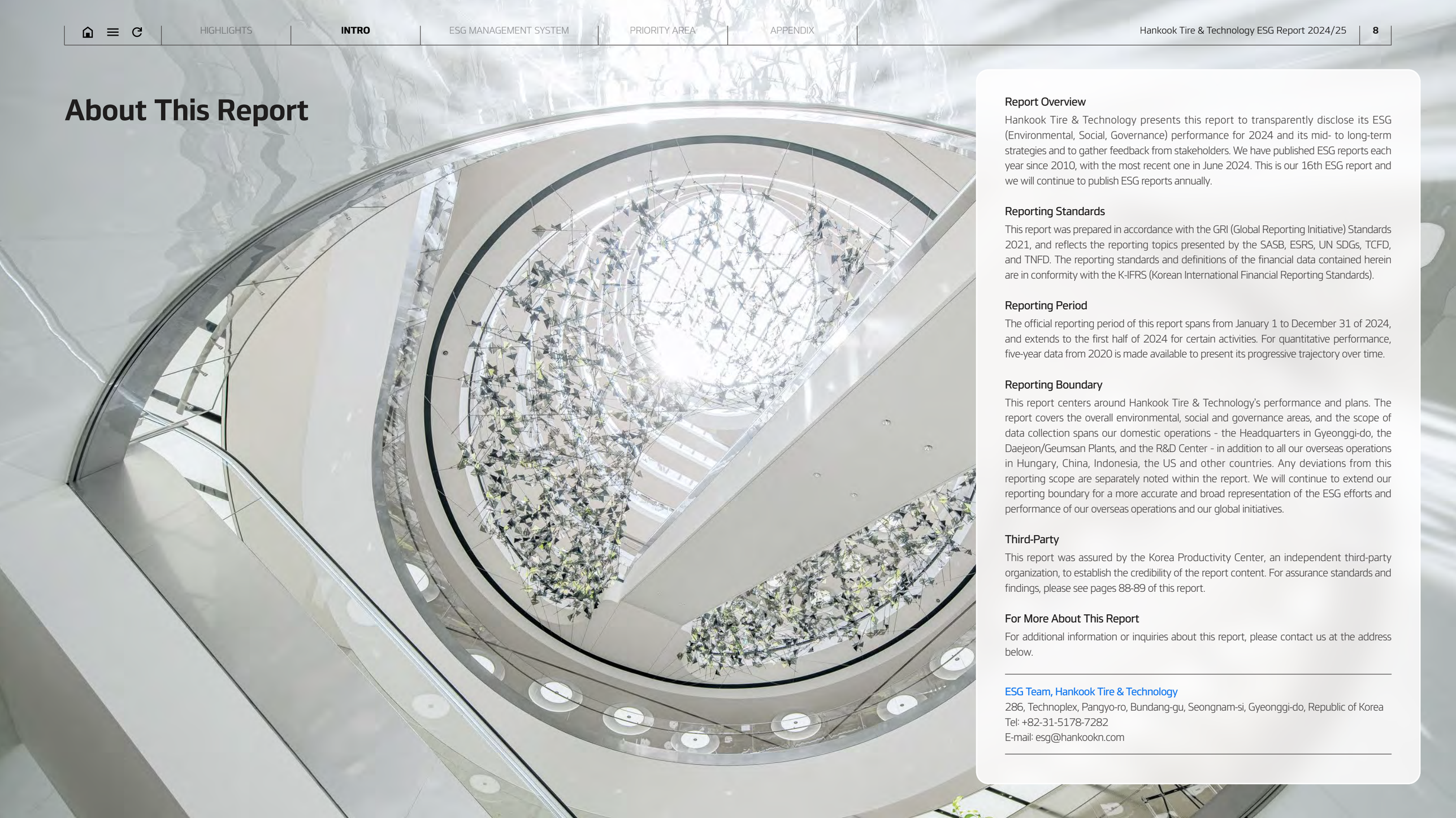
Hankook Tire & Technology is systematically pursuing a broad range of sustainability initiatives aligned with strategic ESG priorities.
This page highlights key ESG initiatives undertaken for the year 2024 and their outcomes, providing an at-a-glance view of significant milestones we reached along the way.



Intro

SHAPING THE FUTURE

About This Report



Report Overview

Hankook Tire & Technology presents this report to transparently disclose its ESG (Environmental, Social, Governance) performance for 2024 and its mid- to long-term strategies and to gather feedback from stakeholders. We have published ESG reports each year since 2010, with the most recent one in June 2024. This is our 16th ESG report and we will continue to publish ESG reports annually.

Reporting Standards

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

Reporting Period

The official reporting period of this report spans from January 1 to December 31 of 2024, and extends to the first half of 2024 for certain activities. For quantitative performance, five-year data from 2020 is made available to present its progressive trajectory over time.

Reporting Boundary

This report centers around Hankook Tire & Technology's performance and plans. The report covers the overall environmental, social and governance areas, and the scope of data collection spans our domestic operations - the Headquarters in Gyeonggi-do, the Daejeon/Geumsan Plants, and the R&D Center - in addition to all our overseas operations in Hungary, China, Indonesia, the US and other countries. Any deviations from this reporting scope are separately noted within the report. We will continue to extend our reporting boundary for a more accurate and broad representation of the ESG efforts and performance of our overseas operations and our global initiatives.

Third-Party

This report was assured by the Korea Productivity Center, an independent third-party organization, to establish the credibility of the report content. For assurance standards and findings, please see pages 88-89 of this report.

For More About This Report

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

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Letter to Stakeholders

Co-CEO and President **Jong Seon Ahn**
Hankook Tire & Technology

Co-CEO and President **Sang Hoon Lee**
Hankook Tire & Technology

Dear Esteemed Stakeholders,
Let us begin by extending our heartfelt gratitude for your unwavering support and encouragement for Hankook Tire & Technology's sustained growth and innovation.

The year 2024 marked a new 'turning point' for Hankook Tire & Technology. We reinforced our partnerships with key global OEMs with a focus on iON, the world's first exclusive EV tire brand with a full lineup of products. Meanwhile, increased sales of ultra-high-performance tires helped enhance the qualitative aspect of our revenue growth. In the face of the complex global trade landscape, we stepped up our overseas plant expansion and welcomed Hanon Systems as our subsidiary to further boost our competitive strengths in future mobility.

These efforts allowed us to achieve KRW 9.4119 trillion in sales and KRW 1.7623 trillion in operating profit in 2024, setting a new record in our corporate history. For this, we owe it to our stakeholders who unremittingly stayed the course together with Hankook Tire & Technology.

At this critical turning point, Hankook Tire & Technology aims to emerge as a global high-tech company leading future mobility. At the center of our journey towards this future lies 'sustainability' as a core value. We are deeply emboldened to share our initiatives for sustainability management through this 16th ESG report as we step towards a better tomorrow grounded in our ESG vision of 'Innovation for a Sustainable Future.'

Over the past one year, we have ramped up our efforts for responsible business conduct throughout the ESG areas.

In the Environmental area, we are committed to fostering sustainable ecosystems through wide-ranging collaborations. This included the expansion of recycling and the use of recycled materials, the enhancement of product circularity, and the reduction of carbon emissions to minimize our environmental footprint across the entire product lifecycle.

In the Social area, we pursue co-prosperity with local communities and lead the charge in upholding mobility rights for transportation-disadvantaged individuals through our flagship CSR program 'Vehicle Sharing'. In parallel, we continue to strengthen institutional settings to ensure the safety and diversity of our employees.

In the Governance area, we have separated the Board Chair and CEO roles and appointed an independent director to chair the Board of Directors, establishing a transparent and balanced business decision-making framework. This, in turn, allowed us to ensure checks and balances over top management's business execution while maintaining the independent operation of the Board.

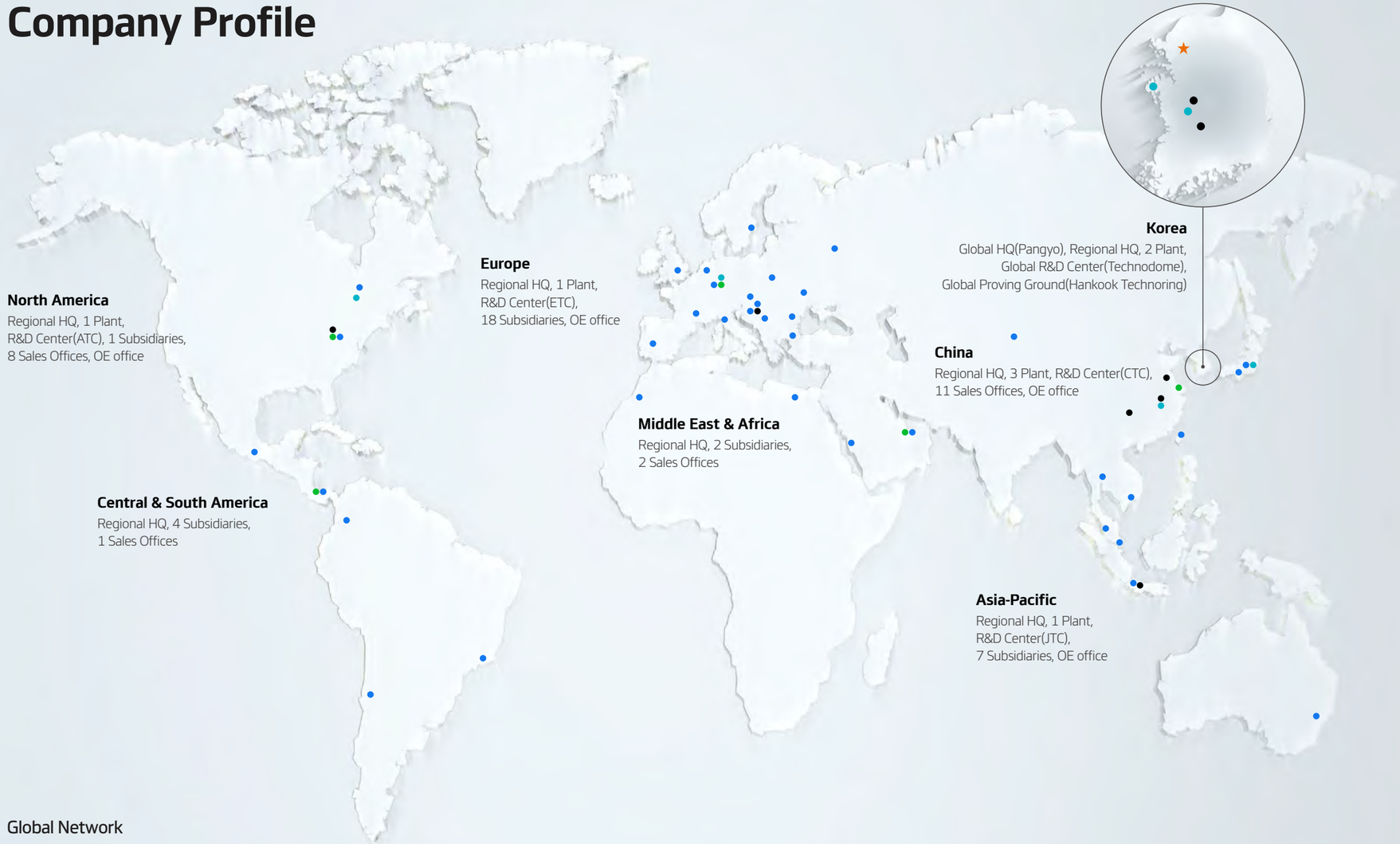
Furthermore, we have revised our Articles of Incorporation and updated our dividend payment process to enhance predictability of dividend payments for investors as part of our shareholder-friendly policy.

Uncertainties over sustainability management will only heighten due to the spread of global protectionism, intensifying geopolitical risks, and the adoption of ESG regulations. Nevertheless, Hankook Tire & Technology remains confident that 'sustainability' will serve as the greatest competitive lever and a new opportunity for us amid the evolving landscape. We have planned ahead and opened our perspective to the future for years, and we remain committed to pursuing innovation across all ESG areas, drawing on our 'First Mover' capabilities. We believe that this will propel us closer to becoming a 1st Tier company with strong fundamentals shaping a future mobility sector.

We continue to endorse the 10 principles of the UN Global Compact and the UN Sustainable Development Goals (UN SDGs) and faithfully make progress accordingly, doing our part for the sustainable development of the global community.

We look forward to your plentiful interest and encouragement along the way.
Thank you.

Company Profile



Global Network

Hankook & Company Group drives balanced growth both in mature and emerging automotive markets, drawing on its locally-tailored strategy that prioritizes specific local contexts. Its sales network spans China, Europe, the Americas, Asia-Pacific, and the Middle East-Africa as well as Korea where it is headquartered, offering products customized to local customer profiles. Communication channels for Original Equipment (OE offices) are also operating in Korea, China, Germany, the US, and Japan to forge closer partnerships with global automotive companies.

★ Global HQ
● Regional HQ
● Subsidiaries, Sales Office, OE Office
● R&D Center, Proving Ground
● Plant

Company Overview

Initiated as Korea's first tire manufacturer back in 1941, Hankook Tire & Technology has made quantum leaps along the way, through its commitment to developing technology, expanding its production and sales network, forming partnerships with global OEM brands, launching effective brand marketing campaigns, and delivering differentiated customer services. Presently, we boast the annual production capacity of over 100 million tires across eight production sites in five countries - Korea, China, the US, Hungary and Indonesia - serving more than 160 countries as a global tire company. Our goal is to emerge as a global top-tier company that leads the future automotive industry by rendering our core business more competitive based on our world-class technology leadership and by continuously pursuing technology-driven innovation and improving our premium brand value.

Name of company	Hankook Tire & Technology
Global sales	KRW 9.4119 trillion
Operating profit	KRW 1.7623 trillion
Operating margin	18.7%
Total assets	KRW 15.8497 trillion
Total equity	KRW 11.1949 trillion
Date of establishment	2012. 09. 03[1)]
Date of IPO	2012. 10. 04[1)]
CEO	Jong Seon Ahn, Sang Hoon Lee
Main business	Manufacturing, reproducing, processing, and selling automotive tires, tubes, and components
Headquarters	286 Technoplex (Sampyeong-dong), Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Republic of Korea
Tel	+82-31-5178-7000

1) The company was established through the spin-off of the tire business of Hankook Tire Co., Ltd. on September 1, 2012, and became a listed company on October 4, 2012.

Mission & Vision

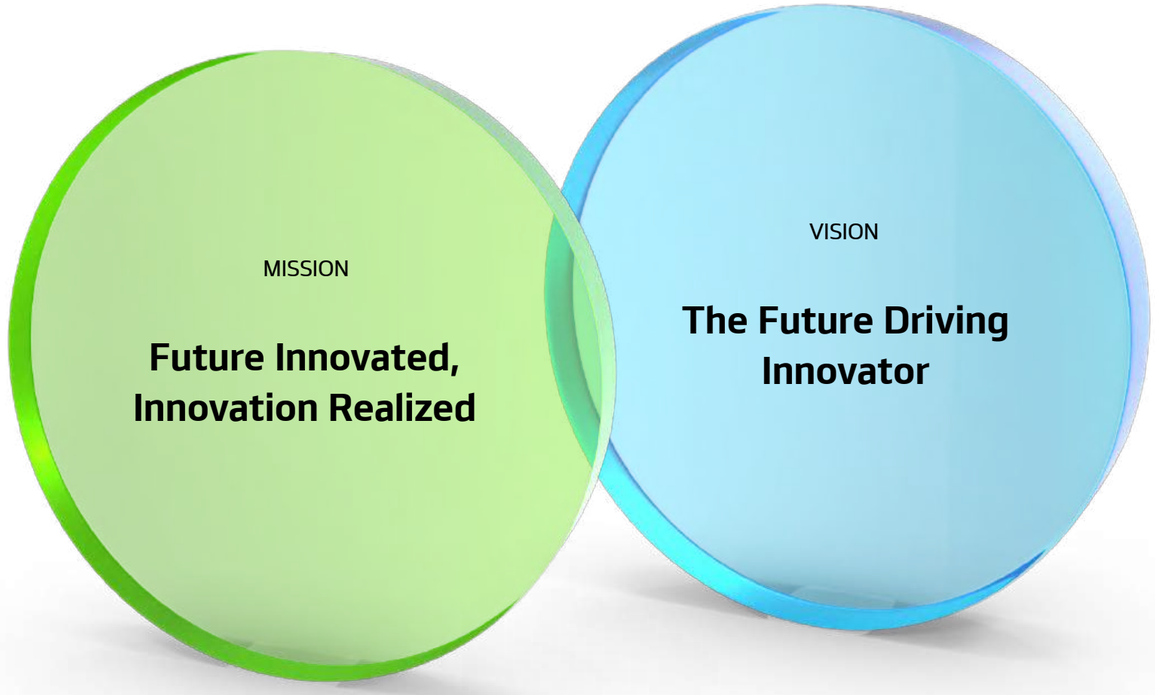
Business Principle

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

Core Value

We pursue the Proactive Leadership

- Passion
- Innovation
- Collaboration
- Global



Strategic Directions

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

2030 ST5 Mid/long-term Goal

Position

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

Capacity

- 150 Mil. Unit

Brand

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

Technology

- Top 3 in Technology
- No 1. in EV

Profitability

- EBITDA margin 20% ▲

※ ST5: Solid Top Tier 5th Position

Brand Portfolio

Hankook Tire & Technology strategically operates four global tire brands: 'Hankook' represents its leading premium brand in Korea and abroad; 'Laufenn' targets global customers who aspire to a youthful, smart, and trendy lifestyle; 'Optimo' showcases the combination of technological prowess and reliability; and 'Kingstar' targets specific local needs.

HANKOOK driving emotion

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

Laufenn

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

OPTIMO

Optimo showcases exceptional technology and reliability all while faithfully delivering intended tire performance. Optimo operates differentiated brands, spanning All Weather, All Weather SUV (all weather tire), GT, Touring (summer tire), Winter GT, Winter Touring (winter tire), GT AS, Touring AS (all season tire), and SUV (on-road SUV tire).

KINGSTAR

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

Business Highlights

2024 Results and Performance Analysis

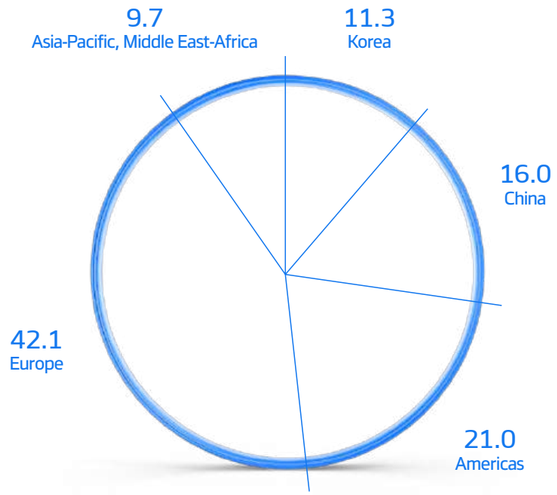
Hankook Tire & Technology Co., Ltd.

(K-IFRS, on a consolidated basis) (Unit: KRW million)

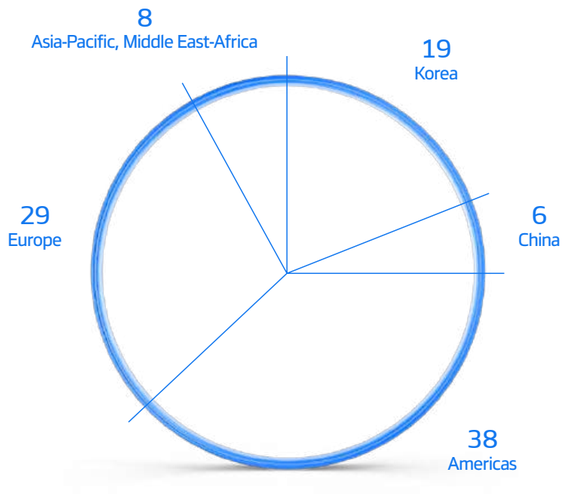
9,411,948	1,131,098	2,277,296	1,762,260
2024 revenue	2024 net income	2024 EBITDA[1)]	2024 operating profit

1) Earnings Before Interest, Taxes, Depreciation and Amortization

Breakdown of Tire Sales by Region (total) (Unit: %)



Breakdown of Truck and Bus Tires Sales by Region (TB, OE/RE) (Unit: %)



In 2024, Hankook Tire & Technology remained focused on expanding the sales of high-profit products across the global market. Notably, our over 18-inch tires and EV specific tires, representing a highly-profitable revenue stream and the culmination of our cutting-edge technology, showed prominent growth. The proportion of high-inch tires rose to 39% (based on sales volume) out of total sales portfolio, achieving a year-over-year growth of 108%. Our EV-specific tire sales surged by 134% from the previous year, allowing us to stay ahead of the curve amid the evolving market landscape marked by growign EV sales. The proportion of high-inch tires and EV-specific tires is projected to grow continuously over the mid- to long-term, and we are well-positioned to successfully navigate the shifting market trends.

Key Business Strategies for 2025

To emerge as a top-tier OE brand chosen by customers, we will establish optimizedl business strategies and expand Original Equipment (OE) tire supply for key global OEM brands. Specifically, we aim to advance our OE portfolio in the premium vehicle and EV segments, further solidifying our position in the EV, supercar, and high-end vehicle markets. We will also expand supply to key brands such as BYD, Geely, Li Auto, and Leapmotor in China while actively tapping into growth markets such as Indonesia, Japan and ASEAN. In Korea, our focus will be on strengthening collaboration with Genesis and other premium brands. In Europe, we plan to increase OE supply, with a focus on supercars and high-end vehicles, and continue advancing sustainable technology development. We will continue with R&D efforts to fully meet customer performance requirements to the fullest possible extent and expand the application of fuel efficiency technologies and sustainable materials. In tandem with this, we will be committed to developing cutting-edge tires optimized for next-generation EVs and autonomous driving vehicles as well as eco-friendly tires that incorporate carbon reduction technologies. We also aim to enhance our virtual development capabilities using virtual simulations and increase the production of high-inch and specialty tires to strengthen our product competitiveness. These proactive efforts pave the way for us to become a global tire company leading the future mobility market.

New & Innovative Products

Passenger Car/SUV/Pick-up Truck Tires

As the importance of Safety Tire Technology become ever more critical, Hankook Tire & Technology is making targeted investments in innovative new technologies that meet the needs of customers. Our third-generation run flat tires, developed through drawing on core technologies covering novel materials and new manufacturing methods, showcase the culmination of Hankook Tire & Technology's cutting-edge technologies, further safeguarding customers during driving. We are also developing sound-absorbing tires that reduce road noise by damping the tire cavity resonance, delivering driving experience that is both quieter and more comfortable.

iON evo SUV

High-performance EV tire perfected with exclusive EV technology

iON evo AS SUV

All-season EV tire perfected with exclusive EV technology

iON icept SUV

Winter EV tire perfected with exclusive EV technology

DynaPro HPX

Premium comfort SUV tire with ultimate handling

KINERGY 4S²

All-weather tire that guarantees year-round safe handling, both in snow and wet roads

ventus S1 evo Z

All-weather tire that guarantees year-round safe handling, both in snow and wet roads

ventus Prime⁴

Balanced tire delivering optimal driving control and comfort

ventus air S

Premium all-season sedan tire for quiet and comfortable driving

Winter i*cept evo³

High-performance winter tire recognized across Europe

Winter i*cept iZ³

Studless winter tire offering reliable driving and outsandng durability in harsh winter conditions

Truck and Bus Tires

In step with the global trends dominating truck and bus radial tires - eco-friendliness, high efficiency, and stability - we cater to customer expectations with a focus on fuel efficiency and driving stability, keeping abreast with emerging market trends. Notably, we are leading the charge in the eco-friendly tire segment with e-SMaRT City, our new electric bus tires made possible through Hankook Tire & Technology's unparalleled technological prowess. Meanwhile, our Tennessee Plant in the U.S. will soon add an annual capacity of 1 million units, marking our first full-scale truck and bus radial tire production site in the country. Our new fifth-generation products to be released in North America - AL52, DL52, and TL52 - represent key products in the North American long-haul tire segment incorporating our state-of-the-art technologies. These offerings, in combination of the expansion of our Tennessee Plant, are expected to play a pivotal role in supporting our premium strategy and increasing our market share in the US.

SMART Line AL52

Long-haul steer tire delivering exceptional fuel efficiency, stability, and extended service life

SMART Line DL52

Long-haul drive tire combining exceptional fuel efficiency with traction and mileage performance

SMART Line TL52

Long-haul trailer tire offering superior mileage and fuel efficiency

Global First-Tier Quality and Technology Competitiveness

Quality is our top priority as Hankook Tire & Technology, lying at the core of tire performance. To ensure global first-tier competitiveness in quality, we operate a rigorous quality management system and pursue continuous innovation for our quality system. These efforts earned us several awards and were highly regarded by globally authoritative magazines specializing in the automotive and tire sectors. Such distinctions solidified our position as the exclusive tire supplier for the most prestigious EV race competition, the ABB FIA Formula E World Championship.

Rigorous Quality Management Framework Anchored on the 'Hankook Quality System'

Hankook Tire & Technology upholds a rigorous company-wide quality management framework to meet the needs of wide-ranging customers. To deliver best-possible customer satisfaction, we are accelerating the digital transformation of our proprietary Hankook Quality System in line with our customer-centric quality innovation philosophy. Here, the particular focus is on the continued advancement of data-based quality management leveraging the power of AI. This ensures that products and services are designed and produced to meet customer expectations and intended use conditions all while faithfully complying with pertinent laws and regulations. These products and services are then validated through our process-level pre-/post-sales service framework. This whole process is led by our quality organization equipped with independence and expertise, and is structured to provide balanced quality check and support among relevant functions. Our quality management performance is broadly recognized: we ranked first for the 16th consecutive year in the automotive tire category of the Korea Standard-Quality Excellence Index (KS-QEI), the nation's most prestigious quality satisfaction index, and were also named a company with excellent quality competitiveness. Quality lies at the center of our customer engagement and is the starting point of all our initiatives for innovation. Moving forward, our employees will be aligned towards the shared goal of putting safety before all else, and our corporate culture of sustainable quality innovation will position Hankook Tire & Technology as a global top-tier brand customers depend on.

Gaining Recognition through Renowned Global Tire Evaluations

Hankook Tire & Technology's exceptional quality competitiveness is broadly recognized by leading publications in Korea and abroad. In 2024 alone, our products were rated 'Very Recommendable' by 13 authoritative magazine tests, demonstrating our technological capabilities across the global market. Notably, Auto Bild Allrad, one of Europe's top automotive magazines, named 'Kinergy 4S2' the 'Test Winner', outperforming global premium brands and proving its superior driving performance and quality. In addition, 'iON evo SUV' and 'Winter i*cept evo 3' also earned the 'Very Recommendable' ratings from Auto Bild EV and Allrad, further driving our sales in the European market. Consumer Reports, a U.S.-based non-profit providing objective reviews and evaluations on products and services, selected 'Kinergy 4S2' and 'Kinergy XP' as 'Test Winners' in recognition of their unparalleled quality competitiveness. Building on these accolades, Hankook Tire & Technology is evolving into a brand recognized for both strong performance and reliability in the North American market.

Outstanding Technology Proven through Motorsports

Hankook Tire & Technology is proudly serving as the exclusive EV tire supplier and official partner for the ABB FIA Formula E World Championship, the world-renowned electric vehicle racing series. We are also a main technical partner of the Lamborghini Super Trofeo Series. In 2024, we received the FIA Three Star Environmental Accreditation - the highest level of environmental certification awarded by the Fédération Internationale de l'Automobile (FIA). Building on this recognition, we signed an exclusive tire supply agreement for the 2025 - 2027 seasons of the FIA World Rally Championship (WRC), one of the FIA's three major global motorsports events, demonstrating both eco-friendly technology and racing performance of our tires. Besides, we maintain our sponsorships for a multitude of international series and racing teams - Stock Car Pro Series, Junior European Rally Championship (JERC), TCR Italy, and Formula Regional Americas Championship - steadily demonstrating our technical expertise and performance across the global motorsports scene.

Lamborghini Super Trofeo Series

ABB FIA Formula E World Championship (Formula E)

ESG Vision

ESG Priority Area

Eco Value Chain

ESG Strategy

Manage our manufacturing and supply chains to respond to climate change and minimize environmental impact

Strategic Direction

- Reduce GHG emissions
- Manufacture with minimal environmental impact

Sustainable Product

ESG Strategy

Adopt sustainable materials and develop sustainable products

Strategic Direction

- Use sustainable materials
- Develop sustainable technology

Responsible Engagement

ESG Strategy

Become a trusted partner pursuing shared growth

Strategic Direction

- Valuable supply chain
- Human rights management and diversity
- Employee care
- Community engagement

ESG Vision

Management Mission

Sustainable Value Chain

Hankook Tire & Technology effectively delivers the economic, social, and environmental value it creates across the entire value chain — from R&D and material sourcing to production, sales, use, and end-of-life recycling — to its stakeholders, pursuing sustainable growth for all.

R&D 1

Economic value
- R&D to sales ratio: 2.9%
- Patent registrations: 586 in Korea, 284 overseas
- Patent applications: 177 in Korea, 37 overseas

Social value
- R&D workforce: 1,054 persons
- Ratio of R&D workforce out of total:

Environmental value
- Percentage of tires rated A&B in rolling resistance: 17.2%

Sourcing of raw materials 2

Economic value
- Material purchase expenses: KRW 2.9 trillion

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

Environmental value
- Percentage of sustainable material usage: 29%(w/w)
- Percentage of recycled material usage: 2.3%(w/w)

Manufacturing 3

Economic value
- Total employees: 19,514 persons
- New Hires: 1,627 persons
- Equipment purchase expenses: KRW 1.5 trillion

Social value
- Corporate philanthropic expenses: KRW 6.06 billion

Environmental value
- Water withdrawal intensity: Down by 5.8% year-over-year
- Treated wastewater discharge intensity: Down by 2.5% year-over-year
- Energy consumption intensity: Down by 5% year-over-year
- GHG emissions intensity: Down by 1.8% year-over-year

Distribution 4

Economic value
- Advertising expenses: KRW 242 billion
- Packaging expenses: KRW 7.9 billion
- Warehouse expenses: KRW 113.8 billion
- Other export expenses: KRW 12.6 billion

Use 5

Economic value
- Income taxes paid: KRW 442.7 billion
- Dividends paid to shareholders: KRW 244 billion

Social value
- Employee volunteer hours: 14,380 hours

Environmental value
- GHG emissions reduced through the sale of low-carbon products: 4,754,408 tCO_2-eq

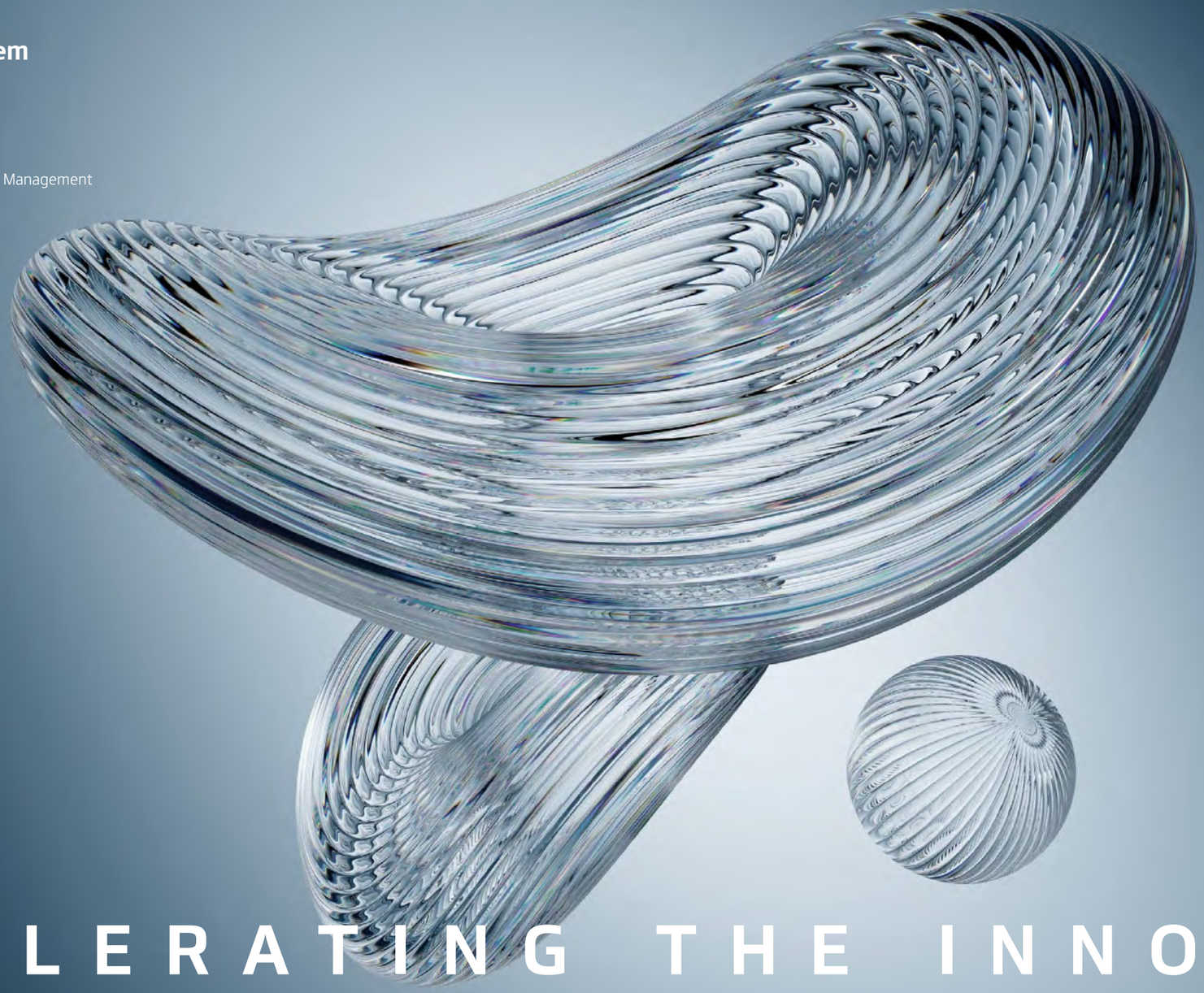
Recycling and disposal 6

Economic value
- Extended Product Responsibility (EPR) contributions made (in Korea): KRW 2.3 billion
- Retread tire sales: KRW 6.02 billion

Environmental value
- Percentage of end-of-life tires recycled (in Korea): 94.8%
- Percentage of end-of-life tires reused and materials recycled[1] (average of Korea/Europe/US/Japan, excluding incineration): 35.3%

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

ESG Management System



ACCELERATING THE INNOVATION

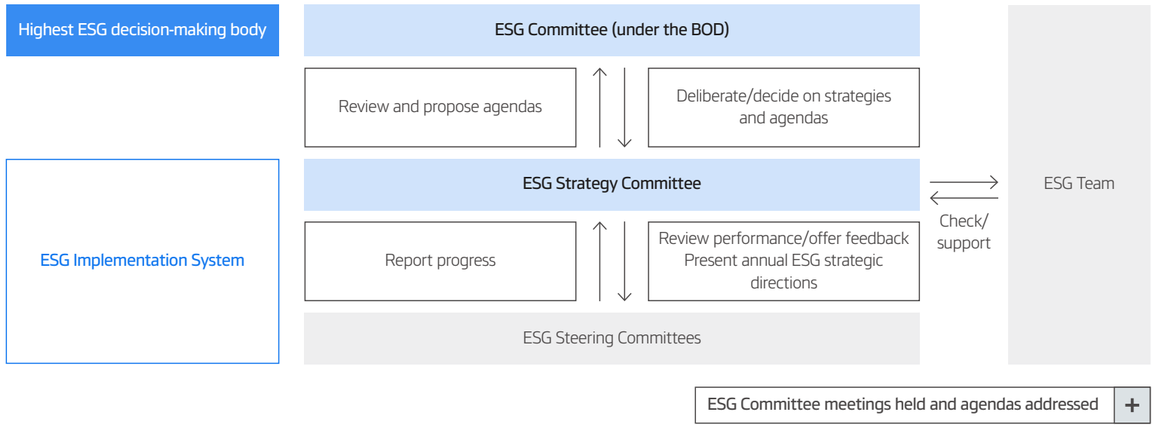
ESG Management System

Hankook Tire & Technology has been operating the ESG management system since 2010 to ensure strategic and systemic ESG implementation. The ESG Committee, as our highest ESG decision-making body under the Board of Directors, consists of five independent directors and three executive directors, and is responsible for reporting on ESG business plans and results and deliberating and deciding on key operations.

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

There are eight ESG Steering Committees organized by focus area and their operations are headed by responsible executives to strengthen their accountability for ESG management. These committees implement tasks established each year to achieve mid- to long-term goals. While we prioritize mid- to long-term sustainability in operating key implementation plans, we also ensure flexibility in aligning management items and/or organizations with evolving external ESG conditions.

Hankook Tire & Technology's ESG Management System



Structure and Role of the ESG Implementation System

ESG Strategy Committee

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

CEO

Head of R&D Innovation Headquarters
Head of Quality Headquarters
Head of Safe Production & Engineering Headquarters
Head of Global OE Innovation Headquarters
Head of Korea Business Headquarters
Head of Europe Headquarters
Head of China Headquarters
Head of North America Headquarters

ESG Steering Committees

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

Governance Committee	Ethics Committee
Climate Change Committee	Employee Committee
Corporate Philanthropy Committee	Supplier Committee
Product Environment Committee	SHE Committee

2024 Deliverables from the ESG Strategy Committee

In 2024, the ESG Strategy Committee reflected on core ESG elements with a focus on keywords presented by relevant organizations and media outlets and share major outlooks for the year. In the 'Trend' session, trends relating to climate change response and ESG disclosure mandates were reviewed and key matters concerning supply chain management were discussed including human rights and the CSDDD[1]. This session also facilitated the introduction of transition finance, opening up new potential investment opportunities. In the 'Status & Plan' session, members took stock of our current ESG practices based on ESG assessment results and each steering committee presented their initiatives updated based on improvements. In the 'Strategy' session, participants shared plans to strengthen ESG initiatives across overseas locations, discussed regional risk identification results and future directions, and refined our strategic approach based on these insights.

1) CSDDD: Corporate Sustainability Due Diligence Directive

Date		March 20, 2024
Attendees		Chair and members of the ESG Strategy Committee Chairs of ESG Steering Committees
Agenda		**Key ESG Projections for 2024**
	1. Trend	1) Climate change response, ESG disclosure mandate 2) Supply chain management (child and forced labor, CSDDD) 3) Transition finance
	2. Status & Plan	1) Current status and necessary improvements 2) Mid- to long-term committee-level strategies and key initiatives for 2024
	3. Strategy	1) Plans to facilitate ESG initiatives overseas

Messages from ESG Steering Committee Chairs

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

Hankook Tire & Technology launched the ESG Committee under the Board of Directors in 2021, and has since remained committed to establishing responsible governance. Following the Corporate Governance Charter set forth in 2022, we established the Code of Ethics for Independent Directors and introduced performance evaluations for the Board and independent directors in 2023. In 2024, we revised the Articles of Incorporation to enhance our dividend payment process. In 2025, another revision was made to the Articles of Incorporation to enable interim dividend payments. We also ensure predictability in relation to cash dividend payments to uphold shareholder rights and strengthen our shareholder-friendly policy. Furthermore, the Board of Directors is now chaired by an independent director to enhance the independence of the Board. Moving forward, we will step up our efforts for governance improvement to gain trust from shareholders and stakeholders.

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

In progressing towards its 2050 Net Zero goal, Hankook Tire & Technology is ramping up company-wide climate change response strategies across its global operations. The Climate Change Committee supports the company's sustainable growth by establishing carbon reduction infrastructure, optimizing energy efficiency, and adopting renewable energy. In particular, we are advancing shared goals and consensus-building through close collaboration among global operations while continuously exploring innovative solutions for GHG emissions reduction. In 2025, we aim to meet our SBTi targets, roll out energy-saving tasks, and introduce eco-friendly technologies to become a forerunner in taking climate action.

Corporate Philanthropy Committee Hoo Hyung Kim, Culture Department

We clocked over 12,000 employee volunteer hours in 2024. Our focus was particularly strong on mobility-themed social-giving efforts. We put up safety fences in school zones to protect children from road accidents, and implemented the vehicle sharing program to provide customized vehicles to welfare facilities and marginalized populations lacking adequate means of transportation. Going forward, Hankook Tire & Technology will make it a point to seek mutually beneficial initiatives with local communities and pursue corporate philanthropic initiatives that leverage its core strengths.

Product Environment Committee Yong Chul Choi, Head of R&D Planning Department

Hankook Tire & Technology is fully committed to developing environmentally-responsible tires to protect the environment and shape a sustainable future. Specifically, we closely collaborate with global material suppliers to broaden the use of sustainable materials, and research efforts are under way to adopt recycled cords. We are also focused on improving tread wear resistance to develop Tire and Road Wear Particles (TRWP) mitigation technology. Our commitment to eco-friendly tire development goes beyond environmental stewardship to deliver new value to consumers.

Ethics Committee Jae Kwon Choi, Head of Audit Department

Hankook Tire & Technology operates its compliance risk management system in accordance with the ISO 37301 international standard. We provide regular ethics training and publish the Ethics Letter to enhance ethics awareness among all employees. We will continue with our efforts to advance ethical management so that all our employees recognize business ethics as the top priority and a cornerstone of sustainable management and that Hankook Tire & Technology becomes a trusted and respected company among wide-ranging stakeholders.

Employee Committee Seung Hyung LEE, Head of HR Division

Hankook Tire & Technology places the growth and well-being of employees as its top priority, and promotes positive employee experience on multiple fronts, from recruiting top talent to training, evaluation, compensation and benefits. In 2024, we introduced a leave policy for fertility treatments and improved the evaluation system for employees returning from parental leave, helping employees strike the right work-life balance and fostering a family-friendly working environment. We ensured the effective use of such programs by making them easily accessible internally and increasing the awareness of such programs among leaders. We will continue with our communication efforts to ensure both employees and the company flourish together.

Supplier Committee Hyun Min Park, Head of Purchasing Division

In the face of heightening global uncertainties, Hankook Tire & Technology keeps its promises with its customers and seeks shared growth with its suppliers through sustainable material sourcing and reliable supply chain development. In 2025, we will walk hand-in-hand with our suppliers to ensure strategic supply chain operations with our accumulated expertise as a guide and foster a sustainable supply chain in the face of challenges. This journey is one that we take together with suppliers as our key partners.

SHE Committee Jong Ha Lee, Head of SHE Department

Hankook Tire & Technology is committed to maintaining a safe and pleasant workplace and safeguarding the environment. To effectively drive health and safety management, we have established and operate health and safety management guidelines and a risk management process while proactively participating in resource circulation programs for environmental protection. All our employees will be aligned towards the shared mission of operating sustainable SHE systems.

Global ESG Operation System

To ensure balanced ESG management that extends all the way to our overseas regions beyond Korea, we continuously engage with overseas headquarters and expand support. Given that each overseas region varies in terms of relevance and material issues, we will restructure and operate our organization to reflect the distinct local context.

Mapping Regional ESG Issues and Ensuring Locally-Tailored Operations

As Europe was ranked highest in terms of the importance of ESG management due to ESG disclosure mandates, we prioritize this region in establishing and operating our ESG management system. In 2024, we kicked off a disclosure response project to ensure our compliance with the CSRD, and systematically made necessary preparations including metric gap analysis, double materiality assessment, and metric definition. Specifically, we are meticulously evaluating our current status and necessary improvements in Europe to build robust readiness in dealing with local disclosure regulations. Our 2025 plan is to publish an internal pilot report. To respond to the EUDR, we have organized a dedicated Steering Committee and are developing a management system and response directions, ensuring a structured and proactive response to regulatory developments across overseas regions. In other global regions, we identify salient local ESG issues and manage them continuously.

Chinese ESG Committee

Chair	Head of China Headquarters				
Committee	Corporate Philanthropy Committee	Risk Committee	EHS Committee	Employee Committee	Ethics Management Committee
Responsible Team	CHN) Corporate Strategy & Innovation Team	CHN) Corporate Strategy & Innovation Team	JP)[1] Environment & Safety Team HP)[2] Environment & Safety Team CP)[3] Environment & Safety Team	CHN) HR Team	CHN) Corporate Management Team
Management Area	Community exchanges Charities/scholarships Tire donations and safety campaigns	Emergency response External risk response Risk prediction and prevention	Enhanced employee health management Firefighting/safety system development	Fair HR system Employee growth Work & Life Balance Respect for human rights	Ethical management training and communication Ethical management campaigns

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

Key Issues by Overseas Region

ESG Operational Chart in Europe

Ownership	Head of Europe Headquarters						
Guide	ESG Team			GHQ Organization			Co-work Korean HQ supporting local organizations as needed according to the issue at hand
Operation	Head of Hungary Plant			Director of Marketing Department		Director of Corporate Management Department	
	MP) EHS Team	MP) Purchasing Team	MP) HR Team	MP) Corporate Management Team	EUR) Marketing Strategy Team	Subsidiaries in EU member states (12)	EUR) HR Team	EUR) Corporate Management Team
Management Issue	Climate change / Supplier / CSRD[1] / Human rights / EUDR[2]				CSRD / EUDR		Human rights	CSRD / EUDR

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

Special Report

Our Response to ESG Regulations

In response to the EUDR, which will take effect in 2025, and in preparation for other upcoming EU regulations such as the CSRD and CSDDD, Hankook Tire & Technology aims to build the sustainability capabilities required by the market and industry, and to transparently disclose relevant information. In this year's report, we outline our current responses and plans for the EUDR and CSRD as key regulatory developments, demonstrating that we are building necessary preparedness as a company that customers can trust.

EUDR Response

In anticipation of the full-scale implementation of the EUDR at the end of 2025, we are laying a company-wide foundation to proactively ensure our compliance. Natural rubber plays a key role, accounting for approximately 30% of our total raw material usage, and it carries multiple risks - climate change, human rights concerns, and deforestation - as its sourcing is concentrated in specific countries. This highlights the need for sustainable production and responsible supply chain management. The EUDR requires proof that designated commodities such as natural rubber are produced without causing deforestation or forest degradation, necessitating full traceability and robust data management throughout the supply chain.

1 Establish a response system	Based on a systemic understanding on the EUDR, we are analyzing the regulation and conducting internal training. We have also organized a company-wide committee and designated lead and supporting departments to enable collaboration with substantive execution capabilities. We serve as an active participant in industry associations such as ETRMA and KOTMA to remain current with evolving regulatory interpretations and policy developments. In addition, we have established a supplier due diligence process to systematically monitor supply chain risks.
2 Strengthen supply chain management	We align our material sourcing strategies with EUDR compliance standards and are enhancing our sourcing information management using HePS and other existing systems. By developing an integrated management system based on geolocation and supply chain data, we are making preparations to ensure agility in responding to customer requests.
3 Prepare to submit due diligence statements	We have deployed an internal IT digital platform for EUDR compliance, and have linked this platform with SAP and other pre-existing systems to ensure the efficient management of relevant data. We have also established a regular monitoring and reporting system to transparently track implementation progress, and are developing response plans linked to customs clearance and shipment procedures.

Moving forward, Hankook Tire & Technology will continue to upgrade its EUDR response system to foster sustainable and responsible sourcing practices, ensure transparency in supply chain operations, and abide by pertinent global regulations.

ESG Disclosure

In line with the EU Omnibus Package, the application of the EU CSRD to Hankook Tire & Technology has been postponed by two years to 2028. Disclosure obligations will commence for EU Holdings from FY2027 (2028) while global consolidated reporting including the Korean Headquarters will be required from 2029. The gap in reporting timeline between EU Holdings (intermediate EU parent) and the global consolidated entity including the Korean Headquarters has been narrowed to one year. Hankook Tire & Technology plans to initiate global consolidated reporting at the Headquarters level in 2028 (FY2027), one year ahead of the required timeline, to proactively respond to the CSRD. As part of this preparatory effort, we conducted double materiality assessments in accordance with the ESRD in 2025 and determined disclosure indicators. We have also developed definitions for selected indicators and a data collection template, which will base our efforts to produce a pilot report.

Category	FY2025	FY2026	FY2027	FY2028
Scope of CSRD Application			EU Holdings	On a Group-consolidated basis
Hankook Tire & Technology's disclosure level	Prepare a pilot report	Prepare a pilot report	Report on a Group consolidated basis	Report on a Group consolidated basis
Implementation Approach	Develop company-wide standards and policies, establish an IT system for disclosure metric management		Integrate with Group ESG disclosures and existing ESG reports	

In addition to the EU CSRD, we will proactively ensure our compliance with a range of sustainability disclosure requirements, taking the lead in harmonizing sustainability disclosure indicators and promoting reliable disclosures.

ESRS Disclosure Requirements

Responsible Governance

Board-centered Governance

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

The ESG Committee has been up and running under the Board of Directors since 2021 to enhance ESG management. This Committee reviews and deliberates on our strategic directions and key issues within the three pillars of Environmental, Social, and Governance to fuel Hankook Tire & Technology's sustainable growth. Considering social expectations for ESG management and its importance, the ESG Committee is attended by all Board members, with independent directors comprising its majority. The Committee has been chaired by Doocheol Moon, an independent director since the end of March 2024.

In May 2022, we set forth and announced the Corporate Governance Charter to embody our commitment to establishing, maintaining, and developing transparent and advanced governance. This Charter primarily covers corporate governance principles, independence of the Board and the Audit Committee, and shareholder and stakeholder rights and engagement, providing guidelines for ESG management.

In 2023, the Code of Ethics for Independent Directors was established to outline the responsibilities and principles independent directors are expected to assume. The Code ensures that our independent directors thoroughly abide by guiding principles to lead ethical management, taking the charge in establishing an exemplary corporate culture.

To align ESG with our daily operations and ensure it is consistently implemented, we operate eight ESG Steering Committees in each of the focus areas. The Governance Committee specifically reviews and implements detailed action plans along with establishing a governance advancement roadmap. The activity outcomes of the Governance Committee are reported to the ESG Strategy Committee, which consists of top management members. Key details of initiatives undertaken by the Governance Committee and the ESG Strategy Committee are reported to the ESG Committee, the highest ESG decision-making body.

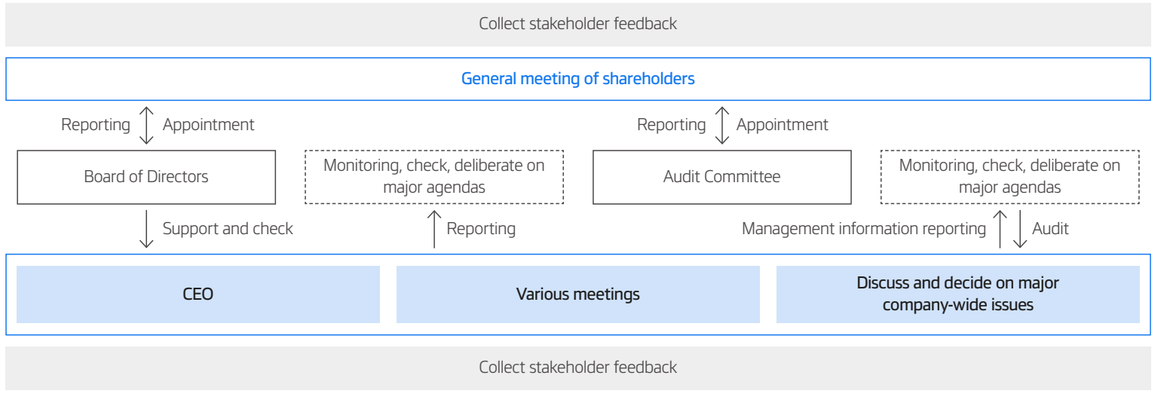
In 2023, a decision was made to evaluate the operation of the Board to establish transparent governance and improve the operational performance of the Board. Internal evaluations have since been performed annually on the operation and independence of the Board and competencies of independent directors. This helps us ensure the Board faithfully fulfills its role as a significant governance body and continuously upgrade the Board's operation approaches and processes.

Board-centered Decision-making Process

The Board of Directors serves as the highest decision-making body of our business operations, and Hankook Tire & Technology is fully committed to sustained profit generation and growth based on mutual checks and balances among the Board, management, and shareholders. To incorporate varying feedback from stakeholders in the decision-making of top management, we engage in free-flowing communication such as discussions at various meetings, thereby identifying necessary tasks and aligning these efforts towards meaningful progress.

Our BOD regulations stipulate that the Chair of the Board should be appointed among directors through the resolution adopted by the Board. In March 2025, the Board appointed Jonggap Kim, an independent director, as the Chair of the Board to uphold governance transparency and the independence of the Board. Separating the Board Chair and the CEO roles and appointing an independent director to chair the Board is expected to further advance our corporate governance, making our Board of Directors more independent and our business operations more transparent while further enhancing management accountability with the Board of Directors leading the way.

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



Composition of the Board of Directors

As of the end of March 2025, Hankook Tire & Technology's Board of Directors consisted of eight directors - three executive directors and five independent directors. None of our directors have any specific interest in the company, top management, or major shareholders.

Director	Name	Gender	Position	Career
Executive director	Jong Seong Ahn	Male	Co-CEO Member of the Management Committee Member of the Independent Director Candidate Recommendation Committee Member of the ESG Committee	- Vice President and Head of Heavy Business Group (BG) Doosan Infracore - Executive Director of AM/PS Sales Headquarters Doosan Infracore - Executive Director of Planning and Coordination Office Doosan Infracore - Executive Director of Construction Machinery BG Doosan Infracore - COO and President, Hankook & Company (Head of ES Business Headquarters) - CEO and President, Hankook & Company (Head of ES Business Headquarters) - Current) Co-CEO and President, Hankook Tire & Technology (Head of Management Innovation Headquarters)
	Sang Hoon Lee	Male	Co-CEO Chair of the Management Committee Member of the Independent Director Candidate Recommendation Committee Member of the ESG Committee	- PC/LT Sales Department Director at Hankook Tire China Headquarters - Senior Vice President, Head of China Regional Headquarters, Hankook Tire - Executive Vice President, Head of Europe Headquarters, Hankook Tire & Technology - Current) Co-CEO and President, Hankook Tire & Technology (Head of Marketing Headquarters)
	Jeong Soo Park	Male	Member of the Management Committee Member of the Independent Director Candidate Recommendation Committee Member of the ESG Committee	- Vice President, Head of Finance & Accounting Department, Hankook Tire & Technology - Current) Senior Vice President, Head of Financial Planning Office, Hankook & Company - Current) Senior Vice President, Head of Finance & Accounting Division, Hankook Tire & Technology
Independent director	Jong Gap Kim	Male	Chair of the Board Member of the Internal Transactions Committee Member of the Independent Director Candidate Recommendation Committee Member of the ESG Committee	- Barclays Bank, Seoul Branch - Executive, Citibank Seoul Branch - Representative, Deutsch Bank Seoul Branch
	Youngjae Kang	Male	Member of the Internal Transactions Committee Member of the Independent Director Candidate Recommendation Committee Member of the ESG Committee	- Vice President, Hite Jinro - CEO, Hite Jinro Beverage - Co-representative, KOSRA Seed Partners (KSP) - Current) CEO, Investment Division, ENSL Partners
	Jung Yeun Kim	Female	Chair of the Internal Transactions Committee Member of the Independent Director Candidate Recommendation Committee Member of the ESG Committee Member of the Audit Committee	- Second Secretary, Ministry of Foreign Affairs and Trade - Attorney, Kim & Chang - Professor, Incheon National University Law School - Outside director, KORAMCO Asset Management - Current) Outside director, Hanwha General Insurance - Current) Professor, Ewha Womans University Law School
	Sung Kwon Han	Male	Chair of the Independent Director Candidate Recommendation Committee Member of the ESG Committee Member of the Audit Committee	- Executive Director, Human Resources Support, Planning and Coordination Office, Hyundai Motor Group - Vice President, Human Resources Support, Planning and Coordination Office, Hyundai Motor Group - Director, Hyundai Motor Group Human Resources Development Center - President, Commercial Business Division, Hyundai Motor Company - Vice Chairman, Hyundai Motor Chung Mong-Koo Foundation - Current) Standing Advisor, SK On - Current) Outside director, ILJIN Hysolus
	Doo Cheol Moon	Male	Chair of the Audit Committee Chair of the ESG Committee Member of the Independent Director Candidate Recommendation Committee	- Assistant Professor, State University of New York at Old Westbury - Member of the Public Institution Management Evaluation Committee, Ministry of Strategy and Finance - Advisory Professor, Korea ESG Club, Korea Economic Daily, - President, Small and Medium Business Administration - Member of the ESG Management Advisory Committee, Korea Exchange - Current) Professor, Yonsei University Business School - Current) Director, Sustainability Management Research Center, Yonsei University - Current) Editor-in-Chief of Accounting Studies, Korean Accounting Association - Current) Public Interest Member and Chair of the Designated Industry Working Committee, Korea Commission for Corporate Partnership - Current) Co-Chair, ESG Management Committee, Korea Technology Finance Corporation - Current) Member of the Asset Management Committee, Teachers' Pension - Current) Outside director, LG Display

Independence of the Board of Directors

We stipulated that independent directors account for a majority of the Board to ensure greater transparency and independence and that the roles of the Board Chair and the CEO be separated. Directors are ultimately appointed at the general meeting of shareholders. Director candidates are nominated according to transparent and fair procedures, and such nominations are made through the Board for executive directors and through the Independent Director Recommendation Committee for independent directors. While directors are permitted to serve three-year terms and can be reappointed, independent directors cannot serve more than six years at any given company or nine years when affiliates are included, pursuant to the Enforcement Decree of the Commercial Act. As of the Board of Directors constituted after the 13th general meeting of shareholders in late March 2025, the average tenure of our independent directors was 1.8 years.

Vacant director positions are individually filled at the general meeting of shareholders. The composition of the Board is in compliance with the Commercial Act, the Monopoly Regulation and Fair-Trade Act, and other applicable laws. Independent director candidates can be disqualified upon discovery of any single one of the disqualifying factors, and this extends to incumbent independent directors who could lose their position if they meet any of the disqualifying criteria. We review the disqualifications for directors' independence pursuant to pertinent laws to ensure the independence of the directors, and the Independent Director Recommendation Committee reviews independent director candidates for their compliance with independence requirements.

Disqualification Criteria for Directors' Independence

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

* In conformity with Korea's Commercial Act, Fair Trade Act, and other relevant laws

Review of Independent Directors' Compliance with Independence Qualifications[1)]

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

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

Board Diversity Policy

Diversity indicators such as gender, age, race, nationality, and country of origin are considered in the composition of the Board of Directors, ensuring that the Board makes reasonable decisions and incorporates the varying perspectives of stakeholders. As of the end of March 2025, our Board consisted of eight members in total, with five independent directors comprising the majority of total. The Board also includes one female independent director. Directors are required to represent the rights and interests of all shareholders in a balanced manner, and should be equally qualified and free from discrimination on the grounds of gender, age, religion or race. We strive to avoid Board being composed of members of a single gender, and seek to balance experience with adaptability while pursuing diversity to ensure no particular group's interests prevail.

Expertise of the Board of Directors

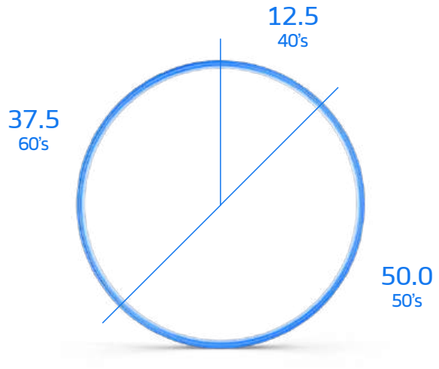
Independent directors are appointed at the general meeting of shareholders for their extensive expertise and experience in the areas of business administration, economy, law, accounting, and ESG, along with their compliance with the qualification criteria stipulated in applicable laws. We ensure that our independent directors bring their specialized expertise to their roles in advising the company in making sound decisions while fulfilling their incumbent duties of checking and overseeing management. In addition, we prioritize the expertise of directors in the composition of Board committees to ensure the Board is operated efficiently and professionally while effectively assuming its given roles. We provide dedicated training to independent directors to facilitate their understanding of the sector the company is associated with and improve their expertise.

Training Provided to Independent Directors

Date	Trainer	Topic
2024.06.28	ESG Team	Key details of the 2023/24 ESG Report
2024.09.01	Multi Campus	Core training on the Internal control over financial reporting

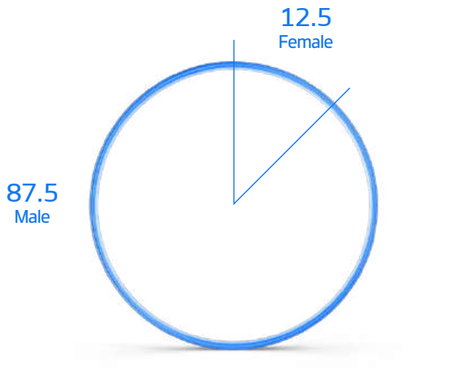
Directors by Age Group

(Unit: %)



Directors by Gender

(Unit: %)



Effectiveness and Transparency of the Board of Directors

To ensure the effective operation of the Board of Directors, we set the 50% quorum[1] for Board meetings to stipulate that decisions are made with 50% or more directors in attendance and 50% or more of attending directors in favor of the agenda item. Following the decision made in 2023 that periodic evaluations should be made on the Board and individual performance of independent directors to identify necessary improvements, we have conducted annual evaluations in line with the approved criteria and procedures. The findings base our efforts to conduct more rigorous verifications on the effective operation of the Board and review future improvements. Additionally, the Board Secretariat operates as a dedicated support unit for independent directors to enhance the effectiveness and transparency of the Board. The Board convenes regularly at least once every quarter in accordance with BOD regulations.

The Audit Committee is up and running to check and monitor top management on behalf of shareholders, and the Committee is solely composed of independent directors. Self-assessments are made each year to improve the effectiveness of the Audit Committee. These assessments cover the composition and qualifications of the Audit Committee, the qualifications of the Audit Committee Chair, understanding of the company's business and risks, work processes and procedures, oversight of financial reporting and audit function, and monitoring activities. In 2023, the Code of Ethics for Independent Directors was specified to present the basic principles for independent directors to voluntarily abide by as a way to enhance the transparency of the Board.

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

Board Meetings Held Over the Past 5 Years

(Unit: Meetings)

Operational Overview of Board Committees

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

Remuneration of the Board of Directors

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. The 12th general meeting of shareholders held in 2024 approved KRW 8 billion as the total director remuneration limit, and nearly KRW 5.6 billion was paid out. At the 13th general meeting of shareholders held on March 26, 2025, KRW 8 billion was approved as the director remuneration limit, equivalent to that of the previous year.

Remuneration of All Directors and Auditors

(Unit: KRW million)

Director	Directors (persons)	Total Remuneration	Average Remuneration per Person
Executive director	3	4,095	1,362
Independent Director (excluding members of the Audit Committee)	4	194	49
Members of the Audit Committee	3	140	47

* Remuneration for all directors and auditors: As of December 31, 2024
* The number of directors and total remuneration indicated above include the remuneration paid up to the time of resignation to the eight directors serving as of the end of December 2024, as well as two directors whose terms expired during 2024 (Executive Director Hyun Bum Cho and Independent Director Mira Lee).
* The average remuneration per person was calculated by simply dividing the total remuneration by the number of directors.

Performance Evaluation of the CEO and Executives

Incentives granted based on the performance evaluation of the CEO and executives consist of Executive Incentives and Management Incentives. Executive Incentives are short-term performance bonuses paid in consideration of annual management achievements. These are determined based on performance indicators such as annual revenue and operating profit, as well as contributions to the company's overall management performance, including the achievement of strategic objectives. Management incentives reflect the company's mid- to long-term performance, These are provided to executives at the Senior Vice President and higher positions by comprehensively considering management performance from the perspectives of finance (including key management performance and TSR disparities), strategy/innovation (including organizational innovation activities and new growth driver discovery) and ESG (including Dow Jones Sustainability Indices).

We also sign the management advisory agreement with retiring executives which includes provisions aimed at preventing any professional misconduct of executives during their tenure and strengthen internal controls. The agreement includes clawback provisions stipulating that if any professional misconduct is identified from executives' term following 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 responsible for the remaining balance.

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

CEO-to-Employee Compensation Ratio

Total CEO compensation (KRW million)[1]	Average employee compensation (KRW million)[1]	Ratio[2]
3,018	93	32.45

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

Shareholder-friendly Management

Hankook Tire & Technology advances shareholder-friendly management, implementing policies to protect shareholder rights for greater shareholder value while ensuring timely disclosure of accurate information and enhancing access to information. We guarantee that our shareholders duly exercise their voting rights pursuant to Korea's Commercial Act, and further improved the stability and predictability of dividend payments by adopting electronic voting, upholding the shareholder right to make proposals, and disclosing our mid-term dividend policy. In addition to quarterly earnings releases, we hold IR meetings as needed for institutional investors and analysts from securities firms in Korea and abroad, reaching out closer to shareholders. We have opened a dedicated IR phone line to engage with individual shareholders, and faithfully disclose our key management activities for swift communication.

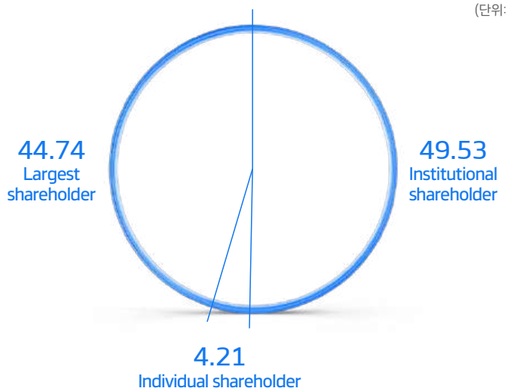
Shareholder Profile

We follow the one share one vote rule, and treasury shares do not carry voting rights pursuant to the Commercial Act.

Shareholder Profile

(as of Dec. 31, 2024)

(단위: %)



Category	Number of Shareholders	Proportion of Total Shareholders	Number of Shares	Proportion of Total Shares
Institutional shareholder	1,788	5.11	61,361,513	49.53
Individual shareholder	33,197	94.82	5,211,179	4.21
Largest shareholder	24	0.07	55,416,061	44.74
Treasury share	1	0.00	1,886,316	1.52
Total	35,010	100.00	123,875,069	100.00

Shareholding of Major Shareholders

(as of Dec. 31, 2024)

Name	Number of Shares	Ownership
Hankook & Company Co., Ltd.	37,995,959	30.67
Hyun Bum Cho	9,581,144	7.73
Shinyang Co., Ltd.	793,522	0.64

* The remaining founder & founding-family ownership amounts to 4.16%.

Shareholder of Management

(as of Dec. 31, 2024)

Category	Name	Stock Ownership against Salary
Unregistered executives	Hyun Bum Cho	42.16
	Gyu Bong Lee	
	Jin Gyun Jeong	
	Sang Geun Lee	
	Jin Sun Park	
	Mun Hwan Heo	
	Kyoung Moon Lee	
	Myung Kyu Kang	

1) Calculated by dividing stock ownership based on the closing price (KRW 38,400) of the last trading day of 2024 by base pay
2) Calculated by dividing stock ownership based on the closing price (KRW 38,400) of the last trading day of 2024 by the average base pay of management, excluding the CEO (as of Dec. 31, 2024)

Shareholders' Exercising Voting Rights

Hankook Tire & Technology strives to facilitate the exercise of voting rights for shareholders. To maximize shareholders' participation in the general meeting of shareholders, we introduced electronic voting and electronic proxy voting at the 8th such meeting and have since consistently made these mechanisms available until the 13th general meeting. For the 11th, 12th, and 13th general meetings of shareholders, we participated in the voluntary program to stagger the dates for shareholder meetings to hold the annual general meeting of shareholders at a time when there was a lower concentration of such meetings, ensuring more shareholders could attend. Following the general meeting of shareholders, we disclose the detailed vote tally in favor and against each agenda item on our website to improve the transparency of the general meeting of shareholders.

Shareholder Return Policy

To elevate shareholder value, we will allocate the profits we generate to invest in our sustained growth, maintain our financial soundness, and return to shareholders, within the boundary of distributable profits in consideration of internal/external business conditions. We have continued with dividend payments to improve shareholder value, and our dividends per share have risen each year for the past five years in alignment with our business performance. In February 2023, we disclosed our mid-term dividend policy (for FY2022~2024) for improved shareholder value to increase the stability and predictability of our dividend payments for investors. This policy aims to return 20% of our adjusted net income (excluding one-time non-recurring gains and losses) to shareholders on a consolidated basis for three years (FY2022~2024).

Shareholder Communication

We work on multiple fronts to reach ever closer to shareholders. In addition to the fair disclosure of our (preliminary) operating results, we also hold quarterly earnings calls around January, April, July, and October. These earnings calls are held for analysts and institutional investors through conference calls. Our executives from finance, sales, procurement and other functions associated with business operations attend to brief on our quarterly business results and key management activities. Earnings materials are made available on our website and on the electronic disclosure system, and the details of conference calls are disclosed on our corporate website to make them equally accessible for all investors.

We host NDR (Non-Deal Roadshow) events in in-person or conference call format for major institutional investors in Korea and beyond. We also participate in domestic and overseas IR conferences led by securities firms, with our key executive members and employees directly briefing on our corporate information and areas of investor interest while collecting their feedback. Likewise, minor shareholders are also able to directly contact and communicate with our IR personnel via phone and email disclosed on our website disclosed on our website.

To engage closer with shareholders, we strictly uphold the timeliness of disclosures and have enhanced preliminary reviews and internal verifications to minimize errors in our disclosure, ensuring corrections are not made to disclosures. Our efforts to provide shareholders with necessary information more promptly and transparently allowed us to make two voluntary disclosures, three fair disclosures, four informational disclosures, and 11 English disclosures for the year 2024 alone, making our disclosures more reliable and accessible. These proactive IR activities aim to ensure timeliness, completeness, and equal access in providing information to shareholders.

Dividend Payments by Year

Category		2020	2021	2022	2023	2024
Par value per share (KRW)		500	500	500	500	500
(consolidated) Net income (KRW million)		372,337	588,192	690,249	720,218	1,114,628
(Separate) Net income (KRW million)		87,353	97,779	263,413	671,690	738,901
(consolidated) Earnings per share (KRW)		3,032	4,822	5,658	5,904	9,137
Total cash dividends (KRW million)		79,293	85,392	97,591	158,585	243,978
(consolidated) Cash dividend payout ratio (%)		21.3	14.5	14.1	22.0	21.9
Cash dividend yield (%)	Common stock	1.6	1.7	2.4	2.9	5.2
Cash dividends per share (KRW)	Common stock	650	700	800	1,300	2,000

Jeongdo Management and Ethical Management

Jeongdo Management[1] and ethical management constitute the fundamental principles of our entire business operations at Hankook Tire & Technology. To properly weave compliance with management principles into our corporate culture, we operate a range of programs to integrate Jeongdo Management and ethical management into our systems and daily business routines.

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

Establishing an Ethical Management System

Operating the Jeongdo Management Committee

The Jeongdo Management Committee serves as the highest decision-making body under the direct leadership of the CEO to identify and prevent compliance risks at all levels. In accordance with the code of conduct set forth under the '8 Jeongdo Management Principles', the Committee discusses agendas proposed to address issues closely related to internal/external stakeholders - customers, employees, suppliers, shareholders and investors - as well as organization-level relevant issues, and makes decisions swiftly to establish a culture of Jeongdo Management. The Committee convened twice in March and October of 2024 to propose and deliberate on a total of five agenda items in the areas of sustainable material sourcing, customer satisfaction analysis and reliability enhancement, and sustainability compliance marketing efforts.

Composition of the Jeongdo Management Committee

Category	Position	Scope	Key Team
Chair	CEO	-	-
Vice-Chair	Chief Administrative Office	Corporate governance	Finance Team
		Talent management	HR Management Team
Coordinator	Vice President of Audit Department	Ethical management	Audit Team
Member	Head of Korea Business Headquarters	Customer management	KOR) Marketing Strategy Team
	Chief Marketing Office	Win-win management	Marketing Strategy Team
	Chief Technology Office	Quality management	R&D Planning Team
		SHE	R&D HR Team
	Head of Safe Production & Engineering Staff Office	Talent management	Production HR Team
		SHE	SHE Innovation Team
	Head of Quality Staff Office	Quality management	Global Quality Planning Team
	Head of Purchasing Division	Win-win management	Purchasing Planning Team

Operation of the Jeongdo Management Committee in 2024

Meeting	Date	Session	Topic	Lead Organization
1st meeting	Mar. 27	Jeongdo Management	Sustainable material sourcing	Purchasing Planning Team
		Ethical management	Customer satisfaction analysis and reliability enhancement	Global Quality Planning Team
2nd meeting	Oct. 21	Jeongdo Management	Data privacy management for distribution customers	Digital Platform Team
			Tire-to-tire circular economy development	Sustainable Material Project
		Ethical management	Sustainability compliance marketing efforts	Marketing Strategy Team

Establishing a Compliance Risk Management and Maintaining ISO 37301

Our compliance risk management system ensures that each organization reviews compliance risks along the PDCA (Plan-Do-Check-Action) cycle. In 2021, we achieved the ISO 37301 international compliance management system certification to gain broad recognition for the adequacy and effectiveness of our company-wide compliance risk management system, and have since remained certified for four years. In 2024, we selected 40 key persons and provided them with ISO 37301 internal auditor training while performing internal audits and implementing working-level activities to operate a company-wide compliance risk management system. This allowed us to fully meet the requirements of ISO 37301 and its certification program and successfully renew our certification accordingly. In 2025, we will maintain our compliance management system and reinforce our organizational capabilities to further enhance our compliance risk management performance.

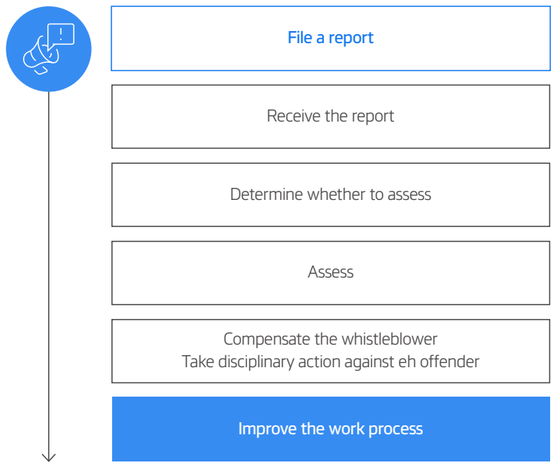
Expanding the Pledge to Practice Ethical Management

Our employees are required to sign the ethical management pledge to commit themselves to the practice of ethical management. In 2024, 98% of our employees in Korea and 100% of our employees overseas signed the pledge, and we expanded this to include our overseas operations and affiliates. In 2025, we will provide ethical management training to new hires and encourage them to sign the pledge, furthering our efforts to expand the ethical management pledge to embed business ethics into our corporate culture.

Facilitating the Whistleblowing Mechanism and Performing Internal Assessments

Hankook Tire & Technology actively promotes its whistleblowing mechanism among internal and external stakeholders to facilitate whistleblowing. The Misconduct Reporting for ethical management is made available to enhance organizational transparency and establish an ethics culture. Out of 33 concerns raised through the Misconduct Reporting in 2024, one found to be valid was investigated. Additionally, the anonymous bulletin board for ethical management promotes interactive communication on inquiries made by employees on ethical management and work-related compliance risks. Meanwhile, we continue to perform routine and non-routine internal assessments on our entire operations in Korea and abroad. If any wrongful practices or inappropriate work processes are identified as a result of such assessments, recommendations are made to take corrective actions. Employees identified for misconduct are subject to disciplinary action by the HR Committee to prevent their reoccurrence. In 2025, we will publicize our global whistleblowing website across our overseas operations to establish a culture of whistleblowing.

Whistleblowing Process



Whistleblowing by Type of Concern

Category	2023		2024	
	Reports Submitted	Valid Reports	Reports Submitted	Valid Reports
Ethical misconduct	8	4	6	1
External complaints	0	0	5	0
Internal complaints	1	1	3	0
Others (including customer complaints)	9	0	19	0
Total	**18**	**5**	**33**	**1**

Actions Taken for Non-compliance with the Code of Conduct

Category	2023		2024		Action Taken
	Non-compliance (cases)	Offenders (persons)	Non-compliance (cases)	Offenders (persons)	
Damage to corporate culture (sexual harassment, bullying, etc.)	5	5	3	5	Disciplinary action
Negligence of duties and poor attendance	4	6	0	0	Disciplinary action
Bribe-taking	0	0	0	0	
Exploitation of corporate funds for personal use	0	0	1	1	
Intervention with suppliers	0	0	0	0	
Total	**9**	**11**	**4**	**6**	

Whistleblower Protection

Confidentiality
- Prohibit the disclosure of Information on the whistleblower without their consent
- Those related to the investigation abide by their nondisclosure obligation

Identity protection
- Ban any attempt to identify the whistleblower
- Any attempt to identify a whistleblower and/or associated persons is subject to severe disciplinary action, regardless of intent

Non-retaliation
- Ban any disadvantage or discrimination in terms of working conditions
- When a disadvantage is confirmed, immediate action is taken to remedy it

Immunity
- If a whistleblower self reports: Mitigate the disciplinary action (on the condition that unjustified gains are returned)
- This is not considered non-compliance with job-related confidentiality obligations

Embedding Ethics Awareness into Day-to-Day Routines

Strengthening Ethical Management Training

We provide regular ethical management training to highlight the importance of Jeongdo Management and ethical management, and to raise awareness for this mindset so that it can be matched by the actions of our employees. Such training is conducted through videos produced on understanding ethical management, the company's approach to Jeongdo Management and ethical management, and actual cases of ethical management. In 2024, training was conducted on the topic of 'understanding compliance and employees' work ethics' to prevent corruptive practices that may occur in business conduct, covering ban on bribe-taking, fair trade, information security, workplace harassment (abuse of authority), and social media use. This came in tandem with the 'Integrity Book Concert' to review such books as <Judgment> and <Vegetable Roots Discourse> to underscore the importance of free will in directing one's own actions and intent in the workplace. We have also made ethical management mandatory for the introduction training of new hires to assist them in understanding our ethical management guidelines and compliance culture so they can apply their learnings to daily work routines.

Fostering Ethics Awareness among Employees

To help our employees develop ethics awareness, we circulate the monthly E-Ethics Letter communicating best practices, cases of non-compliance, and related articles, and make this available on the bulletin board for ethical management. During national holidays or vacations when the need arises to remind our employees of ethical mindset, we launch the 'No Giving/No Taking of Holiday Gifts' and 'voluntary bribery reporting' campaigns to encourage their participation. In 2024, we produced and posted electronic posters promoting our whistleblowing mechanism using internal kiosks, furthering our efforts to elevate ethics awareness across the organization.

Risk Management

Uncertainties continue to expand across the business landscape, along with increasingly heightened volatility.
Navigational agility is critical in such a landscape, and that is why Hankook Tire & Technology is establishing a structured and detailed risk management system and an emergency response process to minimize uncertainty and volatility across our overall business operations. We will further prioritize risk management to foster a stable business environment.

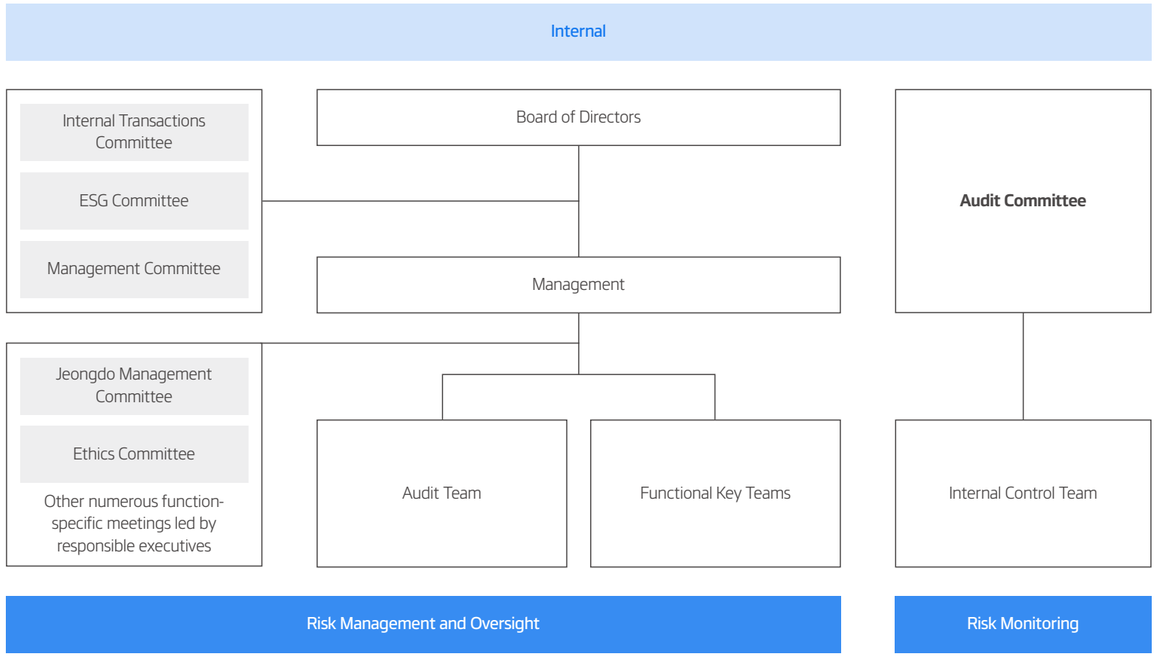
Risk Management System

Risk Management Organization

We operate a range of risk management organizations for effective risk management. The 1st line of risk management is led by functional key teams and the Audit Team, who identify potential risks across our entire business areas each year to assess their likelihood and impact and establish management processes. The risks identified as such are reported to the Jeongdo Management Committee, the Ethics Committee and other committees managing key risk areas, ensuring they are managed at the senior executive level as the 2nd line of management. Finally, key risks are reported to the Board of Directors and discussed at the Audit Committee. The Audit Committee is composed of three independent directors to ensure it is operated independently. In 2024, the Audit Committee convened six times to report and decide on matters related to operation of internal oversight mechanisms, operational audits, evaluations of the CEOs and internal accounting managers, and the operation of internal control over financial reporting.

Managing Organizations by Key Risk

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



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

Specific Risks and Our Responses

Financial Risk

In 2024, prolonged uncertainty persisted amid weakening consumer sentiment, escalating geopolitical tensions, and unstable domestic and global conditions, all driven by a continued global economic slowdown. Despite signs of easing inflation, major economies maintained tight monetary policies, while risks such as the ongoing Russia-Ukraine conflict further amplified volatility in exchange and interest rates. Facing this complex environment, Hankook Tire & Technology implemented a structured risk management system to respond flexibly to external variables. Financial expenses and foreign exchange positions are closely monitored to minimize exposure to sudden market fluctuations, supported by ongoing, structural risk controls. In addition, active internal and external communication ensures the timely delivery of market intelligence, enabling top management to detect early signs of financial volatility and make swift, informed decisions.

Liquidity Risk

Hankook Tire & Technology manages borrowings, liquidity levels, and both short- and long-term cash flows across its headquarters and global subsidiaries through an integrated framework. Cash flow forecasts are conducted on a regular basis to secure sufficient liquidity in advance, while more conservative strategies are adopted during periods of heightened financial uncertainty to uphold a stable and resilient financial structure. A core component of this approach is the company's global cash pooling system, which facilitates real-time liquidity sharing across regions. This enables efficient allocation of funds between cash-surplus and cash-deficient entities, thereby minimizing liquidity risk and easing the burden of fund management and financing costs. Expanding on this foundation, Hankook Tire & Technology actively operates a Global Cash Management System that centrally oversees the funds of local subsidiaries worldwide, including regional headquarters. In parallel, prearranged credit lines with financial institutions are secured in conjunction with the cash pooling system, ensuring the company is well-prepared to respond quickly and effectively to liquidity demands.

Foreign Exchange Risk

Hankook Tire & Technology engages in global operations that involve a wide range of foreign currencies, including the U.S. dollar and the euro. To mitigate foreign exchange risk, the company prioritizes the use of local currencies for both current transactions such as exports and imports, as well as for financial transactions like deposits and borrowings. It also adheres to a core principle of aligning the currencies of receivables and payables, helping to spread currency-specific risk and minimize FX exposure. For positions that exceed a defined threshold, the company follows a structured management process in accordance with its Foreign Exchange Risk Management Policy. The policy defines FX risk, outlines responsibilities, details management procedures, and sets hedge ratio guidelines. A Financial Management Committee convenes quarterly to establish tailored risk response strategies by currency and region. As a foundational approach, the company applies natural hedging by aligning foreign currency assets and liabilities, while also using financial instruments within approved limits when appropriate.

Occupational Health and Safety

In 2024, Hankook Tire & Technology focused its safety and health efforts on building accident-free worksites across its global operations. Tailored inspections—including cross-audits, internal checks, and joint on-site evaluations—were conducted at all eight plants to identify and eliminate site-specific risks. To further promote best practices, the company launched the SHE Best Practice program, recognizing outstanding safety, health, and environmental practices across its facilities.

At its Korean plants, real-time monitoring and the "Safety Siren" system were introduced to prevent major incidents, resulting in a tangible reduction in workplace accidents. Insights gained from a 2024 supervisor competency assessment will be reflected in 2025 training programs. In addition, key initiatives such as the "Five Golden Rules," the "Seven Key Safety Behaviors," and the "Safety Hotline" are helping to strengthen on-site compliance and foster a more mature safety culture. Efforts to address musculoskeletal disorders are also underway.

An ergonomic task force continues to gather feedback from field workers to identify and mitigate physical strain. In 2024, the company introduced shockwave therapy to support tissue recovery and regeneration for employees experiencing musculoskeletal discomfort. Additionally, the Lock-out Tag-out (LOTO) system[1)] was fully implemented at domestic sites to ensure safety during equipment maintenance, with plans to expand it globally. Supporting manuals and training programs have also been developed to encourage proper adherence to LOTO procedures.

1) LOTO system: A safety procedure implemented during equipment maintenance to isolate the energy source and ensure machinery cannot be activated unintentionally

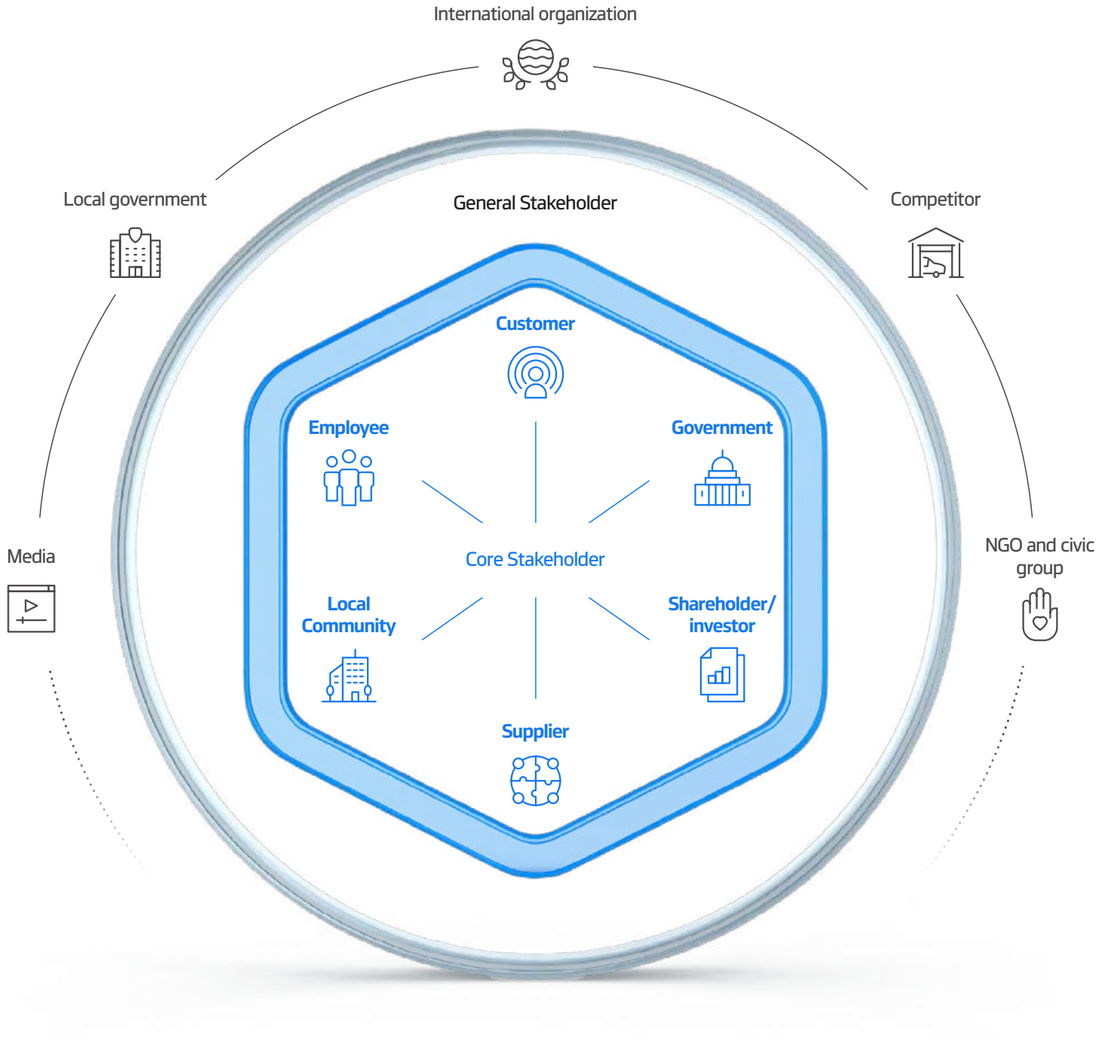
Fire Safety

Hankook Tire & Technology takes a proactive approach to fire and emergency preparedness, obtaining and maintaining key certifications such as the Process Safety Management (PSM) report to ensure business continuity in the event of fires, explosions, earthquakes, or extreme weather. The company conducts statutory fire inspections twice a year through certified experts and receives additional evaluations from professional bodies including the Korea Fire Protection Association and KOSHA, helping to identify vulnerabilities and drive continuous improvement.

A dedicated Emergency Response Center is staffed with full-time personnel to ensure swift action during emergencies, prioritizing the safety of employees and the protection of company assets. In parallel, the company enhances the competencies of its SHE teams through outsourced training and has strengthened its internal capacity for fire system maintenance to better prevent and manage equipment-related risks.

At least once a year, joint fire drills are conducted with local fire authorities, complemented by a variety of in-house response exercises to ensure sitelevel preparedness. In 2024, Hankook analyzed fire incidents across its global operations and within similar industries to identify patterns of risk. Based on these insights, the company carried out targeted inspections and maintenance work, implemented special fire safety audits, and continued efforts to standardize fire risk management practices across all sites.

Stakeholder Communication



Hankook Tire & Technology categorizes its stakeholders based on the scale and scope of their impact on its business operations. Core stakeholders are those who maintain close and direct relationships with the company, while general stakeholders have indirect or potential interactions. We collect feedback from stakeholders through various communication channels, incorporate it into our business operations, and actively share our ESG achievements and plans. This report has been prepared based on key insights gained through this stakeholder engagement process.

Customer (car makers, general customers, and dealers)

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

Communication topics (key issues of interest)
- Strengthen consumer health and safety in product use
- Improve product quality and ensure safety
- Reinforce product responsibility and conduct responsible marketing
- Swiftly handle 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 Enagement 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 Tire & Technology conducts materiality assessments each year to identify key issues requiring targeted management from sustainability management aspects.
The findings are reflected in our decision-making across ESG areas, and this report focuses our management of material issues and progress achieved. In 2024, we refined our assessment process by incorporating the materiality assessment guidance outlined in the EU CSRD (Corporate Sustainability Reporting Directive). This involved double materiality assessments to consider both impact materiality - Hankook Tire & Technology's impacts on society and the environment - and financial materiality - impacts on Hankook Tire & Technology's financial and business performance.

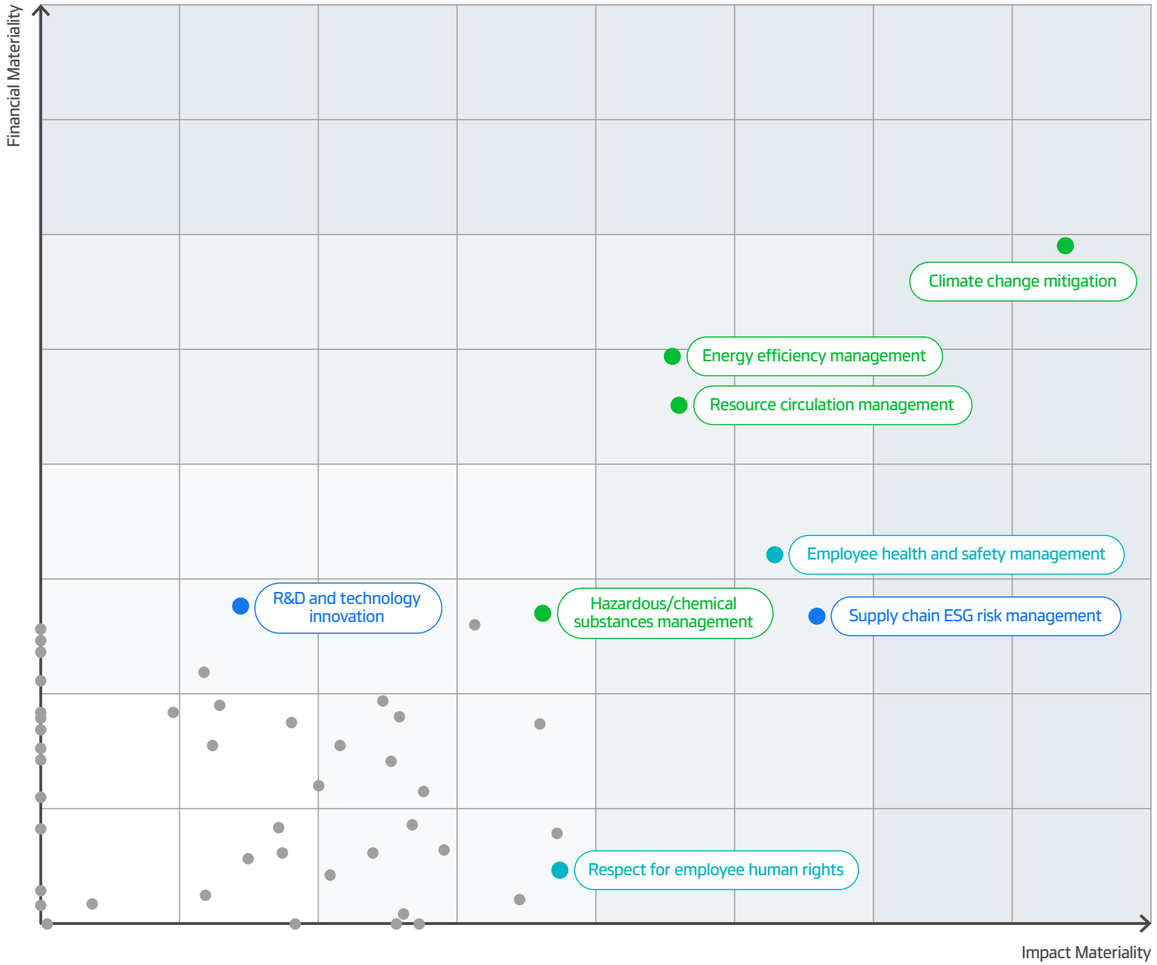
Materiality Assessment Process

Step	STEP 1.	STEP 2.		STEP 3.		STEP 4.
Category	IRO[1] Long List Review the completeness of the long list of IROs	Assess based on primary data		Assess based on secondary data		Determine and prioritize material issues
		Impact materiality	Financial materiality	Impact materiality	Financial materiality	
Details	• Review the completeness of the long list of IROs • Identify detailed IRO pathways through driver analysis	• Conduct preliminary assessments by internal experts - Assess severity, likelihood, irremediability, potential scale, and projected duration	• Conduct preliminary assessments by internal experts - Assess financial scale, likelihood, and projected duration • Hold roundtable meetings with responsible departments associated with financial impact - Conduct in-depth assessments of short-listed IROs from the financial perspective	• Analyze international standards - From a multi-stakeholder perspective: ESRS, KCGS, DJSI, EcoVadis, UN SDGs • Conduct benchmarking analyses - Material issues of competing industry peers, car makers, and key suppliers • Analyze alignment with corporate strategies - Reflect a company's vision, business strategies, and action plans • Interest of internal/external stakeholders - Employee interest: Internal employee surveys - Supplier interest: Agenda items discussed through Partner's Day - Customer interest: Requirements raised by key car makers and retailers over the past 3 years • Conduct media exposure analyses - Reflect analysis results relating to Hankook Tire & Technology and the tire industry	• Analyze international standards - From the investor perspective: ISSB, MSCI, SASB • Analyze external tasks - List of external collaboration tasks • Analyze interest of investors and major shareholders - IR events, FAQ, NDRs, etc. • Analyze customer requirements - Requirements raised by key car makers and retailers • Analyze industry regulations - Analyze industry regulations directly related to corporate compliance and business risks	• Calculate scores by applying weighted averages to primary and secondary data • Identify material issues on a consolidated basis - Set thresholds and priorities for impact materiality and financial materiality

1) IRO: Impact, Risk, Opportunity

Materiality Assessment Results

Hankook Tire & Technology has determined eight material issues through comprehensive analysis of impact materiality and financial materiality.
One of the top issues - climate change mitigation - has been identified as material for two consecutive years, highlighting the need for our targeted management efforts for this issue.
Materiality assessment results were reported to the Board of Directors and the ESG Committee, and are factored in developing strategies and setting the future course ahead throughout out ESG operations.



Material Topic	Nature	Key Impact	Y-o-Y Change
Climate change mitigation	Positive impact	Enhance GHG emissions reduction efforts through systemic GHG inventory development and management	Recurring
	Risk	Incurrence of costs for compliance with GHG emissions regulation and calculation systems	
Energy efficiency management	Positive impact	Contribute to GHG emissions mitigation through reduced energy consumption	Recurring
	Risk	Incurrence of costs for investing in energy-saving projects including replacement of aging equipment	
	Opportunity	Reduce energy costs by improving energy efficiency and achieving reduction targets	
Hazardous/ chemical substances management	Positive impact	Minimize environmental impact through rigorous management of (hazardous) chemicals used and generated in the manufacturing phase	Recurring
	Negative impact	Respond to environmental and health issues that may occur due to chemicals used and discharged	
	Risk	Litigations raised in association with environmental impacts from toxic substances generated in the tire use phase	
Resource circulation management	Positive impact	Contribute to reducing environmental impacts through environmental risk identification across the entire value chain	Recurring
	Risk	Make R&D investments for eco-friendly technology development	
	Opportunity	Enhance brand image through the acquisition of eco-friendly technology	
Employee health and safety management	Positive impact	Promote employee health	New
	Risk	Incurrence of costs for establishing and operating a work-related illness management system	
	Opportunity	Ensure stable production through the establishment of a safe workplace	
Respect for employee human rights	Positive impact	Improve employee satisfaction with the company	Recurring
	Risk	Reputational damage in the event of human rights violations involving employees	
Supply chain ESG risk management	Positive impact	Generate positive environmental and social impacts within the supply chain (minimize negative impacts, reduce carbon emissions from transport, protect ecosystems, promote the use of recyclable resources)	Recurring
	Risk	Incurrence of up-front costs for establishing a supplier ESG management system	
	Opportunity	Enhance brand image among customers and investors through the establishment of outstanding ESG supply chains	
R&D and technology innovation	Positive impact	Improve consumer safety through tire-based mobility solution technology	Recurring
	Risk	Incurrence of R&D investment costs	
	Opportunity	Seize revenue opportunities by responding to growing demand for EV-related products	

Materiality Assessment Results

Material Topic	Our Response and 2024 Performance	ESRS	GRI Index	Page
Climate change mitigation	Climate change is one of the key ESG issues of Hankook Tire & Technology, and has been ranked among the top through materiality assessments for three consecutive years. With the Climate Change Committee taking the lead, we are establishing a structured GHG management system and undertaking a range of reduction initiatives on an ongoing basis. To achieve this, we are taking a risk-based approach to prioritizing reduction efforts and obtaining third-party verification across Scopes 1, 2, and 3 to ensure the reliability of our emissions data. In addition, we are expanding the coverage of our operations certified to international standards such as ISO 14064 and the GHG Protocol. To achieve Net Zero across the entire supply chain including suppliers, we are reducing our Scope 3 emissions at scale while quantifying our emissions and pursuing supply chain transition with a focus on steel, natural rubber, utilities and other key resources. These efforts allowed us to earn a Leadership A rating in CDP's Climate Change Assessment in 2024. We will achieve our 2050 Net Zero goal by progressing towards the reduction targets validated by the SBTi.	E1	201-2, 302-1, 302-2, 302-3, 305-1, 305-2, 305-3, 305-4, 305-5	p. 71~72, 83~85, 90
Energy efficiency management	In 2024, Hankook Tire & Technology reduced 36,351 tons of GHG emissions in total and delivered a 3.2% year-over-year improvement in internal energy efficiency metrics. To this end, we have set company-wide energy saving goals and systematically conducted tailored plant-level energy assessments and improvement activities. We focused on technical solutions such as high-efficiency equipment, energy-saving designs, and optimized facility operations to enhance energy efficiency. In terms of facility operation, we have adopted smart automation, demand-based energy supply, power peak control, and heat recovery equipment systems to minimize wasted energy. Additionally, we replaced electric motors with high-efficiency motors (SynRM) and analyzed process-level energy use patterns to pursue practical improvements. We are also actively expanding our energy transition efforts. We have introduced and are rolling out photovoltaic power generators across three locations, including Jiaxing and Chongqing plants in China. While restructuring processes running on conventional fossil fuels into processes using electricity (Scope 2) to increase the use of renewable energy, we are also considering the adoption of hydrogen boilers and a gas engine cogeneration power system.	E1	302-1, 302-2, 302-3, 302-4, 302-5	p. 38, 44~45, 71, 78, 85
Hazardous/chemical substances management	To comply with hazardous chemicals regulations and ensure their safe use and management, we have established and operate the Global Chemical Information System (G.CIS). This allows us to systematically assess the hazards of newly introduced chemicals, track chemical receipt and use history, and comply with pertinent laws and regulations (Chemical Substances Control Act, The Act on Registration and Evaluation of Chemicals, and the Occupational Safety and Health Act). All materials must undergo hazard assessments before purchasing, and relevant employees are provided with regular safety training and special health checkups. We are also serving as an active participant in TIP and government-led projects to analyze the impact of chemicals that may rise during tire use.	E2	303-2, 305-6, 305-7	p. 39, 70~71, 78
Resource circulation management	Throughout the entire lifecycle of our products from use of sustainable materials to product design, process innovation and waste recycling, we are committed to minimizing environmental impact and fostering a circular economy. In the raw material phase, we are expanding the use of ISCC PLUS-certified materials and successfully developed EV tires with 77% content of sustainable materials in 2024. In partnership with suppliers, we are extending the application of materials recovered through closed-loop recycling, including recycled silica, recycled PET, and recovered silica. Efforts are also underway to develop 100% sustainable materials through open innovation initiatives. Our commitment to technology innovation with resource circularity in mind is also evident in manufacturing operations. Products undergo LCAs to analyze their environmental impact from material acquisition to product disposal, and we employ design technologies that prioritize the recycling of collected end-of-life tires and assess their potential for reuse as valuable resources. For instance, we recycle used tire materials generated from processes and opt for 3D printing for mold fabrication and parts manufacturing to ensure resource waste is minimized.	E5	303-1, 303-2, 303-3, 303-4, 303-5, 306-1, 306-2, 306-3, 306-4, 306-5	p. 39, 70~71
Employee health and safety management	All our eight production plants in Korea and overseas achieved ISO 45001 and ISO 14001 certification, establishing a safety management system aligned with these globally-recognized standards. We promote effective shopfloor-driven risk mitigation efforts by strengthening compliance with the seven rules for safety behavior, expanding the adoption of the LOTO system, improving protection measures for high-risk equipment, and upgrading SHE assessment and training systems. TBM activities, regular risk assessments, and SHE best practice exchanges also help us engage workers in fostering a safety-first culture on an ongoing basis. Furthermore, we hold regular health and safety council meetings with suppliers to join hands in building a mutually-beneficial safety management framework based on close communication and cooperation.	S1 S2	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10	p. 60~62, 74
Respect for employee human rights	We implement a range of policies and initiatives to create a sustainable corporate culture respecting human rights and embracing diversity. For human rights management, we announced the Human Rights Management Declaration to establish human rights protection principles that align with international standards, along with procedures and remedy mechanisms to prevent human rights violation. To enhance stakeholder engagement, we collect feedback from external stakeholders on human rights management through the Misconduct Reporting channel. Internally, the Grievance Committee operates to ensure systemic handling of employee grievances. We conduct annual human rights impact assessments across all our operations in Korea and beyond to proactively identify salient human rights risks, and take corrective actions to address identified risks to continuously enhance our human rights management. The 2024 human rights impact assessment covered all our operations, and we will expand its coverage to include Hanon Systems, a newly-acquired entity, beginning in 2025. In terms of diversity management, Hankook Donggeurami Partners, a subsidiary-type standard site for people with disabilities, provides people with disabilities with stable employment. We also provide 'diversity leadership mentoring' and the Hankook Leadership Program to fully support women leaders in enhancing their competencies.	S1 S2	405-1, 405-2, 406-1, 408-1, 409-1	p. 23~24, 28, 52~53, 73~75
Supply chain ESG risk management	To make our supply chain more sustainable, we ensure systemic operation of our supply chain management system. All our suppliers are required to sign the sustainability pledge, and ESG self-assessments and on-site due diligence are conducted to regularly evaluate suppliers for their ESG performance in six areas of human rights, ethical management, environment, health, safety, and sustainability. In 2024, a total of 346 suppliers were assessed, and the findings informed our efforts to evaluate risks and develop improvement plans to assist suppliers in enhancing their ESG competitiveness. We also designate material suppliers who significantly impact our business operations as 'key suppliers' and subject them to targeted management. Each year, we re-select high-risk suppliers to proactively assess ESG risks and take corrective action accordingly. To raise the proportion of suppliers with outstanding ESG performance in our business transactions, we align supplier ESG assessments with material procurement. In 2024, 61.7% of our total material suppliers were rated A or higher. This furthers our efforts for reliable and sustainable sourcing of materials.	G1	2-6, 308-1, 308-2, 408-1, 409-1, 414-1, 414-2	p. 16, 41~42, 48~50, 53
R&D and technology innovation	Hankook Tire & Technology systematically provides a wide array of training programs to attract and develop outstanding individuals. To achieve our strategic R&D goals, we offer in-depth training courses tailored to the level and competency of participants across varying categories - design and mass production, foundational technology research, virtual technology and future tires. We have introduced an online self-directed learning system and offer various level-based courses to foster a culture of self-paced learning and facilitate the growth of our R&D workforce. We are also focused on acquiring patents to take the lead in future tire technology. We convert R&D outcomes into patents to strengthen our competitiveness R&D: as of the end of 2024, our patent portfolio consists of 586 patents in Korea and 284 overseas. Recently, we have focused our patent investments on key countries including the US, Europe, Japan, and China to strengthen our global innovation competitiveness and secure a leading position in the global technology landscape. We also plan to secure foundational technologies in key areas of future tire development - non-pneumatic tire, intelligent tire, and next-generation low-carbon tire materials - and accelerate our patent application efforts.	-	No disclosure items aligned with the GRI Standards	p. 16, 43~45, 56

1) Scope 1: Direct GHG emissions from the use of fuel, such as boiler operations or vehicle use
Scope 2: Indirect GHG emissions from the use of purchased electricity and heat (steam)
Scope 3: Other indirect GHG emissions occurring in the upstream and downstream value chain, such as raw material acquisition, transportation, product use or disposal - activities not directly controlled by the company's own operations

Priority Area

FOCUSING THE SUSTAINABILITY

Eco Value Chain

Hankook Tire & Technology is committed to building an eco-friendly and sustainable value chain to reach 'Net Zero by 2050.' Not only do we reduce our GHG emissions and enhance energy efficiency, but we also support suppliers with their Net Zero efforts to achieve zero emissions throughout the value chain.

Key Achievements

Indicator	2024 Performance	2030 commitment	Responsible Committee
GHG emissions (Scope 1 & 2)	Down by 11.5 % Against 2019	Down by 46.2 % Against 2019 (target: 580,000 tCO_2-eq)	Climate Change Committee
Water withdrawal intensity	4.79 m^3/ton of finished products	Down by 30 % Against 2018 (target: 3.8m^3/ton of finished products)	SHE Committee
Waste discharge intensity	44.22 kg/ton of finished products	Down by 30 % Against 2018 (target: 30kg/ton of finished products)	SHE Committee

Mitigating GHG Emissions

Hankook Tire & Technology is advancing its global energy management system aimed at reducing GHG emissions to enhance its climate change response capabilities.
Our efforts to systematically reduce GHG emissions span a wide array of initiatives - from improving energy efficiency - to optimizing facility operation, adopting new energy technologies, and scaling the transition to renewable energy.

Low Carbon Management

GHG Management System

Hankook Tire & Technology has analyzed its company-wide GHG emissions and assessed its energy structure across operational sites, quantifying primary sources of GHG emissions and reduction potential. The findings guided us in evaluating reduction issues and implementation barriers from multiple angles, and we are currently phasing in high-priority mitigation initiatives. To achieve Net Zero emissions by 2050, we have established a mid- to long-term GHG reduction roadmap and keep close tabs on new energy technology developments in Korea and abroad while benchmarking emerging technologies to review the feasibility of their application. In particular, we identify and roll out the real-world applications of high-efficiency equipment such as installing hybrid valves for the curing process across broader operational sites, achieving direct reductions in GHG emissions as a result. We also establish strategic plans to introduce photovoltaics and other renewable energy to progressively transition to cleaner energy sources.

Third-party GHG Emissions Verification

To enhance transparency and reliability in GHG management, we receive annual third-party verifications by external specialist organizations for our company-wide Scope 1, 2, and 3 emissions. This ensures the accuracy of emissions calculations and aligns our emissions verification system with global standards. Such GHG verification is conducted in accordance with global standards and its coverage includes all our global operations to satisfy globally-recognized climate-related disclosure requirements. Verification efforts play a foundational role in earning greater credibility from stakeholders, and contribute to proactively identifying and mitigating climate-related risks and regulatory compliance risks. Going forward, we will continue to refine our GHG emissions management system anchored on highly reliable data. In tandem with this, we will expand the scope of third-party verification across our entire operational sites in conformity with international standards including ISO 14064[1)] and the GHG Protocol.

These efforts will help us better respond to global climate disclosure standards, including the CDP, SBTi, and TCFD, while also allowing us to communicate transparent and verifiable GHG reduction performance to investors and stakeholders, thereby strengthening their confidence in our sustainability management initiatives.

1) An international standard established by the International Organization for Standardization (ISO) for the quantification, reporting, and verification of greenhouse gas emissions

Use of Renewable Energy

We recognize the reduction of Scope 2 emissions which represent approximately 80% of our total GHG emissions as a key priority. To meet customer expectations for RE100 compliance, we have set a phased strategy to transition to and expand the use of renewable energy. Our interim goal is to raise the proportion of renewable energy across our global sites by 2030, and to lower our Scope 2 emissions by 46.2% from 2019 levels. In introducing renewable energy, we take a holistic approach to evaluate supply infrastructure, power reliability, and maintenance efficiency, and pursue multiple avenues in parallel including direct PPAs, certificate purchases, and on-site photovoltaic (PV) power generation. In Korea, we are actively considering the installation of on-site PV generation on idle land or atop building rooftops. Turning to overseas sites, we are focused on PPAs as a means of procuring renewable energy. Currently, we are reviewing a PPA for our Hungary Plant and will build on this milestone to progressively roll out renewable energy throughout our global operations.

Net Zero Efforts of Suppliers

When excluding emissions from the 'use phase of sold tires (driving)', the largest share of Scope 3 emissions stems from the raw material acquisition phase. This is owing to the significant emissions generated during the extraction, processing, and transport of materials used for tire manufacturing. This highlights the critical role of suppliers' transition to greener raw materials and energy and the adoption of low-carbon manufacturing technologies in reducing Scope 3 emissions. Against this backdrop, we regularly survey our suppliers to enhance carbon emissions management across our supply chain. This allows us to identify suppliers' current carbon emissions and reduction plans and gather data on delivered products, from their carbon footprint and Scope 1 and 2 emissions to whether verification has been conducted. The collected data informs our efforts to perform Life Cycle Assessment (LCA) to quantitatively monitor carbon reduction efforts and and promote a low carbon transition across the supply chain, making meaningful contributions to mitigating Scope 3 emissions.

Implementing Internal Carbon Pricing

We have extended the scope of internal carbon pricing to drive enhancements in energy efficiency and low-carbon investments. Since 2024, this mechanism has been applied to all our global plants beyond Korea. Internal pricing is determined by considering future carbon price projections rather than using historical averages: for our Hungary Plant, the price is set at EUR 100/per ton and at KRW 50,000/ton for plants in Korea and other countries. This approach supports our strategic decision-making in the investment process. Going forward, we plan to broaden its application to include all energy-consuming investments as well as energy-saving ones.

Achieving Leadership A in CDP's 2024 Climate Change Evaluation

Hankook Tire & Technology was honored with the highest Leadership A rating in the '2024 Climate Change Evaluation' by the Carbon Disclosure Project (CDP), a globally-renowned sustainability assessment organization. The CDP evaluates major global companies each year by requesting them to disclose their climate change response strategies and carbon emissions reduction efforts while analyzing the data and publishing reports accordingly. In the current assessment cycle, we achieved a Leadership A rating, a one-level improvement from the previous cycle, which testifies to the international confidence for our carbon management strategies and execution capabilities.

In fact, we have long been recognized by the CDP for our excellence in carbon management. Hankook Tire & Technology is a six-time winner of the Carbon Management Sector Honors, and was named a Carbon Management Sector Winners (now Honors) in 2014 and 2015. In 2018, we became the first Korean company to be included on the CDP Supplier Engagement Leader Board to demonstrate our ESG leadership across global supply chains. Looking ahead, we will uphold science-based reduction targets that align with SBTi standards and further expand our membership in global initiatives such as the CDP and enhance our engagement level, solidifying our position as a global manufacturing player pioneering sustainability management.

GHG Reduction

Building an Energy Management System

We operate a global energy management organization to reduce GHG emissions and improve energy efficiency. The Climate Change Committee, established to achieve Net Zero goals, is responsible for continuously establishing initiatives and discussing their implementation plans. The findings set the baseline for each global plant to set energy reduction targets (TOE/ton) and develop annual operational plans, covering energy saving strategies, investment plans, and identification of energy-saving items. These plans are reported to the CEO and key executive members at the beginning of each year, and performance evaluations and reviews are performed at the year end to identify necessary improvements. This process enables us to raise awareness of energy management at all levels of the company and align all our operational sites towards shared goals based on established consensus.

Energy exchange meetings are regularly held in each global region to facilitate the sharing of energy-saving ideas and best practices among plants. In particular, plants that have taken the lead in adopting new technologies disseminate their expertise and share cases of equipment upgrades and optimization, enhancing energy conservation capabilities across the board. Performance against the set energy targets is continuously monitored at the plant level, while goal attainment is assessed and deficiencies are analyzed for their root causes to discuss improvement measures. These efforts for structured goal management and continuous improvement enabled us to deliver a 3.2% year-on-year improvement in internal energy efficiency indicators in 2024.

GHG Reductions Achieved in 2024

Optimizing Process Energy Efficiency

To maximize energy efficiency at the plant level, we analyze each site for energy consumption and efficiency and identify optimal energy-saving plans accordingly on an ongoing basis. In 2024, internal analysis was conducted on the Geumsan and Daejeon Plants for their energy supply and consumption patterns to identify key areas of improvement, which based the preparation of energy analysis reports. These reports form the basis for us to establish tailored energy conservation strategies for each plant and implement structured energy efficiency initiatives. To prevent efficiency downgrades due to aging equipment, we continue with maintenance and repair efforts. We also go beyond simple equipment replacement to opting for high-efficiency equipment for additional energy-saving impacts.

It is notable that replacing aging air compressors and pumps allowed us to improve energy efficiency while reducing energy consumption, and high-efficiency IE5-grade SynRMs (Synchronous Reluctance Motor) were installed to achieve savings in power consumption. In parallel, we pursue structural improvements in our energy supply system and eliminate inefficiencies in energy usage to optimize plant facilities and their operational methods. Our 2025 goal is to improve energy intensity (production volume measured against energy consumption) across all operations, and this will be achieved by systematically identifying energy-saving opportunities and expanding their application. In particular, we plan to introduce high-efficiency equipment, monitor process-level energy consumption in real time, and optimize HVAC and compressed air systems. These continuous improvement efforts will help us maximize energy efficiency across our manufacturing processes and make meaningful contribution to the mitigation of GHG emissions.

Energy Leak Management

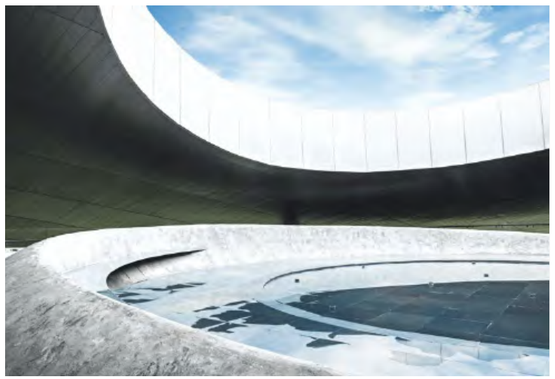
To ensure efficient energy use, it is critical that energy losses are prevented and equipment operation is optimized. Hankook Tire & Technology is establishing a systemic energy leak management process and enhancing process-level equipment operation methods to achieve energy savings. To rigorously manage energy leaks, we have digitalized our leakage response process to speed up response and upgrade the overall management system. The newly-developed 'leak management app' supports each site with real-time energy leak reporting and follow-up action tracking in real time. In the curing process, insulation materials with upgraded performance have been adopted to minimize heat loss, which resulted in less steam consumption and improved energy efficiency.

Improving Facility Operation Methods

Hankook Tire & Technology also remains focused on optimizing equipment operations to reduce energy consumption. As the curing process requires high amounts of energy, we have applied a logic preventing idle mixer operations and suspending the operation of auxiliary equipment to minimize electricity use. A centralized control system has been also introduced for air compressors to align their operation with consumption loads, enabling more efficient energy use. In addition, we have lowered the nitrogen gas (N_2) pressure used in the curing process to reduce energy waste. These efforts ensure we minimize energy consumption without affecting the production process. Finally, we have improved the condensate discharge method in the curing process. While the previous method resulted in the release of steam when the condensate was discharged, we were able to implement level controls through internal analysis to enable the selective discharge of condensate, which ultimately minimized overall steam losses through equipment improvement. The sum of these efforts allowed us to reduce GHG emissions by 2,381tCO_2eq in 2024. Currently, we are rolling out the improved condensate discharge method to all our operational sites from 2024 through 2025.

Energy Transition

In 2024, we actively participated in carbon reduction efforts through energy transition, and are broadening the use of renewable energy through multiple avenues. The Daejeon Plant has introduced a system to replace steam, previously produced through boilers, with external steam generated through waste heat. Since the externally sourced steam is considered to generate zero carbon emissions, this transition successfully contributed to our carbon reduction efforts. Meanwhile, we are pursuing photovoltaic power generation. PV power generators are already under operation at our Jiaxing and Chongqing Plants in China, and the Geumsan Plant is also considering the adoption of PV power generation for its new warehouse, expanding the share of renewable energy in our energy mix through PV generation. In addition, we have switched from a fuel-based system to an electric one for the reheating press used for tire manufacturing, making sure electricity is used only when needed. These energy transition efforts are instrumental in enhancing efficiency in energy use while reducing carbon emissions. Moving forward, we will introduce new technologies, including hydrogen boilers and gas engine-based combined heat and power generation, to further accelerate the transition to renewable energy.



Production with Minimal Environmental Impact

Hankook Tire & Technology is committed to reducing environmental impact in the tire manufacturing phase to advance production with minimal environmental footprint. While increasing the recycling of waste and wastewater, we also pursue equipment upgrades and environmental investments to reduce the emission of air pollutants and the use of water resources, establishing a closed-loop production system.

Mitigating Environmental Impact in the Tire Manufacturing Phase

Expanding Waste Recycling for Resource Circularity

To minimize environmental impact from waste, we set waste discharge intensity targets each year and identify underperforming areas to make necessary improvements. For domestic plants, we report and manage the generation, transport, and treatment of waste destined for landfill through the government-operated Allbaro system. To advance resource circularity, we have been expanding waste recycling based on internal research findings. One prime example is waste oil generated from the refining process: waste oil is blended with virgin oil, undergoes refining, and is reused following quality tests. In addition, we switched from polyethylene (PE) to eco-friendly, recyclable EV as packaging materials for chemicals used in the manufacturing process, increasing the recycling of packaging materials in so doing. We also signed an MOU with the Korea Maritime Environment Management Corporation to establish partnerships for facilitating end-of-tire recycling. Under this MOU, end-of-life tires with high value were recycled into resources, and tires which went beyond their useful life as anti-collision materials were repurposed into recycled materials. These efforts resulted in the reduction of nearly 4.5 tons of large-size end-of-life tires in 2024.

Activities to Reduce Water Resource Consumption

Hankook Tire & Technology firmly believes that water resources are much more than a mere production input: rather, they are a finite natural capital and a vital asset to be preserved for future generations. This philosophy guides each of our sites in setting annual targets to reduce water withdrawal and continuously engaging in process upgrades and equipment investments. As part of such efforts, we perform daily inspections to prevent any leaks of extrusion cooling water or leaks in the cooling tower, and consistently provide water conservation training for all employees. In 2024, we advanced our existing initiatives by actively rolling out water-saving activities. At the Technodome, wastewater was purified through its on-site gray water treatment system and reused for toilet flushing to lower raw water consumption. The Daejeon Plant has deployed a waste heat-based steam supply system using waste as fuel, thereby scaling down boiler operation from two to one unit and significantly conserving water consumption required for steam production. These enhancements yielded multi-layered benefits in terms of energy efficiency improvement as well as efficiency in water resource use, achieving nearly 120,000 tons in water resources saved. Looking ahead, we will pursue both technical and operational efficiency improvement, furthering our efforts to reduce water use and protect water quality across all our operations.

Reducing Air Pollutants Using New Technologies

While we previously depended on CRCO equipment to treat air pollutants, a gradual decline in pollutant removal efficiency was observed as raw materials used in the manufacturing process have been increasingly diversified. In response, we have introduced a CCRTO system as a new technical solution for pollutant removal. The conventional CRCO approach used concentration equipment to concentrate and desorbed pollutants and remove them through catalytic oxidation at approximately 400℃ temperatures. In contrast, the CCRTO system employs a two-step concentration process followed by high-temperature flame oxidation and combustion at around 800℃, effectively eliminating non-methane hydrocarbons (NMHCs). This new technology helped us reduce hydrocarbon emissions, and we plan to expand the application of this solution across all our operations to establish a more eco-friendly and sustainable production system.

Internal Pollutant Management Standards and Monitoring Performance

Plant	Category	Pollutant	Unit	Legal Threshold	Internal Target	Average Concentration
Daejeon Plant	Air	SOx	ppm	70	-	1.60
		NOx		60	32	31.52
		먼지	mg/m³	30	10	2.74
	Water	TOC	mg/L	75	35	15.97
		SS		120	10	6.78
		T-N		60	-	5.24
		T-P		8	-	0.04
Geumsan Plant	Air	SOx	ppm	70	-	Not detected
		NOx		60	24	21.58
		먼지	mg/m³	30	3	2.97
	Water	TOC	mg/L	15	10	7.71
		SS		10	3	2.97
		T-N		20	6	5.94
		T-P		0.3	0.09	0.05

Establishing a Collaborative Framework for Environmental Improvement in Harmony with Local Communities

Hankook Tire & Technology has joined the 'voluntary agreement for particulate matter reduction' led by Daejeon-si to reduce the emission of air pollutants such as dust and nitrogen oxides. Under this agreement, we engaged in a broad array of activities to lower air pollutants through boiler maintenance and the installation of low-NOx burners. These activities also included the timely replacement of bag filters, the internal cleaning of web scrubbers and the replacement of associated consumables, along with investment in odor-reduction equipment. As a result, total air pollutant emissions amounted to 50.89 tons in 2024, which is down by 63.56 tons from the average of 114.45 tons between 2018 and 2022. As a member of the North Daejeon Odor Reduction Council, we also share our odor mitigation efforts with residents in the vicinity of our operations, continuing with our commitment to mutual benefits with local communities.

Setting Global ESG Goals and Making Environmental Investments

Hankook Tire & Technology systematically manages global ESG goals each year, and develops implementation plans and analyzes the resulting performance. Best practices identified through this process are scaled across the organization. As part of this initiative, we have defined waste and water withdrawal reduction as our key environmental goal. Each operational site formulates annual reduction plans and efforts are made at all levels of the company to achieve reductions. These reduction activities reach beyond generating short-term outcomes: they constitute our broader strategic goals towards long-term sustainability management.

A dedicated SHE organization establishes environment-related investment plans each year in the areas of water quality, air, chemicals, and ventilation. Their effectiveness is internally evaluated and the findings are reported to the SHE Investment Deliberation Committee, which then deliberates proposed investment plans to make the final decisions on environmental investments. This process enables us to minimize pollutants discharged from the manufacturing process, improving our working environment as well as the natural environment and ensuring eco-friendly plant operations.

Yearly Investment Expenses by SHE Category (performance) +

Efforts for Biodiversity

Biodiversity Management

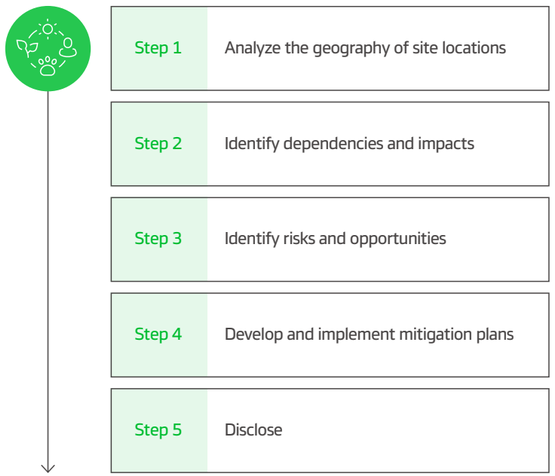
Hankook Tire & Technology's sustainability management goes beyond reducing environmental impact to include responsibility for conserving biodiversity. Biodiversity is at the core of natural capital which is essential for the company's long-term survival and growth. Recognizing this interrelationship and taking appropriate action is considered a fundamental part of responsible business conduct. Hankook Tire & Technology has established its biodiversity policy to drive biodiversity conservation. We analyze the dependencies and impacts of our business operations on biodiversity and clarify our responsibility towards the protection of natural capital, ensuring our biodiversity impact is minimized. To this end, biodiversity management has been incorporated into our company-wide environmental management framework, and our operational sites are assessed according to their risk level. In particular, our biodiversity management process aligns with the LEAP (Locate, Evaluate, Assess, Prepare) approach of the TNFD (Taskforce on Nature-related Financial Disclosures) framework.

This framework guides our efforts to proactively evaluate the biological sensitivity of the areas where we are based and consider alternatives to mitigate environmental risks when developing business or formulating operational plans.

Ecosystem services - water provisioning, air purification, climate regulation, and soil stability - are essential to a company's production processes. Degradation of ecosystems and the resulting decline in ecosystem services may pose serious threats to business continuity. Corporate activities that entail GHG emissions, discharge of hazardous substances, and generation of solid waste may weaken the functionality of these ecosystem services and bring adverse impact to natural capital. To capture the relationship between the tire manufacturing sector and natural capital, we have employed the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) tool, and identified ecosystem services with medium or higher dependencies and impacts.

The analysis showed that the tire manufacturing industry is particularly dependent on water-based ecosystem services such as water quality, flow regulation, and flood control. This sector may have significant impacts on natural capital through activities such as emission of greenhouse gases and air pollutants and contamination of water and soil. These findings alerted us to the need to ensure robust preventive environmental monitoring and establish management plans for high-risk areas to minimize risks. We will also advance our production system by prioritizing its harmony with natural capital to yield tangible environmental performance through continuous improvement.

Biodiversity Management Process



Dependencies

Ecosystem services	Dependencies drivers	Materiality rating
Provisioning services	Water supply	Low
Regulating and maintenance services	Global climate regulation services	Very low
	Local(micro and meso) 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

Impacts

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

As a global tire maker, Hankook Tire & Technology operates eight production plants across five countries including Korea. Using WWF's Biodiversity Risk Filter and the IBAT (Integrated Biodiversity Assessment Tool), we have conducted an in-depth analysis of biodiversity risks and opportunities at and around our operational sites. This analysis considered factors categorized into physical and reputational risks, potential threats, and opportunities for restoration. Priority response areas were identified by taking into account protected areas and the distribution of endangered species listed on the IUCN Red List.

Risk Score	Physical Risk	Reputation Risk	Number of Endangered Species[1]		Total	STAR Metric[2]	
			Critically Endangered (CR)	Endangered (EN)		Threat	Restoration
Daejeon Plant	3.15	2.44	0	13	13	0.45	0.58
Geumsan Plant	3.15	2.25	0	16	16	0.69	0.51
Jiangsu Plant	3.45	2.88	1	9	10	0	0.72
Jiaxing Plant	3.6	2.88	15	40	55	14.8	1.19
Chongqing Plant	3.25	2.88	6	11	17	0	2.3
Hungary Plant	2.79	2.62	2	24	26	0	2.2
Indonesia Plant	2.5	3.06	28	259	287	0	106.48
Tennessee Plant	3	2.56	9	17	26	0.49	1.02

1) Based on species classified as Critically Endangered (CR) or Endangered (EN) on the IUCN Red List within a 50km radius
2) The Species Threat Abatement and Restoration (STAR) metric is used to quantify contributions to the reduction of extinction risk for endangered species

This process confirmed the presence of a number of Critically Endangered (CR) species in the vicinity of our Indonesia Plant and Jiaxing Plant in China. In particular, the Indonesia Plant was identified for high potential for making significant contributions to biodiversity restoration if areas that were once natural habitats are restored. Furthermore, this region is prone to coastal erosion and frequent flooding due to climate change, which makes mangrove restoration beneficial for enhancing not only ecosystems but also climate resilience of the local community. These findings prompted us to identify Indonesia as a high priority area for restoration, and a mangrove forest restoration project is currently underway. Mangroves, highly effective in absorbing carbon, contribute to countering climate change and provide habitats for local wildlife, playing a key foundational role for biodiversity. We plan to develop dedicated management plans for Jiaxing in China which was found to be a highly threatened area. Going forward, we will expand the scope of comprehensive evaluations for biodiversity dependencies and impacts to include upstream and downstream operations beyond own operations. We will also identify biodiversity risks that may arise in the areas where critical raw materials are sourced such as rubber while designing response plans by considering the environmental standards of these areas, overlaps with protected areas, and issues in the local community. These efforts will position Hankook Tire & Technology as a sustainable global company committed to in mitigating environmental risks and making meaningful contributions to biodiversity conservation.

Biodiversity Initiatives

As part of our biodiversity conservation efforts to respond to climate change and safeguard marine ecosystems, we have implemented a mangrove forest restoration project in Indonesia. In June 2024, on the occasion of Earth Day, we planted 2,500 mangrove trees alongside local residents in Muara Gembong, located in Bekasi where our Indonesia Plant is based, contributing to the creation of a sustainable environment. Mangrove forests are key to costal ecosystem protection: their strong root system plays a pivotal role in preventing coastal erosion and mitigating natural disasters caused by climate change. This initiative was intended to go beyond merely restoring an ecosystem and aimed to provide a sustainable environment for local communities all while protecting coastlines. Furthermore, the head of the Indonesia Plant directly participated to underscore the importance of ESG management, fostering collaboration with local communities. Nearly 50 participants, including plant employees and community members, joined hands in planting mangrove trees, demonstrating how companies and local communities can take collective action in the fight against climate change.

Turning to Korea, we support the research activities of the Chollipo Arboretum Foundation, a biodiversity management institution designated by the Ministry of Environment, contributing to the conservation of endangered plants and native species. The Foundation is engaged in a broad array of biodiversity conservation activities - systematic propagation and restoration of endangered plants, expansion of multilateral seed exchange programs, development of standard manuals for ex-situ conservation species, collection and propagation of rare and endemic plants, and acquisition of seeds from local wild plant species. Building on our sponsorship, we will further scale our initiatives for biodiversity protection and environmental restoration across broader areas worldwide.

Mangrove forest restoration project


Chollipo Arboretum Foundation

Sustainable Product

Hankook Tire & Technology is ceaselessly committed to exploring innovative technologies to develop sustainable products for the future of humanity and the planet. From the discovery of eco-friendly raw materials to the development of green products, the adoption of new technology, and the utilization of end-of-life tires, we ever enlarge our efforts to contribute to sustainable tire use.

Key Achievements

Indicator	2024 Performance	2030 commitment	Responsible Committee
Percentage of sustainable raw materials used	29.0% (w/w)	40%	Product Environment Committee

Use of Sustainable Materials

Hankook Tire & Technology is blazing a new trail in its efforts to mitigate environmental impact early from the tire design and raw material acquisition phases.
We develop tires with sustainable raw materials and join hands in developing sustainable raw materials through open innovation, producing meaningful outcomes in preventing the depletion of natural resources and reducing carbon emissions.

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

Developing Tires Made from Renewable and Recycled Materials

Hankook Tire & Technology is committed to enhancing both the performance and sustainability of tires. Our steadfast efforts for product development have led to the launching of the iON GT in 2024. This EV tire consists of 77% content of ISCC PLUS-certified raw materials, which is the highest percentage on the market. Building on our achievement of producing tires containing 45% renewable and recycled raw materials at the Hungary Plant in 2023, we have reached another significant milestone by successfully mass-producing the iON GT fabricated with 77% renewable and recycled materials in just a single year.

The iON GT is distinguished for significantly enhanced sustainability, engineered using certified carbon black made with tire pyrolysis oil from end-of-life tires as well as certified resin in addition to bio-based silica and recycled PET textile cords. Employing iON Innovative Technology specializing in EVs, the iON GT delivers exceptional performance optimized for EVs. These strengths have made the iON GT the first EV-specific tire with a triple A rating on its EU tire label in rolling resistance, wet grip, and noise comfort, demonstrating best-in-class performance. The iON GT premiered at The Tire Cologne 2024, was first released in Europe, and has since been released at scale across global markets.

Hankook Tire & Technology is involved in R&D efforts to transition to recycled steel from scrap for tire manufacturing in partnership with multiple partners. In fact, we have succeeded in developing a tire with 81% content of renewable and recycled raw materials including such recycled steel. This tire satisfies both performance and durability requirements expected of high-performance tires, aiding in our efforts to establish compounding technology that is advanced both in terms of tire performance and sustainability. We will continue with research initiatives to develop 100% renewable and recycled materials tires and do our part in reducing global carbon emissions in 2050.

Developing Sustainable Raw Materials through Open Innovation

Hankook Tire & Technology collaborates with global chemical manufacturing companies through open innovation, contributing to fostering a circular economy by using waste. This commitment to open innovation was proven as we signed a Memorandum of Understanding (MOU) with Solvay Silica in January 2025 on the development of 'circular silica.' Under this MOU, the two companies aim to go beyond conventional bio sourced silica to extracting silica from industrial waste and repurposing it into sustainable circular silica applicable to products, with the goal of mass-production by 2030. Our partnership with Solvay to develop renewable and recycled raw materials will not only mitigate environmental impact in the tire design and raw material acquisition phases but it will also expand geographies where sustainable circular silica production is available, thereby broadening our raw material supply chain and establishing stable prices.

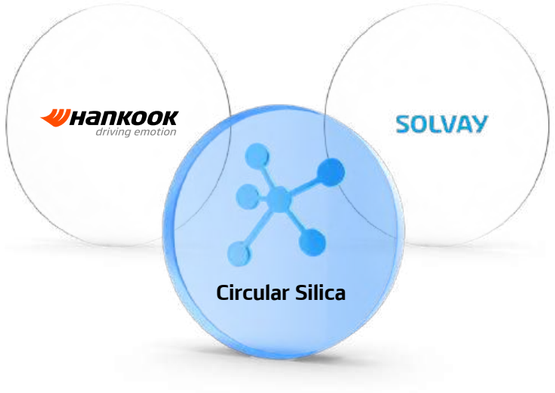
Managing Hazardous Chemical Substances

We have developed the Global Chemical Information System (G.CIS) to monitor regulatory developments governing hazardous chemical substances and develop alternative development plans. This system allows us to identify the hazards of newly introduced chemicals and prepare appropriate use conditions. The G.CIS also supports traceability of the receipt and use history of chemicals, ensuring proper compliance with a range of pertinent regulations, including the Act on the Registration and Evaluation of Chemicals, the Chemical Control Act, and the Occupational Safety and Health Act. We have made it mandatory to assess the hazards and legal compliance of chemical substances in approving any and all raw materials that go into our products, and raw materials can be procured only when their hazard review has been completed. Employees handling hazardous chemicals are provided with regular safety training on chemical properties and hazards, handling precautions, and an incident response as well as special checkups. To evaluate the impact of chemicals that may arise during tire manufacturing and use, we are partnering with the Tire Industry Project (TIP) for joint research efforts.

Containing 77% ISCC PLUS-certified sustainable raw materials

Tire with 81% sustainable raw materials

Signing an MOU with Solvay Silica for 'circular silica' development



Development of Sustainable Technology

Hankook Tire & Technology is focused on exploring innovative technologies at all levels of the company with an aim to bring sustainable products to market.
While conducting product Life Cycle Assessment (LCA), we adopt a range of emerging eco-friendly technologies for tire development.
We also seek out ways to recycled end-of-life tires, including retread tire production, to contribute to resource circularity.

R&D for Sustainable Products

Product Life Cycle Environmental Impact Assessment

To quantitatively evaluate the environmental impacts of our products and overall processes, we continue to conduct life cycle assessments (LCA). This methodology is employed to quantify and interpret environmental impacts throughout the entire lifecycle from raw material acquisition to manufacturing, use, and disposal. LCAs support us in quantifying the environmental impacts of our products, responding to the environmental disclosure needs of stakeholders, and staying ahead of the course amid evolving market conditions concerning product environmental labeling. As customers increasingly demand product carbon footprint data, we are performing LCAs across a wide array of product categories.

In 2024, detailed LCA analyses were conducted of our key products to gain an in-depth understanding of how changes in raw materials and processes impact the environmental performance of our products. For EV tires, the growing use of resin materials to enhance braking performance has resulted in an increase in GHG emission factors per unit weight. For glued form tires, the need to source raw materials associated with the use of foam or adhesives and the increased energy consumption for additional processing steps led to a 5% increase in climate change impact against non-foam-filled tires on a cradle-to-gate basis.

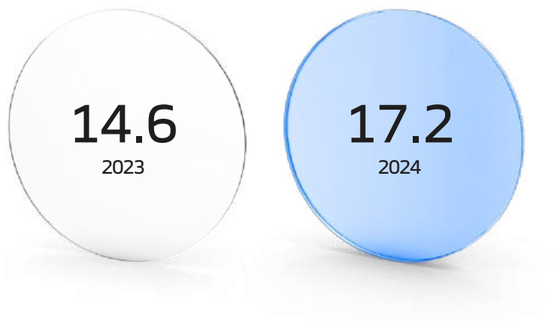
In parallel, we analyzed variations in environmental impact depending on raw material transport distances at the plant level. When compared to the Hungary and Geumsan Plants, our Tennessee Plant was found to have relatively longer transport distances, which raised the need to consider environmental impact in the transport phase. This prompted us to review scenarios where Net Zero technologies are used for seaborn transport, which revealed that opting for vessels fueled by ammonia or hydrogen could potentially reduce emissions from raw material transport by 69% and 82% respectively. It should be noted, however, that the raw material transport phase represents a small portion of cradle-to-gate emissions, and the overall emission reduction effect was limited to approximately 2%.

Optimizing Tire Weight

To develop sustainable products, we are increasing the use of eco-friendly raw materials and recycling used tires into tire materials. In addition to these efforts which focus on the material aspect of eco-friendly tires, we are also intensively committed to R&D activities aimed at optimizing tire weight to minimize resource use. The lifecycle assessment we conducted demonstrated that reducing the weight of the carcass and inner liner - semi-finished tire components - by 1.5% per product unit yielded a 2% reduction in climate change impact during the raw material acquisition phase. In 2024, we continued to standardize the implementation of the developed lightweight technology across all our manufacturing plants so that it could be applied to a broader range of products, along with sustained development efforts for new lightweight cords and materials.

Percentage of eco-friendly products
(tires rated A & B in rolling resistance) (Unit: %)

Based on revenue



Key LCA Results in 2024

We have conducted an LCA on two tire products manufactured at the Tennessee Plant - the Kinergy GT for gasoline vehicles and the iON evo for EVs. For both products, the use phase accounted for the highest environmental impact across the entire life cycle. The environmental impact of the EV tire in its use phase was 57% that of the conventional tire. In particular, the EV tire, when foam was attached, produced 5.4% more of an environmental impact from cradle to gate against EV tires without foam, which can be explained by the additional raw material and energy consumption.

1. Raw material acquisition

- For EV tires, the use of resin materials increases compared to conventional tires to enhance their braking performance (resins produce a relatively high climate change impact per unit weight)
- For foam-filled tires[1], their use of foam and adhesives contribute to greater environmental impact compared to non-foam-filled EV tires.

1) EV tires manufactured with foam inside for noise reduction

2. Manufacturing

- Utility consumption and the generation of pollutants and waste were assessed based on manufacturing at the Tennessee Plant in the US.
- Energy use increased in the additional process steps required for foam filling.

3. Use

- The Kinergy GT was mounted on gasoline vehicles and the iON evo on EVs, and their use-phase environmental impact was evaluated under assumed identical driving distances.

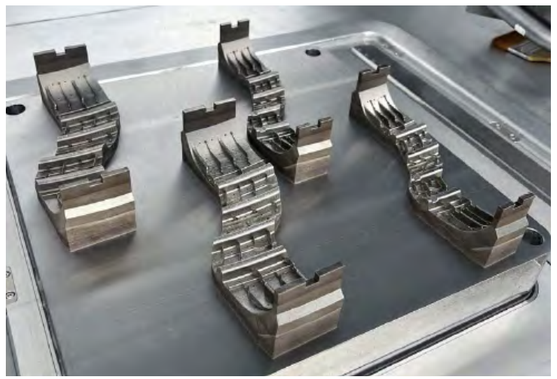
4. End-of-life

- Based on the end-of-life tire disposal statistics of countries where EOL tires are disposed of
- Environmental impact varies according to country-specific incineration/landfill ratios

Applying Metal 3D Printing Technology

Hankook Tire & Technology blazed a trail back in 2015 in introducing industrial additive manufacturing known as metal 3D printing, We became the first Korean tire maker to deploy 3D printing technology in establishing a mass-production system for 3D printed sipe (tire mold parts used to make ultra thin and complex patterns on the tread of tires), and continue with research efforts to explore the innovation, potential, and eco-friendliness of 3D printing technology.

3D printing allows end-to-end manufacturing from raw materials to finished products in a single streamlined process. This efficient process technology enables the production of desired geometries in one single step with no need for secondary machining, thereby reducing waste generation and improving energy efficiency.



Temporary molds used to research metal 3D printing

Hankook Tire & Technology is working to apply 3D printing technology to tire manufacturing to achieve environmentally responsible tire production. One prime example is the development of 3D printing technology for mold fabrication, which resulted in an over 60% reduction in waste while saving energy consumption by more than 80% during the mold production phase. Currently, this technology is being applied to research-purpose molds. Building on this achievement, we initiated the development of recycling technology in 2024 to collect 3D printed molds that are destined for disposal, melt them down, and input these materials as feedstocks back into the 3D printing workflow. This technology is expected to help curb material costs for 3D printed molds and establish a sustainable circular ecosystem, in addition to reducing waste.

Apart from this, we are applying our proprietary 3D printing technology to restore abrasion-prone equipment parts that would otherwise be discarded. In particular, the technology we secured to restore titanium alloy ultrasonic cutting blades used in the tire building machine allowed for both improved eco-friendliness and cost savings. We are also working on technology to restore equipment components that are ordinarily discarded due to wear or damage, such as screws in the rubber extruder, so that these parts can be reused.

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

Endorsing End-of-Life Tire Initiatives

Hankook Tire & Technology is participating in the Tire Industry Project (TIP), a joint initiative led by the global tire industry, to promote the sustainable use of end-of-life tires (ELT) and resource circularity. In particular, we are an active contributor to the efforts to enhance the ELT system worldwide. ELTs are 100% recyclable, and over 90% of ELTs are recovered in most major countries, with 40% of them either materially recycled or reused. We are aligned with this global shift towards resource circularity, and continue to collaborate with international partners as a member of TIP working groups. Going forward, we will continue our partnership with the TIP to drive the tire industry's transition to a circular economy.

Towards its goal of 'achieving 100% sustainable management of End-of-Life Tires (ELTs),' the TIP is establishing a management framework that enables the collection, recycling, and treating of all types of ELTs in a sustainable way. To achieve this goal, the TIP is focused on the following strategic pillars, and Hankook Tire & Technology is an active contributor to these efforts.

1	2	3	4
Identify and bridge ELT knowledge gaps	Establish standards, methods, and data for sustainable ELT management	Strengthen policy engagement and stakeholder advocacy	Strengthen capacity-building, raise awareness, share best practices, and disseminate toolkits
Establish a globally shareable ELT knowledge base	Harmonize standards for indicator reporting in relation to establishing best practices and a toolbox for ELG management, and regularly publish data	Forge collaborative relationships and partnerships	Build a repository of country-level management systems, promote peer-to-peer learning, and hold workshops

Achieve 100% sustainable management for End-of-Life Tires (ELTs)

re:move
Upcycling Project

re:move for the environment, re:move for humanity

re:move represents Hankook Tire & Technology's ESG management initiative that manifests its commitment to eco-friendliness, going beyond 'remove waste' to 're:move through recycling'. We engage in a wide range of collaborations to repurpose waste generated from tire manufacturing into useful resources, develop products symbolizing our eco-friendly vision, and create social value in the process. Throughout it all, we present sustainable lifestyles for the benefit of the environment and humanity and widely promote Hankook Tire & Technology's firm commitment to pushing the limits and conducting business responsibly.

Upcycled Shoes

Hankook Tire & Technology provides a first-hand brand experience for consumers to envision sustainability, one of the key values of EVs, in our own authentic ways. Our brand collaborations, made possible through tire recycling and upcycling to unleash the originality of tires, deliver the joy of sustainable mobility. We have specifically joined hands with shoe brands to develop a host of shoes (outsole) together as we share common features to make mobility convenient and quite literally "down to earth." Since 2022, we have teamed up with Pro-Specs to co-develop and launch a range of footwear products - sneakers, trainers, running shoes, golf shoes, and trail running shoes - to lead the charge in Korea's sports culture. At the 2025 Seoul Half Marathon, the 'Hankook Tire X Pro-Specs' collaboration booth was set up to broadly showcase the history and achievements of this partnership between the two brands that share the values and philosophy of sustainability, offering differentiated brand experiences.

Upcycled Longboard

Hankook Tire & Technology's longboard is made out of sustainable materials that were created by upcycling end-of-life tires (ELT). The rebound elasticity and flexibility of rubber cushions the rider's body from the shock while dampening noise and vibration to provide a comfortable ride. The wheel of this longboard, developed in partnership with Checkerspot, a California-based biotechnology company, is made of algae oil-based bio polyurethane, further enhancing the environmental value of this upcycling initiative. Our upcycled longboard goes beyond mere recycling efforts to translate our brand philosophy of sustainability into tangible designs that resonate with the demographics of millennials and Gen Z. In recognition of its innovative design and functionality, this longboard was named a winner at the 2024 Red Dot Design Award in Germany and the 2025 Green Good Design Sustainability Awards in the US, demonstrating our global competitive strengths in sustainability.

Upcycled Camping Gear

Hankook Tire & Technology seeks out ways to make the lives of its customers and their mobile moments more convenient and crate social value across diverse domains as a result. In partnership with Helinox, a global camping gear company, we jointly developed ball feet engineered using compounds recovered from high-performance racing tire manufacturing that would otherwise be discarded. This camping chair accessory is distinguished for exceptional grip and durability, which was made possible through Hankook Tire & Technology's proprietary compounding technology. The resulting reliability and comfort of this product renders greater satisfaction to campers on the go and further enriches the consumer brand experience. This product was successfully launched in Korea in March 2025 and was fully sold out in the first round of sales. We plan to release this product in the US as well, widening our reputation as a trusted name in the fulfillment of social responsibility.

re:move
Upcycling Project

We connect the world through revolutionized movement,
changing the lifestyle of customers for the better.
Get ready for the special encounter brought to you for
the environment.

Responsible Engagement

Hankook Tire & Technology grows hand-in-hand with wide-ranging stakeholders towards a sustainable future. We build sustainable supply chains to pursue shared growth with suppliers and prioritize the growth and safety of our employees. Furthermore, we step up to give back to society in a mutually-beneficial partnership with local communities, accelerating our efforts to secure a brighter future for all.

Key Achievements

Indicator	2024 Performance	2030 commitment	Responsible Committee
Ethics practice pledge and ethics training	Signed the ethical practice pledge - 98% in Korea, 100% overseas Provided ethics training - 94% in Korea, 98% overseas	100%	Ethics Committee
Social value creation	KRW 4,270 million	Increased by 20% Against 2018 (target: KRW 11,576.4 million)	Corporate Philanthropy Committee
On-site verification of ESG self-assessment results	63.3%	80%	Supplier Committee
Percentage of female leaders	8.1%	20%	Employee Committee
Frequency and severity index	0.54	Down by 30% Against 2018 (target: 0.45)	SHE Committee

Valuable Supply Chain

Hankook Tire & Technology aims to further enhance its supply chain risk management to keep abreast of the evolving landscape and intensifying regulations.
We take stock of ESG practices along the supply chain and pursue shared growth with suppliers as part of our commitment to building valuable supply chains while fostering global partnerships to promote the sustainable sourcing of raw materials.

Bolstering Suppliers" ESG Competitiveness

Supplier Management Process

Code of Conduct' Pledges and Compliance	• Hankook Tire & Technology's suppliers annually pledge to comply with the 'Code of Conduct', our supplier sustainability guidance. • The Supplier Committee updates the 'Code of Conduct' annually to ensure it does not conflict with new ESG requirements
Supplier ESG Assessment and Due Diligence	• Conduct regular ESG assessments and due diligence of suppliers to Identify and monitor risks
Identification and Management of Significant Suppliers	• Identify and manage significant suppliers who have a significant impact on production • Annually review and update the issues and significance of significant suppliers
Support and Monitoring of Supplier ESG Risk Improvement	• Streamline follow-up management and improvement planning for high-risk suppliers based on assessment results, and support them with tailored improvement guides in collaboration with relevant departments • Apply weights to ESG criteria so that suppliers with excellent ratings score higher overall, receive priority in supply allocation, and qualify for higher advance payments, enabling a differentiated, rating-based approach
Supplier ESG training and Capacity Building Programs	• Provide ESG-related training and capacity building programs for suppliers
ESG Program Performance/Issue Reporting and Management to the Board of Directors	• The Supplier Committee establishes challenging initiatives each year and reports their execution plans and outcomes to the Board of Directors, thereby creating a responsible management system where the Board directly oversees the progress of ESG initiatives within the supply chain. • Report issues arising from the purchasing process to the Board of Directors.

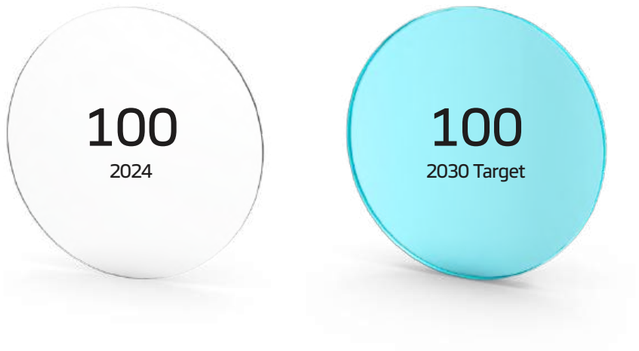
Mandating Supplier ESG Self-assessments

Hankook Tire & Technology conducts annual ESG self-assessments to ensure that suppliers independently evaluate their ESG management performance and take corrective action together in areas requiring improvement. These assessments cover a total of six domains - human rights & labor, ethical management, health & safety, environment, sustainability, and n-tier supplier management - in alignment with global ESG standards. Supplier ESG self-assessments are performed regularly for all suppliers doing business with us, and pre-screenings are conducted for new suppliers to prevent any potential risks. For suppliers who scored low on self-assessment results, we ensure they implement improvement plans so that the nature of their business dealings and transactions grow to become fairer and more ethical.

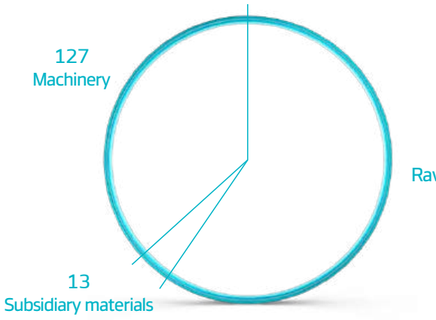
Supplier On-site Audits

To establish responsible supply chains, we conduct on-site audits on suppliers. Prior to 2024, audits were performed on select suppliers as a test, and the collected data informed our efforts to set five-year audit targets. As we progress to achieve these targets, we will conduct detailed assessments of supply chain risks in phases and eliminate or prevent identified risks, ensuring that our supply chain audits meet the expectations of global stakeholders.

Percentage of suppliers which received ESG assessments (Unit: %)

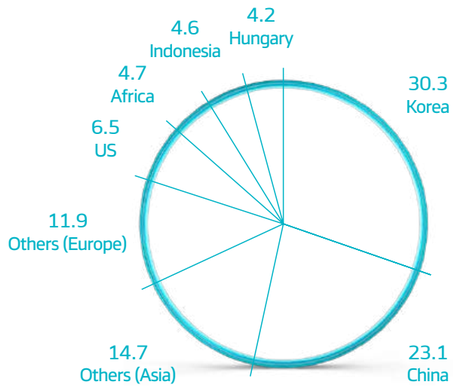


Supplier assessments conducted in 2024 (Unit: Companies)



346
Total number of suppliers

Breakdown of Purchase Amounts by Country in 2024 (Unit: %)



54.7
OECD

45.3
Non-OECD

Identifying and Managing Critical Suppliers

To maintain stable supply chains, Hankook Tire & Technology identifies and manages 'critical suppliers' who play a key role in business operations and manages them accordingly. Critical suppliers are defined as those that are monopolistic or require extended procurement lead times due to the unique nature of their products or services. Our critical suppliers include 40 raw material suppliers and 26 machinery suppliers. In 2025, we will continue to select and manage critical suppliers in accordance with our internal criteria. Given their vital role in the supply chain, critical suppliers are required to demonstrate excellence in ESG management. We will manage critical suppliers to help them meet or exceed Hankook Tire & Technology's ESG standards.

Managing Suppliers Flagged for High ESG Risks

We conduct supplier evaluations each year based on a structured process, identifying supplier ESG risks and necessary improvements as a result. For high-risk suppliers requiring improvements, we consult with relevant teams involved in quality or research operations for the direction of corrective actions and their implementation plan. This involves collaboration with varying units of suppliers to ensure that tangible and sustainable improvements are made in a way which considers the unique context of suppliers. Improvement plans and the progress achieved are uploaded onto our purchasing system to be shared with relevant units. We also manage the history of such improvement efforts to prevent any recurrence and proactively respond to ESG risks.

Operating the Supplier Committee

Led by the Supplier Committee, we are advancing sustainable supply chains and shared growth with suppliers—key goals of our supply chain management strategy. In 2024, we were focused on the development of sustainable raw materials and secured a sustainable supply chain for natural rubber. We have established our global sustainable purchasing policy based on the revised definition of sustainable supply chains, and this policy will steer us in advancing sustainable purchasing practices. In 2025, we will continue to work with suppliers to focus on the development of sustainable raw materials while providing direct training to support suppliers in addressing any difficulties they face, further expanding opportunities for shared growth. When deemed necessary, we will conduct ESG audits of suppliers to take stock of their current status onsite and jointly pursue necessary improvements. With the full-scale implementation of the EUDR, CBAM[1)] and other external regulations, we will also establish a preliminary risk assessment and prevention process, proactively navigating the evolving landscape and upholding sustainability in our supply chain operations.

1) CBAM: Carbon Border Adjustment Mechanism

Conflict Minerals Monitoring

Hankook Tire & Technology avoids the use of minerals mined in conflict areas associated with social issues such as human rights violations or labor exploitation while operating a responsible minerals sourcing system across the supply chain. We have stipulated company-wide policies governing the use of conflict minerals and responsible minerals (3TG: tin, tantalum, tungsten, gold, etc.) and make them publicly available on our website to ensure transparent communication with stakeholders. To proactively address risks that may arise across the supply chain, we conduct regular monitoring and audits of our suppliers. In tandem with this, we provide continuous training and guidelines to prevent potential risks.

Shared Growth

Supplier Communication

Building sustainable supply chains requires the transparent sharing of information and ongoing communication with suppliers through multiple channels. Hankook Tire & Technology engages with suppliers through diverse channels without time or location constraints. In 2024, we consulted with key personnel from critical suppliers to delve into the advancement of sustainable supply chains including RE100 and sustainable raw material development.

Working with Suppliers towards Net Zero

Hankook Tire & Technology is fully committed to achieving Net Zero emissions, which is evident in its efforts to provide Net Zero training to its suppliers. To understand the progress of Net Zero implementation across the supply chain, we conducted Net Zero surveys of suppliers in 2024, with a notable achievement of reaching an over 60% in response rate. We will closely analyze survey results to take corrective actions on identified deficiencies. In response to the full-scale enforcement of the CBAM on January 1 of 2026, we are enhancing our partnership with critical suppliers to ensure effective compliance with emerging environmental regulations and seize opportunities for shared growth in so doing.

Implementing a mangrove reforestation project in Indonesia, a key natural rubber sourcing region

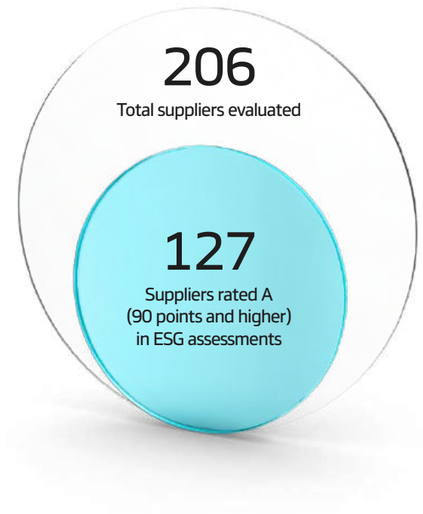
Securing Sustainable Raw Materials

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

Hankook Tire & Technology is pursuing shared growth with suppliers with proven excellence in ESG management. The supplier evaluation conducted in 2024 showed that the proportion of suppliers rated A in ESG assessments amounted to 61.7% of total raw material suppliers. This supports our efforts to build sustainable supply chains along with material suppliers rated high in ESG evaluations, establishing competitive transactional relationships in the process.

※ The 2024 raw material supplier evaluations were conducted based on 2023 transaction data.

2024 Raw Material Supplier Evaluation Results (Unit: Companies)



Operating the SNR (Sustainable Natural Rubber) Program

Hankook Tire & Technology is a founding member of the GPSNR (Global Platform for Sustainable Natural Rubber) launched to promote the sustainability of natural rubber. We drafted the 'Sustainable Natural Rubber Policy' in 2018 to specify the social responsibility of natural rubber supply chains, and established an initiative to implement this policy. In 2020, we amended this policy to reflect the 'Policy Components' announced by the GPSNR and disclosed this on our corporate website. In 2021, separate 'natural rubber supply chain ESG assessment items' were created in line with GPSNR standards, and assessments were conducted accordingly to verify compliance with the sustainable natural rubber policy and prevent risks. We further supplemented these assessments in 2022 by adding criteria related to regulatory compliance and pollution prevention efforts among others. We expanded participation in these assessments in 2023, and took mitigation measures in 2024 for risks identified through risk assessments conducted to respond to the increasingly tightening supply chain management regulations. In 2025, we will fully implement these risk mitigation measures while enhancing traceability and building a data management system to make our supply chain more transparent. To ensure compliance with the EUDR, we will strengthen verification and the monitoring of geolocation data at the origin while fostering collaboration with our partners.

Participating in a Blockchain-based Sustainable Natural Rubber Project

We have joined Project TREE, a blockchain-based natural rubber traceability and sustainability project, led by the international trader ITOCHU. The aim of this project is to enable traceability along the natural rubber supply chain, from supply to manufacturing and sales. As a member of this initiative, we partnered with ETEL, the largest UK-based tire distributor, to sell tires made solely from natural rubber harvested within unprotected areas. The proceeds go to support sustainability for smallholders, collectors, and local dealers who cooperate in ensuring the traceability of natural rubber. In 2024, we distributed a total of 461 smartphones to 461 natural rubber smallholders managed by eight collectors through Project TREE's JPA (Joint Pool Account) activity. These smartphones are used to register harvest locations, which will accelerate the full development of Project TREE's traceability system for smallholders. In addition, we provided 600 bags of KCI fertilizer and 546 bags of urea fertilizer to facilitate rubber tree cultivation across 200 hectares. This not only enhances productivity and quality within the supply chain but also reinforces the foundation for sustainable natural rubber farming.

Project TREE JPA (Joint Pool Account) activity

Human Rights and Diversity Management

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

Human Rights Management

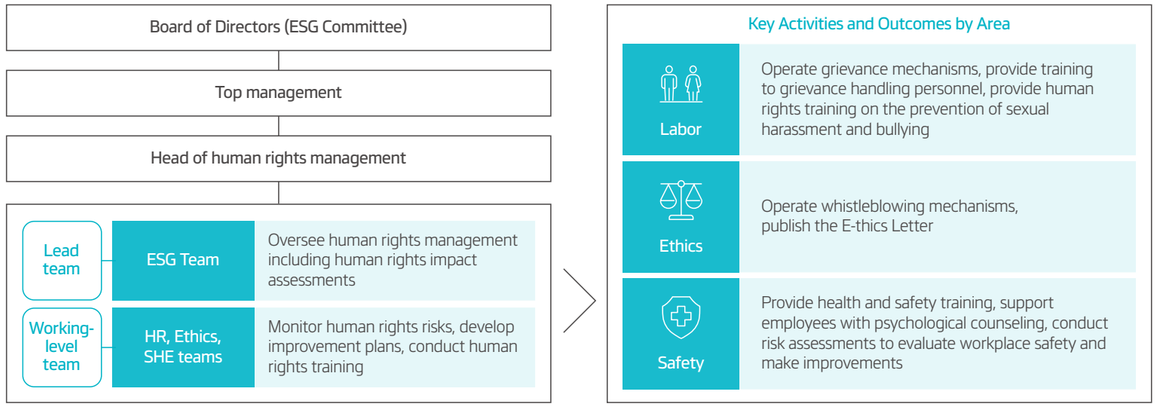
Human Rights Management Declaration and Principles

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

View the full version of our human rights declaration and principles

Human Rights Governance

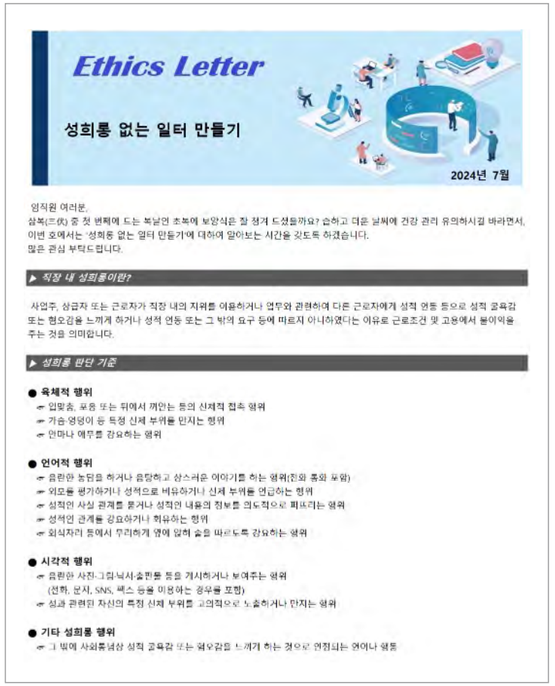
Hankook Tire & Technology's human rights governance is composed of the Board of Directors, top management, the Chief Human Rights Officer, a dedicated human rights department, and relevant departments. The Board of Directors and its ESG Committee serve as the highest decision-making bodies for human rights management. Top management is responsible for reviewing salient human rights issues and ensures the proper implementation of human rights practices. The Chief Human Rights Officer supports overall human rights management, including status reviews, improvement planning, and risk management. The ESG Team, serving as the dedicated human rights department, collaborates with relevant departments from HR, Ethics, and SHE functions to annually assess human rights status at the company-wide level and develop improvement plans, ensuring that a sound human rights culture is established. Employee Committee, one of the ESG Steering Committees, establishes initiatives to advance human rights management at the beginning of each year and monitors the progress achieved.



Human Rights Training for Employees

Hankook Tire & Technology provides domestic employees with a range of human rights training to prevent sexual harassment and bullying and improve perceptions on disability. In 2024, we launched new training courses covering human rights practices for new hires and expatriates - human rights management, declaration and principles, and grievance mechanisms - and global human rights issues. In addition, we provided human rights document-based training to employees subject to human rights impact assessments, ensuring that our human rights training can reach even more stakeholders and global staff.

Training	Topic	Target	Completion Rate
Training on the prevention of sexual harassment	Understanding and preventing sexual harassment	All domestic employees	100%
Training on the improvement of perceptions on disability	Understanding the characteristics of different types of disability and relevant laws and regulations	All domestic employees	100%
Data privacy training	Understanding the concept of data privacy and ways to create a culture of data privacy	Domestic office workers	100%
Occupational health and safety training	Preventing occupational accidents, occupational health and safety laws, preventing workplace harassment, etc.	All domestic employees	100%
New hire training	Understanding pertinent laws including the Occupational Safety and Health Act, the Serious Accidents Punishment Act, and health and safety management	New hires	-
Expatriate training	Human rights management, declaration and principles, grievance mechanisms, global trends, etc.	New hires Newly assigned and returning expatriates	-



E-thics Letter 'Building a sexual harassment-free workplace'

Stakeholder Communication

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

Stakeholder Communication Channel

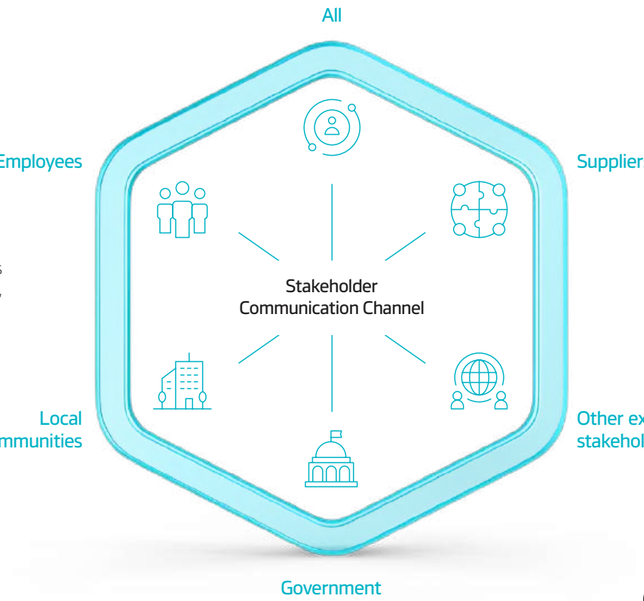
Misconduct Reporting
Receive proposals for improvements to our entire operations through the Misconduct Reporting section of our global website

Corporate culture assessment: Global Enagement Surveys, culture survey
Assess our corporate culture to identify the detailed status of respective organizations and make necessary improvements

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

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

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



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

Supplier proposal program
Collect any ideas from suppliers to improve issues and pursue win-win supply chain relationships, and award outstanding ideas

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

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

Human rights reports
Submit human rights reports to Canada and other countries and incorporate their requirements

Operating the Grievance Committee

We operate a structured grievance mechanism to foster a positive corporate culture by addressing employee grievances, preventing disputes in the workplace, and establishing horizontal communication practices. We heed employee grievances through multiple avenues and ensure prompt and proactive grievance handling to protect workers' human rights and provide a supportive and safe workplace. Employees are free to seek corrective actions for a broad spectrum of grievances. These include personal daily work concerns as well as more serious ones such as sexual harassment and bullying at work and unfair treatment or discrimination associated with the use of parental leave. The labor-management council has been under operation, serving as a new communication channel seeking solutions to employee grievances both in their professional and personal life. This further enhanced the awareness and accessibility of our grievance mechanism, strengthening the groundwork for fostering an open corporate culture.

Observing the Principle of Non-discrimination at Work

The prohibition of discrimination and prevention of sexual harassment and bullying are specified in our Employment Rules, Code of Conduct and other key internal regulations. We receive employee grievances through appropriate grievance handling channels, promptly and thoroughly investigate the concerns raised, and take stringent measures including disciplinary action against the offender when necessary to rigorously comply with the set regulations. We provide all employees with training to prevent sexual harassment and bullying at work, which is mandated by the Act on Equal Employment for Both Sexes, at least once a year. This prevention training is offered in virtual format to make it more readily accessible for employees and improve management efficiency, and we continue to enhance the management of training to increase completion rates and ensure its effectiveness. We have also conducted specialized training for grievance-handling personnel to effectively address issues related to workplace bullying. Furthermore, our Employment Rules specify that those accountable for sexual/workplace harassment are subject to disciplinary action, and even to disciplinary dismissal if the misconduct is severe or persistent or causes serious disruptions to the moral order of the workplace, making it clear that stringent disciplinary actions will be taken as needed. These efforts help us build institutional settings to foster organizational soundness and respect for human rights both in terms of prevention and response.

Grievance Handling Process

Submit a grievance and receive consultation
- Anyone can raise a concern, including coworkers and the person affected
- Submit concerns through phone, text, messenger, Teams, and grievance e-mails available at respective sites
- HR teams at respective sites provide consultation

→ **Verify and review**
- Review the submitted concern to ascertain whether investigation is needed

→ **Investigate**
- Investigate the issue at hand by requesting the submission of relevant materials, asking questions, and performing on-location visits

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Take action
- Take action to address the grievance (e.g. transfer to a different department, etc.)
- (refer to the Grievance Committee only for grievances requiring impartial handling)

← **Communicate the result**
- Inform the handling outcomes to the person who raised the concern

← **Follow up**
- Monitor to prevent reoccurrences

Human Rights Impact Assessment

Human Rights Impact Assessment Process

We conduct annual human rights impact assessments at all our global operations (Headquarters, global plants, R&D Center, and overseas subsidiaries and offices). This aims to preemptively identify human rights concerns that may adversely impact employees and stakeholders, and make improvements on identified risks to protect human rights. We analyzed the human rights grievances submitted over the past two years to select vulnerable areas and developed an in-depth questionnaire specific to our human rights conditions. This year, the scope of human rights impact assessments extended to include employees who returned to work after parental leave. In addition, document-based training was provided to those who were subject to human rights impact assessments on such topics as human rights management, our human rights declaration and principles, and human rights expectations of external stakeholders, thereby ensuring they better understand human rights management and provide more accurate responses. Furthermore, assessment items were added to identify vulnerable stakeholders at each operational site, which allowed us to pinpoint employees and local communities as key stakeholders for human rights management at Hankook Tire & Technology. The sum of these efforts helped us achieve 100% in response rate across the entire global operations. In 2025, we plan to evaluate human rights practices at Hanon Systems, with whom we have established a new business relationship, to identify potential human right issues.

Human Rights Impact Assessment Results

No significant human rights risks were identified through our human rights impact assessments performed on all our global operations. To further advance human rights management, we selected issues and sites in need of improvement and developed improvement plans. 'Awareness for and trust in grievance mechanisms' was identified as an issue posing a relatively greater need for improvement. In response, we have engaged in various activities for several years, including taking stock of our global company-wide operations, conducting training for responsible personnel, and communicating with employees, to upgrade our grievance mechanism. In 2025, we plan to enhance employees' confidence in our grievance mechanism through expanded training and activities. Looking ahead, we will step up our efforts for all Hankook Tire & Technology employees to recognize and internalize human rights management in their day-to-day routines.

Human Rights Impact Assessment Process

Develop Implementation Plans	• Select assessment targets • Improve the checklist and process - Analyze the human rights issues addressed through our grievance mechanism over the past 2 years - Analyze new initiatives, regulations and trends - Provide detailed guides on key questions
Conduct Assessments	• Target: Responsible assessors at each of the global operational sites, team leaders in Korea, expatriates, and other diverse employees (junior employees, women, employees on parental leave, etc.) • Method: Self-assessment based on the checklist • Checklist: 62 items in 11 areas, descriptive questions (e.g. identification of key human rights stakeholders by site, open-ended responses) ① Establishment of a human rights management system ② Equal opportunity and non-discrimination ③ Protection of freedom of association and collective bargaining ④ Prohibition of forced labor (including human trafficking) ⑤ Prohibition of child labor ⑥ Protection of individual safety rights ⑦ Protection of rights to occupational safety ⑧ Responsible supply chain management ⑨ Protection of human rights for indigenous peoples and local communities ⑩ Protection of environmental rights ⑪ Protection of the human rights of consumers
Analyze Results	• Analyze results and identify risks • Share with relevant teams and discuss improvement directions (Employee Committee, etc.)
Make Improvements	• Develop detailed improvement plans for major deficiencies • Make improvements and monitor

Diversity Management

Facilitating the Employment of People with Disabilities

Hankook Donggeurami Partners was established in 2015 as a subsidiary-type standard worksite for people with disabilities. It aims to provide the underprivileged with an opportunity to explore their untapped potential and broaden their horizons and to contributes to the growth and development of local communities. Since its inception, Hankook Donggeurami Partners has engaged in a range of activities to continuously increase employment and job security for people with disabilities, improve treatment to retain long-term employment, create a safe and pleasant working environment, and raise awareness on disability.

Hankook Donggeurami Partners serves as an outsourcing service provider for Hankook Tire & Technology in the four areas of inhouse welfare operations, including laundry, bakery, coffee & beverage service, and administrative support. The company expanded its business footprint by opening the 'Donggeurami Car Wash' at the Headquarters in Pangyo in August 2020, and additionally launched a car wash and a café at the Hankook Engineering Lab located in Jang-dong, Yuseong-gu, Daejeon-si in 2022. It also opened a car wash at Technodome in 2023, and remains committed to exploring new business opportunities to create jobs for people with disabilities. Its achievements in providing employment for people with disabilities were highly praised as the company received the Presidential Citation in the worker category at the Inclusive Employment Promotion Awards in April 2023 and was named a great employer for people with disabilities in October of that same year. In April 2024, the company was awarded the Order of Industrial Service Merit (Iron Tower) at the Inclusive Employment Competition

Inclusive Employment Competition

Hankook Donggeurami Partners

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Hankook Donggeurami Partners

Nurturing Female Talent

Hankook Tire & Technology has been steadily increasing the proportion of female employees to ensure gender diversity and foster a more balanced corporate culture, with a mid- to long-term goal of achieving a 20% representation of global female leaders by 2030. To effectively support this goal, we have improved our variable pay calculation criteria for employees returning from parental leave. Previously, these employees did not receive variable pay due to the lack of performance evaluations during the leave period (which applies equally to all employees who took leave). To address this issue, performance results prior to the leave are now incorporated in the provision of variable pay, which minimizes the career disruption caused by the leave. We have also introduced evaluation criteria guidelines for employees who return to work after childbirth to ensure they are not disadvantaged in any way from taking the needed time off.

Besides, we provide a range of development programs to support the growth of female leaders. Internal programs include the 'diversity leadership mentoring (executive - female mid-level mangers) and the 'Hankook Leadership Program (leadership candidate course) that were designed to help female leader candidates with competency enhancement. We also actively leverage external development programs such as conferences and forums to enhance the global leadership capabilities of our female workforce.

Training on Diversity and Inclusive Leadership

Female Leadership Mentoring

Hankook Tire & Technology is developing and implementing structured plans designed to foster female leaders, with the goal of identifying next-generation women leaders and enhancing their capabilities. In particular, we provide tailored development programs by job level and set specific directions for leaders, mid-level managers, and working-level staff to ensure a targeted approach to leadership development. For leaders and mid-level managers, we operate a diversity leadership mentoring program to provide focused support for candidates equipped with the skills and competencies required of female leaders. This mentoring program was divided into basic and advanced courses and conducted for six months. Basic courses aim to help participants gain insights through networking with various leaders and include mentoring provided by multiple executives by group. Mentees receive coaching on leadership skills and growth aligned with the company's expectations.

Advanced courses provide in-depth coaching designed to prepare participants for future executive roles. Mentees are reminded of their growth vision as leaders through one-on-one mentoring with function heads, and are supported in developing balanced competencies and establishing the appropriate leadership role model. Our diversity leadership mentoring program offers a wide range of experience and advice to support mentees in strengthening their leadership capabilities and advancing their career development, paving the way for building sustainable leadership.

Common Group Activity

We operate a variety of training programs to foster organizational management and leadership anchored on diversity and inclusion. Our Common Group Activity program targets groups requiring organizational adjustment support due to job or role changes as well as employees with shared interests. In 2024, career development training was provided to female leaders to help them better understand leadership and motivate their proactive development of leadership skills.

Leadership Training

We conducted leadership training for all team leaders across the entire organization including the holding company and affiliates. This training was themed around the 'Re & Up Skilling' of essential competencies required for leadership, and covered DE&I in addition to strategy, performance management, use of generative AI, and ESG strategy, to support team leaders across the organization to practice diversity-based leadership. The Geumsan and Daejeon Plants provided 'new on-site manager training' and the 'line leader leadership workshop' for operators on the shopfloor. This served to provide general management competency training for newly assigned on-site managers and to redefine the diversifying role of on-site leadership and engage in interactions, supporting participants to further their growth as on-site managers. In 2024, 42 new on-site managers completed general management competency training, and 140 line leaders completed the leadership workshop. The training focused on on-site operations covering labor laws, safety, and HR, and post-training surveys showed a high level of satisfaction with an average score of 4.87.

Employee Care

Hankook Tire & Technology puts the growth and well-being of its employees first, and is committed to providing positive employee experiences on multiple fronts. Not only do we support employees with competency development and work-life balance, but we also pursue ceaseless innovation in our corporate culture and enhance health and safety management to create an optimal work environment.

Support for the Growth of Employees

Building up Training Content

Hankook Tire & Technology provides a range of training courses, including the PMR (Promotion Minimum Requirement) system, to strengthen its employee training framework. The PMR system was designed for team members and consists of performance evaluations, innovation mileage, and learning mileage as minimum promotion requirements. In 2024, we operated a competency training program required for learning mileage. We also provided a broad range of training courses spanning leadership, common competencies. And digital skills from which employees could free choose from, along with specialized training for advanced job competencies.

Leadership courses are designed to enhance employee coaching, collaboration & conflict management, and communication skills. In 2024, eight courses were conducted in 15 sessions, and were completed by 292 employees. Cross-functional competency courses aim to strengthen planning, problem-solving, and document preparation skills. In 2024, 11 courses were provided in 23 sessions, with 516 employees completing these courses. For company-wide digital upskilling training, AI courses were launched, including those on the use of ChatGPT: 12 on/offline courses were conducted in 71 sessions and were completed by 755 employees. Furthermore, specialized job competency courses - tire manufacturing process, equipment process, and materials - were provided, with 168 employees completing 16 sessions of 14 courses. In 2025, we will open new 'mobility' courses to support employees to grow into leaders in the mobility industry, aiding in their competency development.

Systematizing Onboarding Programs

We systematized our onboarding programs to facilitate our new hires' organizational adaptation and help them become productive quickly. Within one year after joining the company, new hires attend induction/job training, on-the-job training (OJT) and mentoring, the Refresh Session, the improvement proposal project, and the Value Up program to progressively advance their growth. In 2024, a total of 107 new hires completed onboarding programs. Induction training is structured to support new recruits with organizational adaptation and enhance their understanding of our organizational structure and systems. This training also covers our core values to facilitate their deeper connections and foundational training to build awareness of the overall job functions. New hires are warmly received with welcome letters, job mentoring, and departmental welcome sessions. In addition, gamified experiences were provided such as escape room activities and team-building exercises to foster team spirit.

Once assigned to a team, new hires receive OJT for three months. Our mentoring program provides a range of activities for mentees to develop rapport with their mentors, and is made more engaging as each completed mission is scored. The improvement proposal project allows new hires to propose their ideas from a fresh perspective in the four areas of strategic tasks, company systems, work execution, and new business. This provides an opportunity for new recruits to seek growth by directly presenting their ideas in front of executives. The Value Up program is implemented in two phases: job skill training aims to enhance employees' performance competency while retention training helps redefine one's growth plan and vision. In 2025, we will upgrade our onboarding programs by incorporating feedback from 2024 and emerging trends.

Expanding Digital Training

Enhancing Employees' Digital Competency

We opened digital training courses mandatory for new hires to enhance their digital skills. Tailored training is provided based on individual roles and competencies to improve their satisfaction with the training as well as overall work efficiency. Mandatory digital courses are structured into three steps.

Mandatory Digital Courses

Step 1	**Digital Mindset** Training on digital technology trends and digital transformation	1 hour
Step 2	**Data analysis and application** Data analysis and application training tailored to individual digital skills (choose one from SQL, Python, Design, IT, and AI)	4 weeks
Step 3	**Data visualization** Data visualization training using Tableau	2 weeks

Generative AI Training Program for Executives

In 2024, Hankook & Company provided all Group executives with generative AI training in three sessions. This training covered both theory and practice, including an introduction to generative AI, the understanding and use of large language models (LLM), prompt engineering, and an overview of image generation AI and various generative AI tools. For hands-on sessions, a pilot version of ChatHK which was developed in-house was used. This provided executives with the opportunity to develop a structured understanding of generative AI and explore firsthand how it could be carried over to work in their daily work.

AI Expert Development Program for Digital Masters

For 'digital masters' selected through our internal digital certification system, we provided an AI expert development program conducted in collaboration with KAIST faculty. This program focused on practical training, covering an overview of of generative AI theories, image generation, the architecture and application of cutting-edge NLP and LLMs, and basic statistical principles. Through this training, digital masters further advanced their practical AI/ML capabilities and strengthened data-based problem-solving skills.

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Induction training for new hires in 2024

Winners at the 1st Generative AI Use Case & Idea Contest

Hosting the Generative AI Use Case and Idea Contest

To help employees enhance their AI and big data capabilities and encourage the discovery of related business models, we hosted the Generative AI Use Case and Idea Contest. Employees from Hankook & Company and other Group affiliates submitted 55 practical use cases and outcomes achieved through the use of various generative AI tools such as ChatGPT and Claude. Outstanding ideas were translated into actual projects and are currently being applied in working-level operations. This contest made significant contributions to embedding a culture of digital innovation across the organization.

Hosting the 3rd Self Service BI Competition

To enhance employes' data analysis and visualization skills, we successfully hosted the third Self Service BI Competition. Participants created analysis dashboards using Tableau to support their work and developed real-world, data-based problem-solving skills. This contest directs our employees towards voluntary participation and self-paced learning while fostering a culture of data literacy as a new competition-based learning model.

Developing Job Expertise

Training to Strengthen Basic R&D Competencies

Our R&D job training is structured to align with our R&D goals and is conducted accordingly. The curriculum is planned and implemented to provide advanced training by proficiency and competency in the areas of design & mass-production, foundational technology research, virtual, and future tire & new business research. In 2024, a total of 42 courses were completed by 637 employees, with a completion rate reaching 110%. Post-training surveys are also conducted to continuously upgrade this training and ensure competency enhancement for our R&D workforce. In recognition of our capabilities in providing high-quality curricula and training, we were honored with the President's Award from the Human Resources Development Service of Korea (HRDK) at the Outstanding Employer-led Vocational Training Best Practices competition organized by the Ministry of Employment and Labor and hosted by the HRDK in 2024. Going forward, we will continue to support job training to further enhance the competencies of our R&D workforce.

T-ACADEMY for Online Self-learning

T-ACADEMY, introduced in December 2022 as an online R&D self-learning system for research and development, provides tailored learning content for our R&D workforce. Its curriculum is categorized into Beginner, Basic, Intermediate, and Advanced levels to support customized learning content depending on the target and level of the course needed. Currently, 192 courses are made available with the aim to foster a self-paced learning culture and facilitate the growth of our R&D staff. We also plan to translate learning content in English and Chinese to support locally-hired staff overseas with job competency enhancement.

Learning from Others: CoP for R&D Learning

Our R&D Center supports CoPs (Community of Practice) that bring together researchers to share knowledge amongst themselves. In 2024, nine CoPs were established for five months with 118 participants, which resulted in 67 patent applications made across tire design, material technology and other diverse areas. To facilitate communication among different CoPs, we opened an online communication channel on the Teams platform. These CoPs are categorized into participation-based CoPs and open-type CoPs: participation-based CoPs are joined by patent personnel and engage in patent lawyer meetings to enhance their patent activities.

Learning from Experts: R&D Tutoring

R&D Tutoring is our small-group, intensive learning program for researchers from different disciplines to share their expert knowledge and elevate job expertise. In 2024, 36 senior researchers conducted regular individual tutoring sessions, offering tailored training to researchers grouped by performance specialization. These sessions were attended by a total of 414 researchers for five months, who reported a high level of satisfaction. Specifics of each tutoring activity were made available through T-ACADEMY.

R&D Remind Training and Mini-Projects

R&D remind and refresh training targets junior R&D employees who have been with the company between one to three years, and is structured around remind sessions (technology/knowledge reviews, initial intention revisits, motivation) and refresh sessions (enhanced sense of belonging and team morale, stress and personal management). In 2024, 14 employees attended a two-day session for nine hours, and reported they were highly satisfied in terms of developing a positive mindset about the company and an enhanced sense of belonging. This was coupled with Mini-Projects to help narrow the learning gap among newly-hired researchers through R&D refresher training. This supports researchers to better understand and articulate their ideas so that their brilliant and novel ideas can be translated into patent applications.

R&D Tech-Day

Tech-Day was hosted under 41 topics to share tire industry trends and technologies, including R&D news and area-specific technology news. This online training was joined by an average of 58 employees per session, with 2,365 employees participating on a cumulative basis.

Learning from Others: CoP for R&D

R&D Remind Training

Leadership Training for On-site Managers

The Daejeon Plant provides a wide array of enriched internal and external training programs to enhance employees' professional capabilities on an ongoing basis. Internally, training for newly appointed on-site mangers and leadership training for all on-site managers are provided, along with internal technical training and quality mindset enhancement training to support quality improvement and self-development. In 2024, leadership training for all on-site managers was divided into two tracks of group leader and line leader programs. Group leader training was held in two sessions and focused on HR systems, communication with team members, prevention of workplace bullying, and the sharing of safety issues. A total of 31 group leaders participated, achieving a high attendance rate of 100%. Line leader training was structured around HR systems, communication skills expected of mid-level managers, and the sharing of safety issues. A total of 121 line leaders completed this training in four sessions, with a high satisfaction score of 4.87.

Leadership training for on-site managers at the Daejeon Plant

Internal Technician Training

We provide internal technician training to operators to help them develop the required facility management and improvement skills for shopfloor and quality innovation activities and to develop our corporate culture in a way that encourages optimism. This training consists of in-house grade 1 and 2 technician courses, and is conducted in two sessions each month. Grade 1 courses cover equipment and machinery disassembly/assembly methods, PIPE processing methods, oxygen cutting, bending methods, and welder installation and use methods and hands-on exercises. Grade 2 courses are designed to help participants learn basic mechanical knowledge, names and use methods of tools and measuring instruments, and oxygen cutter use methods. In 2024, a total of 85 employees completed grade 1 and grade 2 technician courses.

External Training and Training for Innovation Culture Development

We support a variety of external training programs to enhance employees' job expertise. These include Rope School training aimed at strengthening corporate competitiveness and employee loyalty, legal training to provide essential legal knowledge for job execution, quality training to improve product quality and productivity, and personal competency and job training designed to strengthen individual competencies and job performance. In 2024, HCIWAY Innovation Training was introduced as Hankook Tire & Technology's manufacturing innovation initiative to further enhance employees' expertise at the Daejeon Plant, which was completed by 264 employees in total. Looking ahead to 2025, we will expand the number of participants and training sessions of this innovation training program while upgrading its training content to foster a new culture of innovation on the production floor.

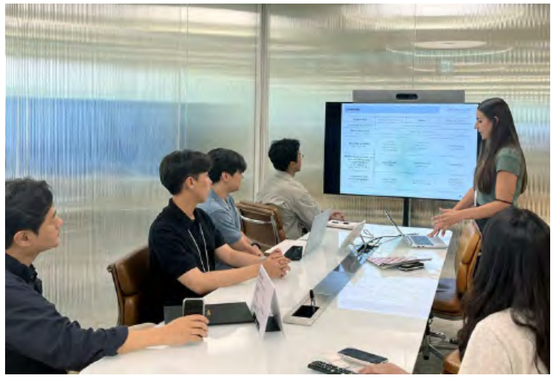
Global Talent Program

Our global Talent Program aims to nurture excellent talent overseas, as well as our domestic employees. This provides employees from various countries an opportunity to enhance their competency and build a global network to eventually promote stable localization.

G.PLC (Global Proactive Leadership Camp) that targets top-performing overseas employees was first initiated in 2018 to disseminate our core values and present our vision as a future global leader. As of 2024, a total of 74 employees participated from 13 countries. In 2022, G.PLC was enriched with the Function Workshop to support overseas employees to work with their counterparts at the Headquarters in Korea, discussing pending issues and sharing work knowledge while developing a sense of pride and insights as a member of a global company and networking across diverse job functions. This program supports exceptional overseas employees in gleaning a greater understanding and familiarity for the company's business strategies and in gaining valuable intercultural experience.

The GCP (Global Career development Program) serves to offer outstanding overseas employees an opportunity to work and be supported at the Global HQ in Korea to advance their job competencies and career paths. Selected employees are provided work opportunities covering a minimum of six months at our operations in Korea including the Headquarters and the R&D Center. This allows them to experience work firsthand and perform as a member of the actual organization. This program ensures that participants broaden their horizons at work and strengthen individual job competencies to grow into future global leaders.

G.PLC program



GCP program

Inside K-Office Life: GCP program

Work & Life Balance

Flexible Work Arrangements

Hankook Tire & Technology continues to foster flexible work arrangements that support a healthy work-life balance so that employees better engage in their work and perform well, providing a more satisfactory work environment in the process. Our R&D Center has introduced staggered hours since 2015 for employees to independently choose their start and finish times. Since 2018, a 2-week cycle flexible work hour schedule has been made available for operators at domestic plants to flexibly arrange their preferred work hours within the average of 40 hours per week for the period of two weeks.

Following the pilot operation of selective work hours for two teams at the Headquarters in 2020, we developed a flexible work arrangement application system in 2021 based on satisfaction survey results and have since steadily expanded this system. In particular, we have expanded the available hour ranges across the company for employees with children aged 8 and younger or in second grade or below. This flexibility in work hours assists our employees in balancing the needs of their personal and professional lives.

In addition, we provide a VPN (virtual private network) system to enable employees to perform their duties seamlessly from any location. The freedom to work from any place at any time of day greatly boosts operational efficiency and generate greater employee satisfaction within their overall work-life balance.

Family-friendly Programs

To help employees strike the right balance between work and family, we provide a range of family-friendly programs. We have arranged in-house breastfeeding facilities to support employees with childrearing and family care, and guarantee up to one year of parental leave for employees with children in grade 2 and below. We also offer reduced work hours for employees to meet their parenting and childcare needs without taking a leave of absence by adjusting their work hours: they may choose to work either 20 hours per week (4 hours per day) or five hours per week (1 hour per day, reserved for the childrearing period). This protects our employees from career discontinuation while providing them with sufficient time to care for their children and family. Furthermore, our employees are eligible for up to 10 days of family care vacation and 90 days of family care leave to meet any urgent care needs that may arise due to illness, accidents or aging family members.

For employees suffering from infertility, we provide them fertility leave and support them with fertility treatment costs to ease their financial burden. This is further complemented by fertility vacation to practically support these employees to focus on their treatment. To familiarize our family-friendly programs and make them more accessible, we provided executives and team leaders with individual guidance on these programs that are available along the lifecycle of employees, and created a single window of information on our family-friendly programs to help employees easily access relevant information at any given time or location. We expect this will support even more employees to actively seek assistance through our family-friendly programs and foster a more stable work environment.

Operating In-house Daycare Centers

We operate our own in-house daycare centers at all our major operations, including at the Headquarters, the R&D Center and plants, to help our employees engage in their work while tending to their parenting duties. Teachers are trained regularly and are evaluated for their performance, and monitoring is conducted on childcare services, food supplies/menus, and hygiene and safety management, which generates trust on the part of employees in the operation of these centers. Our in-house daycare facilities provide a structured curriculum that fosters physical and emotional development by age group and nutritiously balanced meals made from organic ingredients. We also provide our employees priority parking spaces to ease their use of our daycare centers. Along with a range of educational programs tailored to different age groups, a range of hands-on activities - outdoor field trips and expert invitations - are implemented. In 2024, we plan to introduce language activities linked to picture books, coding classes, and Korean language programs using children's songs and poetry. These daycare centers also conduct physical developmental assessments for enrolled children to monitor their health while operating family programs each year including sports days, parent participation classes, and parent lectures.

Such efforts earned us the highest A rating (four ratings from A to D) in the daycare facility assessments (3-year cycle) performed by the Korea Childcare Promotion Institute in June 2021. In November 2024, our in-house daycare centers were re-certified by the Institute, demonstrating our ongoing efforts to maintain the quality of daycare services that we provide. Our employees are also highly satisfied with the overall operation of our in-house daycare centers. The parent satisfaction survey conducted in 2024 produced 4.56 points out of five in overall satisfaction: 4.6 in parental and family support, 4.62 in teacher satisfaction, 4.6 in health, nutrition and safety, 4.47 in childcare programs, and 4.51 in facility and operation. Furthermore, we provide kindergarten tuition support to employees with children aged 4 to 6, supporting our employees in juggling their work and childcare responsibilities, for both parents with children at our in-house daycare centers as well as for those who send their children to other daycare centers or kindergartens. Since 2023, we have hosted a two-night science camp for the children of our employees and supplier employees to support their digital skills development.

In-house daycare center

Family-friendly Management Certification

In 2022, Hankook Tire & Technology achieved the Family-friendly Management Certification granted to companies and public institutions in recognition of their exemplary operation of family-friendly systems to support childbirth and rearing, provide flexible work arrangements, and create a family-friendly corporate culture. The certification broadly recognizes our institutional efforts to provide a family-friendly work environment. The audit process itself served to identify the strengths and weaknesses of our family-friendly programs currently under operation as well satisfaction levels and suggestions for improvement our employees hand with such programs. Audit data are fully incorporated in aligning our HR systems to create a great workplace and enhance diversity.

Corporate Culture in Pursuit of Change

Improving Our Corporate Culture

We conduct the Global Engagement Survey regularly to improve our corporate culture (2-year cycle) and the corporate culture innovation survey for internal employees to identify and address organizational cultural issues from multiple angles. The company-wide corporate culture innovation survey was conducted in the first half of 2025 to evaluate the current status of our corporate culture and explore ways to make necessary improvements. These efforts are coupled with various events, including Family Day events that invite employee families and Driving Day events hosted on the Technoring. This helps employees feel a sense of pride and solidarity with the company while providing their loved ones the opportunity to learn more about the careers of their family members. The sum of such efforts reaffirms our commitment to fully supporting employees with work-life balance as a family-friendly company.

Proactive LAB to Experiment with Innovative Ideas

Proactive Studio serves as our in-house idea suggestion platform to reinforce a cultural environment where employees feel free to voluntarily bring forward their creative ideas and put them into action to pursue improvements. This essentially encourages a culture that views failure as an exercise in practice and promotes multiple attempts to push the limit. As part of this initiative, we operate Proactive LAB to cultivate prospective in-house venture teams directly created by our employees to execute selected exceptional ideas through project undertaking.

Proactive LAB

Innovating the Way We Work

Hankook Tire & Technology has announced 'The way we Work Proactively' as its new action principle that aligns with the overarching Group mission, corporate vision, and core values, and is communicating this initiative through diverse internal communication channels, including presentations, workshops, webtoons, and campaigns, so that they can be easily disseminated among all our global employees. Our aim is to define and pursue the mindset expected of Proactive Leaders which symbolize the model attributes of our employees, and their approach to thinking, communication, and working based on company-wide consensus and understanding.

In parallel, we continue with change management to enhance our corporate culture. In 2024, we reviewed the organizational use of IT tools and eliminated unnecessary business communications as part of our efforts for change management. In the first half of 2025, we established global language guidelines to support open and casual communication among employees. We also regularly launch the 'Less for Better' campaign to address inefficiencies and unnecessary tasks and the 'We Keep Our Promise' campaign to share the initiative of work principles, driving tangible behavioral change among employees.

Junior Board, which has been up and running since 2022, has been scaled across all Group affiliates since 2025. Operated through the voluntary participation of millennials and Gen Z, Junior Board plays an instrumental role in sharing values across affiliates while identifying and implementing ideas to improve our communication culture and inefficient work processes, driving the transformation and innovation of our corporate culture.

Innovating the Way We Communicate

To build a culture of horizontal communication at all levels, our employees address one another by name with mutual respect and equality rather than by job title, and interactive communication is bolstered through wide-ranging channels. We opened TA-NEW (tires delivering news) on the Teams platform, a collaboration tool used by all employees, to update our employees each week on corporate news and employees' stories in an informal newsletter format.

In 2024, we launched the Global HBS channel on the Teams platform, producing global content using AI technology (HeyGen) and distributing it to our global employees. This introduces culture-related programs as well as corporate culture content, reaching ever closer to our global employees.

Proactive Concert brings together all employees for offline communication to help them stay current with key corporate policies and strategic directions, share company-wide news, and provide an opportunity for closer communication among employees from different functions. We also provide a range of cultural programs - 'Special Mix-matched Lunch' where employees can casually dine with executives over lunch and 'Knowledge Sharing session' to promote a creative and autonomous culture of sharing knowledge based on shared interests and hobbies. These efforts bring a positive impact on our employees as they facilitate immersion and communication.

(from top to bottom) Family Day, Proactive Concert, Global HBS

Health and Safety System

Health and Safety Governance

To create a safe and healthy workplace, Hankook Tire & Technology is committed to further enhancing its health and safety management system. Our health and safety organization operates directly under the CEO, and we ensure the effective operation of our health and safety management system through continuous reviews performed at the chief executive level on our compliance with health and safety regulations. We have further clarified the roles of health and safety personnel at the operational site level and are strengthening our proactive response in preventing accidents. We also take a rigorous approach to preventing occupational injuries through prevention planning and execution based on our self-directed safety system. In particular, we operate a range of health and safety programs that encourage employee participation while fostering a field-driven safety culture to promote an even safer workplace. Throughout it all, we encourage all our employees to deeply recognize the importance of safety and voluntarily engage in safety initiatives.

Health and Safety Policy and Principles

In accordance with our management principle of prioritizing the health and safety of our employees, we lead by example in our health and safety management operations throughout our business conduct and product manufacturing lifecycle, pursuing a safe and healthy life for our employees. To this end, we have set forth our health and safety policy and essential health and safety principles and promote them on an ongoing basis to encourage all our employees to fully understand and act on them.

We create various types of content to effectively disseminate health and safety policies and principles to the shop floor and promote their active application. We also enhance a safety-first culture in day-to-day routines through safety slogans and housekeeping activities. Tailored safety training and exercises are provided to reflect the unique context of each operational site and engage all employees in safety efforts. This fosters a sense of personal responsibility for employees to uphold health and safety measures and prevent accidents in their everyday routines.

Safety, Health and Environment Policy

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

Essential Health and Safety Principles

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

Health and Safety Communication Channel

We have clarified the roles of health and safety working group members and team-level health and safety committees to prioritize the improvement of health and safety issues and establish a safety management system, ensuring more effective health and safety management at the operational site level. The risk prevention center is also up and running as our 24/7 risk response system to promote the field-driven operation of the health and safety management system. In addition, a safety hotline was organized for self-directed safety operations to serve as a safety channel enabling real-time communication for all employees at Hankook Tire & Technology.

Health and Safety Communication Channel

SHE Innovation Committee

- Operational cycle: Twice/year
- Composition: CEO, head of Safety Production & Engineering Staff Office, heads of Daejeon/Geumsan Plants, head of Legal Department, head of HR Division, health and safety facilitator organizations at operational sites
- Role: Serve as a decision-making body to share and deliberate and decide on SHE metrics, strategies, investments, and key issues with top management

SHE Communication Meeting

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

Health and safety advisory activities

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

Creating a Safe Workplace Together with Suppliers

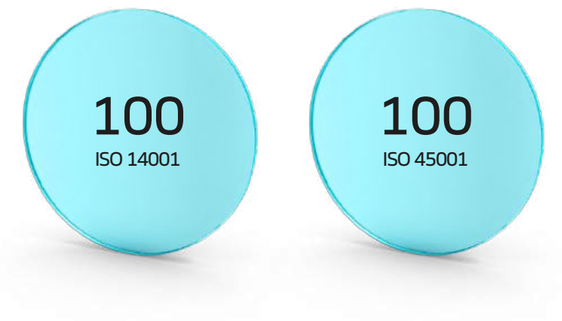
We are establishing structured systems to ensure safety management for suppliers performing a range of tasks, including maintenance and logistics at our sites. This begins with qualification assessments conducted prior to contract signing to evaluate the safety of tasks. We operate a permit-to-work system to rigorously check preparedness against potential hazards that may arise in the field before commenting any work. In tandem with this, facility inspections are made as needed to minimize unsafe blind spots while strengthening risk prevention activities. We regularly convene the supplier health and safety council to provide safety training and gather supplier feedback. We also jointly review hazards identified by suppliers and take corrective action, establishing a mutually-beneficial safety management system with suppliers based on close communication.

Health and Safety Certification

Hankook Tire & Technology pursues the integrated certification of both health and safety management (ISO 45001) and environmental management (ISO 14001) systems. All our eight production plants in Korea and abroad are certified to ISO 45001 and ISO 14001, and our R&D Center (Technodome) is also advancing health and safety management to achieve ISO 45001 certification. All our health and safety organizations collaborate with each other to align our entire health and safety activities with the PDCA (Plan-Do-Check-Act) cycle of the ISO system.

Percentage of ISO-certified Production

(Unit: %)



Health and Safety Risk Management

Risk Management Process

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

To reduce health and safety risks, we perform annual risk assessments that engage all our employees in identifying, assessing, and handling risks in the workplace. This is complemented by non-routine risk assessments to address changes in the working environment, the discovery of near-misses, or the occurrence of health and safety issues. In performing annual routine risk assessments, we provide employees with training and presentations beforehand on relevant procedures to enhance their understanding while developing effective countermeasures for anticipated risks and take corrective action accordingly. Employees are informed of the improvements made through postings and trainings to encourage their continuous participation.

We also facilitate pre-work TBMs (Tool Box Meeting) and are rolling out this initiative across all our plants to assess the risk of both routine and non-routine work and to apply appropriate safety management measures and ensure work is performed safely. We are extending the scope of all of these safety initiatives to include all supplier employees working within our sites, providing support and conducting regular inspections to mitigate health and safety risks.

Crating a Safety-first Culture

To establish a mature safety culture that puts safety first in every circumstance, we have stipulated 'five golden rules' and 'seven rules for safe behavior' while engaging in training and promotion efforts. The five golden rules aim to prevent unsafe behaviors that may potentially develop into high-consequence injuries - no access to equipment under operation, no unauthorized disassembly of or damage to safety devices, mandatory use of designated PPE, mandatory compliance with posted speed limits for forklifts and battery-operated cars, and no smoking outside designated areas. In addition, the 'seven rules for safe behavior' are displayed throughout in-house facilities for employees to easily access in their daily routines, along with promotion and training during morning assembly hours to establish a self-directed safety system. These efforts help us build a safety-first culture where all our shopfloor employees voluntarily abide by the rules that ensure safe behavior.

Enhancing the SHE Assessment System and Preventing High-consequence Injuries

To strengthen our execution of health and safety management system inspections, high-consequence risk inspection plans are developed at each operational site and routine and non-routine inspections are performed to support monitoring focused on shopfloor operations. Training is also provided to health and safety facilitators to ensure the reliable and structured operation of health and safety management and environmental management systems. In 2024, a total of 86 employees, including managers and working-level personnel from our domestic plants and suppliers, attended workshops to receive training on the Serious Accidents Punishment Act and ISO requirements and to engage in risk assessment exercises.

To enhance the effectiveness of risk management, we have also introduced cross-audits for SHE operations. Conducting cross-audits between sites provides fresh perspectives in identifying health and safety risks and facilitates the dissemination of best practices. These audits also support continuous risk management through focused efforts to pinpoint and improve unresolved issues or chronic risks. Meanwhile, the G.Plant SHE Best Practice' system has been introduced for the SHE organization to share best practices among global plants and incorporate them at respective sites. This initiative made significant contributions to fostering continuous improvement and learning and a safety-driven culture emphasized in SIO 45001.

Additionally, we have adopted the 'Safety Siren' program to promote worker engagement and real-time information sharing. This program was institutionalized to instantly alert the field of potential hazards and prevent high-consequence injuries in advance. By identifying shopfloor risks and incorporating the voice of field workers in improvement efforts, this program moved beyond formality to effectively reduce risks and foster a safety-first culture.

Establishing a Safe Working Environment

The LOTO (Lock-Out Tag-Out) system1) is Hankook Tire & Technology's proprietary system designed to ensure the safety of equipment operating at domestic plants and upgrade safety for each of the risk factors for high-consequence injuries. In 2023, we operated the LOTO system on the sample equipment selected for each process, and have since fully rolled out its installation across all domestic plants. We continue with training, execution, and promotion activities to establish and facilitate LOTO procedures to ensure that these procedures are mandated for troubleshooting. Meanwhile, we are increasing the proportion of automated equipment to reduce musculoskeletal strain on workers. We are also expanding equipment protection measures in reflection of risk assessment results and are phasing in facility safety upgrades to deploy safety PLC[1)] to prevent any equipment from malfunctioning.

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

Safety inspection

Employee Health Management

Establishing a Prevention and Response System for Musculoskeletal Issues

Hankook Tire & Technology is working on multiple fronts to protect employees from musculoskeletal disorders. This begins with investigating the tasks that could potentially strain the musculoskeletal system across domestic plants. We then analyze our working conditions and job processes using ergonomic analysis programs. This leads us to identify improvements to reduce physical strains and to pursue engineering improvements for physical burden mitigation through automation and equipment upgrades. For tasks involving repetitive motion or unstable postures, we design standard procedures and make necessary improvements to prevent musculoskeletal diseases.

We operate the musculoskeletal injury mitigation council to analyze potential work-related illnesses, investigate hazards, and regularly collect feedback from shopfloor employees, which informs our efforts to improve work processes and resolve issues on an ongoing basis. For employees experiencing musculoskeletal pain, we provide them with personalized rehabilitation therapy and exercise programs to prevent its progression to more serious conditions. In-house treatment is provided through our in-house clinic, oriental medicine, and exercise physiologists, along with specialized treatment equipment such as extracorporeal shockwave therapy, to enhance our musculoskeletal disorder prevention programs.

These structured efforts enable us to safeguard the musculoskeletal health of our employees and continue with proactive initiatives to prevent relevant illnesses.

Health Checkups and Psychological Counseling for Employees

To promote employee health and disease prevention, we support annual health checkups in addition to statutory checkups. To this end, we partner with hospitals equipped to handle all relevant processes to provide comprehensive health checkups and preemployment health screenings.

To ensure more attentive management of employee health, we have strengthened essential cancer screenings. These include supper endoscopy, abdominal ultrasound, chest CT and other essential cancer screenings, and employees may choose one of the seven optional tests including colonoscopy, which broadened the choices available. Spousal health checkups were also expanded in scope to additionally support abdominal ultrasound in addition to previously covered upper and lower endoscopy. By offering broader health checkup programs, we ensure structured health management for both employees and their families, doing our utmost to prevent diseases.

For the mental well-being of our employees, we assign professional counselors to provide an opportunity to address workplace stress or personal challenges. Wide-ranging communication channels are supported to make it readily available for employees to receive counseling, and on-location counseling is provided so that counseling is also made available outside the workplace.

These mental health initiatives help employees stay focused and productive in a more stable and positive work environment and minimize any impact their personal stress may have on their job performance. Our psychological support services ensure that employees have access to resources promoting a healthy state of mind and ultimately foster a flourishing work environment.

Establishing a Disease Management System

Hankook Tire & Technology has established a robust infectious disease response process to provide a sanitary work environment for employees and prevent any disruption to plant production and operations. To this end, we collaborate with relevant departments at each operational site to enable prompt and systemic response in the event of infectious disease outbreak, and have established the necessary infrastructure for joint response in close cooperation with relevant external agencies.

To ensure preparedness against emergencies, we have organized a crisis management and response team and are fully committed to disease control efforts. Detailed guidelines are developed and disease control activities are reviewed in real time and thoroughly implemented, ensuring a safe workplace for employees. All of these efforts prioritize both productivity and safety, playing a pivotal role in maintaining employee health and uninterrupted plant operations.

Our crisis response system well positions us to flexibly and promptly respond to a range of emergencies, including the outbreak of infectious diseases, providing a safe work environment for all employees on an ongoing basis.

Bolstering Work Environment Monitoring

To keep our employees healthy and provide a pleasant work environment, we conduct workplace environment assessments twice a year to measure exposure levels to hazards covering air quality, noise, lighting, temperature, humidity, and chemicals, and make the results widely available. In summer, we closely monitor workplace temperatures on an hourly basis each day and focus on environmental improvements to prevent heat-related illnesses. This comes in tandem with maintenance and improvement of local ventilation equipment as well as balancing checks and adjustments for air supply/exhaust equipment. We also implement a hearing conservation program to eliminate key noise sources at the process level.

Wellness Center

Community Engagement

We engage in a wide range of corporate philanthropic activities to create social value and fulfill our corporate social responsibility.
Our employees take part in donation and volunteer initiatives at both domestic and overseas operations, working hand in hand with local communities to drive a positive impact.

Employee Engagement

Operating Employee Volunteer Groups

Hankook Tire & Technology transformed spontaneously formed volunteer circles at some plants into company-wide employee volunteer groups in 2013, and formally launched the Donggeurami Employee Volunteer Group. This initiative underpins our commitment to fulfilling corporate social responsibility and driving positive change across local communities. In 2024 alone, our employee volunteer hours in Korea exceeded 12,000 hours, leading the charge in fostering a culture of sharing. Key volunteer activities included mural painting, where employees and their families decorated old walls and social welfare centers with murals to create a more pleasant environment; talent donation led by in-house sports clubs, which provided vulnerable children with opportunities to play sports and build confidence; emotional and housing environment improvements that involved renovating homes of vulnerable groups and supporting the emotional well-being of seniors living alone through wallpapering, flooring, haircuts, and bedding laundry; as well as large-scale winter kimchi-sharing for underprivileged households and blood donation campaigns to help stabilize blood supplies through employees' voluntary donations. In recognition of our sustained contribution to local communities through these wide-ranging volunteer initiatives, we were honored with the Prime Minister's Commendation at the 2024 Korea Volunteer Awards.

Volunteer efforts continue at our overseas operations. At the Hungary Plant, its employee volunteer group improved playground facilities for nearby kindergartens and elementary schools, transforming them into 'eco schools', and painted and repaired benches within school grounds to create more pleasant community spaces. These employees also upgraded public playgrounds to provide a safer and more enjoyable environment for local children.

In China Headquarters, employees engaged in a variety of volunteer activities to foster connections with local communities. Under the 'Hankook Daddy' brand initiative, various programs were implemented that included support for underprivileged children, traditional cultural experiences, and volunteer labor, supporting the healthy and wholesome growth of children. This was paired with educational activities such as visits to the Chongqing national resources museum to teach children about the importance of natural resources. Furthermore, cultural and recreational activities were arranged for elderly community members and activities were implemented to foster close collaboration with social enterprises.

Employees at the Indonesia Plant participate in a wide array of volunteer activities, including providing free meals for children suffering from malnutrition and planting trees across local communities. We will continue to scale up our volunteer efforts, targeting 14,000 volunteer hours in 2025, 16,000 hours by 2030, and 18,000 hours by 2035 in Korea.

Employee Volunteering in 2024

Category	Unit	Korea	Hungary Plant	China Headquarters	Indonesia Plant	TOTAL
Volunteering employees per year on a cumulative basis	Persons	2,995	212	61	127	**3,395**
Volunteering employees on a non-cumulative basis		482	212	61	127	**882**
Total volunteer hours	Hours	12,083	989	521	787	**14,380**
Volunteer hours per employee		1.9	0.3	0.1	0.5	**0.8**

Painting Murals with Families

Expanding Company-wide Corporate Philanthropic Initiatives

Fostering the Value of Sharing through Global Corporate Philanthropic Initiatives

Hankook Tire & Technology undertakes corporate philanthropic initiatives tailored to the unique context and needs of overseas regions, growing together with local communities. We remain committed to driving positive change across diverse areas - road safety, healthcare support, education, and environmental protection.

Our Hungary Plant is carrying out a range of social-giving programs, including tire donations and community sponsorships. In 2024, the plant donated a total of 1,598 tires to 150 small and three large organizations, ensuring safer and more efficient operations for these organizations in need of mobility support. In addition, the plant supported the installation of a nurse call system at local hospitals to make healthcare services more accessible and contribute to the healthcare environment of local communities.

The China Headquarters is actively launching road safety campaigns and supports patients with leukemia and uremia to help improve community welfare. Under the 'Hand-in-Hand' rural development campaign, rural poverty alleviation projects were undertaken in partnership with the City of Shanghai, improving the quality of life for rural residents. The Chongqing Plant provided a basic tire knowledge learning program for local residents on the occasion of the National Transportation Day on June 15. Offering play-themed content combining quizzes and games, this program provided hands-on science education based on tire technology, raising awareness of road safety among community members.

The Indonesia Plant continues to implement corporate philanthropic initiatives aimed at growing together with local communities. Its flagship program includes tire donations to support mobility for

Supporting the Growth of Local Communities

public institutions such as medical and educational facilities. Under the Hanuri education program, the plant provides free technical training to teens from low-income families in the Bekasi region, supporting soft skill enhancement and job competency development for employment. This program engages employees as instructors to facilitate community education. In 2024, the CSR initiative launched to promote infant health and prevent stunting was recognized for its excellence and awarded the Best CSR/TJSLP (in the infant health promotion category) from the Bekasi government. This award highlights the plant's varied social-giving efforts to support the healthy growth and balanced nutrition of local children.

The North America Headquarters has partnered with Habitat for Humanity to improve local housing conditions, supporting home construction for low-income households and redevelopment projects in aging neighborhoods. This project goes beyond simply providing housing; it focuses on laying the groundwork for community members to achieve self-reliance. This project is undertaken in alignment with varying programs that support community revitalization and economic independence, and is expected to contribute to the sustained advancement of local communities.

Acting on the Value of Co-prosperity for Local Communities

As a member of the community in which it is based, Hankook Tire & Technology serves as a force for good in various ways for the underprivileged. Our sharing-driven community activities are most prominent in Daejeon and Geumsan where our R&D Center and plants are located. During the Lunar New Year and Chuseok holidays each year, the Daejeon and Geumsan Plants provide holiday fare and daily necessities to underprivileged groups in local communities. When local communities were hit by floods, they not only directly engaged in recovery efforts but also supported volunteers with nourishment by providing bread and beverages to facilitate swift restoration.

The Daejeon Plant operates the Science Slam D program to offer science education for underprivileged children, helping them foster creative thinking and scientific inquiry skills. The plant also implements a LED lighting replacement project for vulnerable groups to improve energy efficiency and provide a safer living environment. The plant supported facility renovation at a free meal service center in Shintanjin-dong, Daedeok-gu, Daejeon-si where it is located, ensuring meal services are provided in a cleaner and safer setting. In Seokbong-dong, it helped establish a public laundry facility for low-income households, enabling access to clean and hygienic laundry services.

The Geumsan Plant contributes to improving living conditions by repairing deteriorated housing for vulnerable groups. The plant supports the 'Hope Sharing Pantry' in Jewon-myeon, Geumsan-gun where the plant is located to provide essential food and daily necessities, helping to stabilize the lives of underprivileged people in the area. Through the Geumsan Family Counseling Center, the plant supports victims of abuse to ensure they are promptly protected and can return to their normal daily lives. Under the MOU signed with Geumsan-gun and the Geumsan Police Station to support the integration of socially-vulnerable groups, the plant provides a sport spectating event for multicultural families and North Korean defectors to help them settle and adjust. Furthermore, the plant donated KRW 800 million to the Community Chest of Korea in 2024 and KRW 900 million to neighborhood love funds in 2025, fulfilling its role as a company growing hand-in-hand with local communities.

Vehicle Sharing with Social Welfare Centers Nationwide

As part of our mobility-themed corporate philanthropic initiative, we have implemented the vehicle sharing program in partnership with ChildFund Korea in 2024. Under this initiative, we provided a total of 15 vehicles, including Hyundai Staria, Staria Kinder, and Kia EV3 electric vehicles, to social welfare centers nationwide. Specifically, the Staria Kinder is a specially designed vehicle with enhanced child safety features that support safer transportation for child welfare facilities and special education institutions. This model features protective devices for child passengers, reducing the risk of accidents and improving convenient mobility. The adoption of the EV3 also demonstrates our commitment to fostering eco-friendly mobility. Enabling social welfare centers to reduce carbon emissions from their vehicles and pursuing the transition to EVs are aligned with the efforts of Hankook Tire & Technology to advance ESG management and take responsible climate action.

Under the vehicle sharing program launched back in 2008, we have cumulatively donated a total of 642 vehicles to date. This program aims to provide social welfare facilities with improved access to transportation services and enhanced mobility support. Beneficiaries are selected through fair procedures consisting of document screening, external expert evaluations, and on-site inspections. The donated vehicles are expected to enable a more efficient delivery of welfare services. As Hankook Tire & Technology's ongoing flagship corporate philanthropic initiative themed around mobility, this program has contributed to protecting the right to mobility for transportation-vulnerable groups and expanding eco-friendly mobility. Going forward, we will team up with wide-ranging stakeholders to promote social mobility and foster a sustainable transportation environment.

Providing a donation to support the establishment a youth organization in Clarksville, Tennessee, US

Volunteering to deliver coal briquettes to vulnerable households

Receiving the Prime Minister's Commendation at the 2024 Korea Volunteer Awards

Interview with a Beneficiary from the Vehicle Sharing Program

“Driving fueled by the dreams of children”

Interview with the Director of the Sacheon YWCA Kkumsaem Community Child Center

Q. Please briefly introduce your organization.

The Sacheon YWCA Kkumsaem Community Child Center is located in the City of Sacheon, South Gyeongsang Province. We protect vulnerable children by providing the local community with protection, education, emotional support, family welfare, and cultural experience programs. Currently 25 children use our center and participate in a range of growth support activities.

Q. How was the condition of your previous vehicle?

Our 2008 model Starex was over 15 years old and was in very poor condition. It was difficult to open and close the door and the seats and seat belts were damaged. As you can imagine, all this posed a serious mobility and safety threat to the children. The vehicle’s poor condition was especially evident when we had to drive long distances for school commutes and field trips.

Q. How has the vehicle donated by Hankook & Company and Hankook Tire & Technology helped your organization in meaningful ways?

The Staria Kinder that Hankook & Company and Hankook Tire & Technology so generously donated is perfectly suited to our transportation needs for the children. I can’t thank them enough for the special support they provided and the special consideration they showed for the central priority of our organization: namely, the safety of our children. This vehicle is spacious and is equipped with cutting-edge safety features, supporting a much safer and a more pleasant ride for children, while also providing me a great relief as a guardian. The children love this new vehicle and love riding in it.

Q. How would the members of your center introduce this vehicle?

They would say, “This vehicle is as reliable as our own feet, as trusted as a good friend.” This vehicle is almost like a family member: it is always waiting ready to take us where we need to go. When we are tired, we can just get in, smile and travel together. It is so cherished that some of our children have already nicknamed it!

Q. How have things changed following the introduction of this new vehicle?

We have much more peace of mind in knowing our vehicle is safe, which has made it far easier for us to participate in a variety of hands-on programs. Specifically, since we got the Staria Kinder, the children have become naturally more aware of road safety and now independently ensure their seatbelts are fastened. As we are able to access many more off-site activities through the use of this vehicle, it has broadened the children’s access to external experiences and improved their emotional stability.

Q. Lastly, please tell us your thoughts about this vehicle sharing program.

Local children’s centers struggle to provide children with a better environment with limited resources. Given these circumstances, the Staria Kinder, as it is designed especially for children’s safety, is much more than just a vehicle donation: it journeys together with the children’s hopes and dreams. We are so thankful to Hankook & Company and Hankook Tire & Technology for their generous gift and will continue to do our utmost to ensure the health and safety of children.

Interview with a Beneficiary from the Vehicle Sharing Program

“Give wings to multicultural family support through vehicle sharing”

Interview with the Director of the Chuncheon Family Center

Q. Tell us about your organization.

The Chuncheon Family Center is a reliable partner for multicultural families in Chuncheon, and supports these families in settling and thriving in their local community. In particular, we support multicultural families living around the periphery of the city with various services such as counseling, education, and case management.

Q. What difficulties did you face before becoming a beneficiary of this vehicle sharing program?

Most multicultural families using our center were living quite far away along the edges of the city, with extremely low accessibility. Previously, we had only one Spark vehicle which was over 15 years old, and this worn-out car posed great limitations both in terms of safety and agile mobility. It was difficult to immediately respond when there was an urgent request for case management or support.

Q. How did your organization benefit through this vehicle sharing program?

In 2024, we were provided with the EV3 electric vehicle under the vehicle sharing program of Hankook & Company and Hankook Tire & Technology, which greatly improved our operational mobility. Our diverse services were delivered in a faster and safer way, including case management visits, emergency supplies, and Korean language education.

Q. What was the most memorable moment after receiving the vehicle?

The first time we drove it, the children came up excitedly, exclaiming, “Wow! Do we get to ride in this car?”. It was such an unforgettable moment. Parents were also reporting how happy they were to be able to visit the center on rainy days without worrying so much. This car is literally a warm-hearted gift for all of us.

Q. What’s your plan for using the EV3 going forward?

Currently, we are using this vehicle for emergency visits, family counseling, and educational activities. Moving forward, we will expand its application to include local community campaigns and on-location programs. The fact that this is an electric vehicle also helps convey a positive message across local communities.

Q. Do you have any last thoughts for Hankook & Company and Hankook Tire & Technology?

For field institutions such as our center, vehicle support means much more than just a means of transportation. The EV3 helps improve both speed and quality in our support for multicultural families, and brings tangible change to the families using our center. We sincerely thank you for this.

Road Safety Initiative to Protect Children from Traffic Accidents

Hankook Tire & Technology engages in a wide array of corporate philanthropic initiatives to uphold the right to safe mobility for children. We are specifically focused on enhancing traffic safety in school zones and supporting road safety education to foster a sustainable transportation environment. To promote road safety for children, we have installed protective fences in the school zone of Saeyeoul Elementary School in Daedeok-gu, Daejeon-si, to make it safer for children to commute to and from school. These fences help prevent accidents between vehicles and pedestrians and build road safety infrastructure for children in partnership with local communities. We will further scale up these efforts to install protective fences around school zones, fostering even safer commuting environments for children. As to traffic safety education, we have opened and are operating the Driving School for underprivileged children at the Daejeon Transportation Culture Training Center. This program provides road safety education and hands-on mobility education, helping children learn about proper traffic practices and ensuring safe transportation. The Driving School supports our efforts to prevent traffic accidents involving children and raise awareness of traffic safety. We will continue to expand these educational programs going forward.

Partnering with Yellow Bus, a school bus sharing service provider, we operate school buses across Gyeonggi-do under the slogan 'making safety even safer', supporting safe transportation for children. These buses are equipped with four-point seat belts used in race cars and with our truck and bus radial high-performance tires, incorporating Hankook Tire & Technology's cutting-edge technology directly into their operation.

These road safety initiatives, where advanced technology meets care, embody Hankook Tire & Technology's commitment to building a safer tomorrow for children.

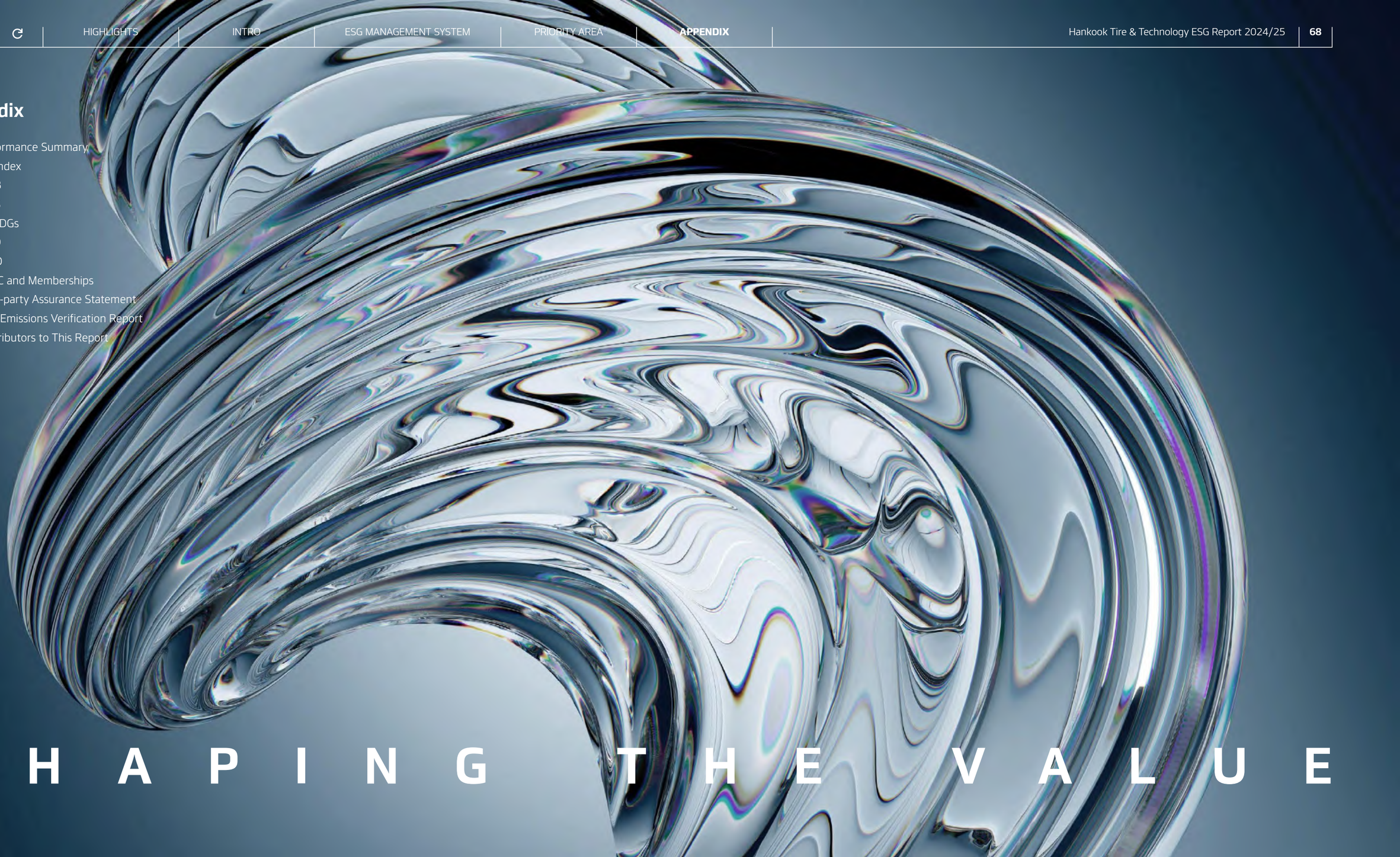
Volunteer Appreciation Concert

Each year, we host concerts to express our heartfelt gratitude to volunteers in the Daejeon community. In November 2024, the concert was held at the Daejeon Expo Citizen Plaza, honoring the dedication of volunteers who have quietly served in the not-so-visible areas for disaster recovery and river cleanups and fostering the culture of volunteerism. This appreciation concert began in 2012 in the form of a musical and has evolved into a meaningful event to celebrate the efforts of volunteers and social welfare workers in Daejeon. This program consists of a video review of Hankook Tire & Technology's corporate philanthropic activities and various musical performances, offering both inspiration and relaxation to the audiences. Starting with an audience of just 400 in 2012, the concert has grown progressively to welcome over 2,000 participants in 2024. Our appreciation concert will go beyond a mere cultural event to become a meaningful occasion for cultural sharing for us to reach out to local communities and express gratitude for the dedication of volunteers.

Yellow bus

Volunteer appreciation concert

Appendix



Performance Summary

Economic Performance (consolidated)

Item		Unit	2020	2021	2022	2023	2024
Sales		KRW million	6,453,072	7,141,137	8,394,203	8,939,621	9,411,948
Sales breakdown by region[1]	Europe	%	35.6	37.9	37.6	39.3	43.6
	Americas		31.6	32.4	31.4	29.7	26.3
	Korea		12.6	11.0	10.7	10.2	10.6
	China		12.9	12.6	11.0	11.3	9.7
	Middle East, Africa, Asia Pacific		7.3	6.1	9.3	9.5	9.7
Cost of sales		KRW million	4,550,060	5,193,837	6,291,656	6,043,640	5,943,938
Gross income			1,903,012	1,947,299	2,102,547	2,895,982	3,468,010
Operating income			628,270	642,193	705,818	1,327,945	1,762,260
Income before tax			578,268	712,853	858,354	1,171,219	1,573,822
Income tax			193,063	118,139	152,579	442,426	442,724
Net income			385,205	594,714	705,775	728,793	1,131,098
Other comprehensive income			(43,441)	272,900	9,576	122,695	592,224
Total comprehensive income			341,764	867,613	715,351	851,488	1,723,322
Total assets			10,658,548	11,694,297	12,581,364	12,763,306	15,849,745
Total liabilities			3,246,400	3,498,782	3,705,655	3,133,753	4,654,892
Total equity			7,412,148	8,195,514	8,875,709	9,629,553	11,194,853
Patent granted	Domestic	Cases	53	67	68	47	41
	Overseas		76	57	62	55	28
Patent applications	Domestic		85	85	77	92	177
	Overseas		67	38	23	15	37

1) Based on tire sales

Environmental Performance

Item	Unit	2020	2021	2022	2023	2024
Percentage of products for which LCAs were conducted (based on quantities)	%	25.2	30.1	32.0	38.7	44.2

Consumption of key raw materials

Intensity (Unit: Ton/ton of finished products)

Item	Unit	2020	2021	2022	2023	2024
Natural rubber	Ton	290,076	284,071	298,923	283,580	295,288
Synthetic rubber		240,218	238,013	240,599	226,024	217,830
Carbon black		245,082	242,373	253,044	236,776	243,628
Textile-cord		45,952	45,942	47,543	40,301	47,043
Steel-cord		107,939	105,516	110,132	103,880	108,180
Bead wire		48,179	47,888	50,633	48,933	42,510
Total	**Ton**	**977,446**	**963,803**	**1,000,874**	**939,494**	**954,479**

Environmental Performance

Water Withdrawal

Intensity (Unit: m^3/ton of finished products)

5.35	5.55	5.16	5.13	4.79

Plant		Unit	2020	2021	2022	2023	2024
Daejeon Plant	Municipal water	m^3	1,315,752	1,258,048	1,431,463	950,794	747,441
	Ground water		101,981	104,520	68,194	40,181	47,727
Geumsan Plant	Municipal water		1,513,789	1,602,293	1,597,845	1,560,562	1,426,235
	Ground water		0	0	0	0	0
Jiangsu Plant	Municipal water		670,418	752,942	551,741	696,568	680,290
	Ground water		0	0	0	0	0
Jiaxing Plant	Municipal water		687,010	724,699	687,317	744,373	784,350
	Ground water		0	0	0	0	0
Chongqing Plant	Municipal water		573,517	571,481	465,974	557,848	682,537
	Ground water		0	0	0	0	0
Hungary Plant	Municipal water		315,692	355,375	383,466	357,570	373,830
	Ground water		90,846	113,636	103,418	95,819	103,669
Indonesia Plant	Municipal water		571,954	538,565	544,531	551,023	572,107
	Ground water		0	0	0	0	0
Tennessee Plant	Municipal water		152,372	133,489	146,891	152,231	166,361
	Ground water		0	0	0	0	0
Total		**m^3**	**5,993,331**	**6,155,048**	**5,980,840**	**5,706,969**	**5,584,547**

Discharge of Treated Wastewater

Intensity (Unit: m^3/ton of finished products)

1.38	1.56	1.49	1.63	1.57

Plant	Unit	2020	2021	2022	2023	2024
Daejeon Plant	m^3	71,386	68,083	47,724	87,338	52,297
Geumsan Plant		108,775	204,288	316,956	295,452	354,897
Jiangsu Plant		361,905	465,431	447,878	574,595	563,801
Jiaxing Plant		465,693	482,627	446,746	384,131	432,769
Chongqing Plant		284,148	224,459	172,672	214,174	186,829
Hungary Plant		136,083	166,481	182,681	171,456	138,927
Indonesia Plant		31,303	32,131	33,190	15,633	12,493
Tennessee Plant		85,716	87,541	72,800	66,821	86,618
Total	**m^3**	**1,545,009**	**1,731,041**	**1,720,648**	**1,809,600**	**1,828,631**

Recycling of Treated Wastewater

Percentage of total (Unit: %)

52.8	50.8	52.6	49.5	46.3

Plant	Unit	2020	2021	2022	2023	2024
Daejeon Plant	%	89.3	88.4	92.4	82.6	88.0
Geumsan Plant		86.0	74.9	62.7	63.6	59.0
Jiangsu Plant		16.4	6.7	18.7	16.7	17.7
Jiaxing Plant		0	33.1	38.1	41.2	10.6
Chongqing Plant		17.2	26.6	27.2	30.5	35.8
Hungary Plant		17.2	13.7	9.0	10.5	9.9
Indonesia Plant		90.8	89.7	91.0	95.6	96.9
Tennessee Plant		0	0	0	0	0

Environmental Performance

Discharge of Suspended Solids (SS)

Intensity (Unit: g/ton of finished products)

Plant	Unit	2020	2021	2022	2023	2024
Daejeon Plant	Ton	0.4	0.3	0.3	0.8	0.3
Geumsan Plant		0.2	0.7	0.7	0.7	1.1
Jiangsu Plant		3.2	3.5	5.8	5.6	6.9
Jiaxing Plant		3.6	5.9	6.0	6.5	10.8
Chongqing Plant		3.7	5.4	2.2	7.5	2.7
Hungary Plant		1.3	1.0	0.4	0.5	0.4
Indonesia Plant		1.4	2.7	1.8	0.3	0.3
Tennessee Plant		5.7	6.6	4.6	6.9	9.2
Total	**Ton**	**19.5**	**26.0**	**21.8**	**28.7**	**31.7**

Waste Treatment

Intensity (Unit: Kg/ton of finished products)

Item		Unit	2020	2021	2022	2023[1]	2024
Recycling	Non-hazardous waste	Ton	35,879	36,496	34,703	35,214	38,066
	Hazardous waste		2,385	2,942	2,572	2,845	3,576
Incineration	Non-hazardous waste		3,407	2,982	4,540	4,928	4,487
	Hazardous waste		2,573	1,820	2,307	2,611	2,361
Landfill	Non-hazardous waste		4,415	4,980	4,274	3,569	2,815
	Hazardous waste		419	383	254	226	203
Total		**Ton**	**49,077**	**49,603**	**48,650**	**49,394**	**51,508**

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

Energy Consumption

Intensity (Unit: GJ/ton of finished products)

Item	Unit	2020	2021	2022	2023	2024
Fuel	GJ	4,257,385	4,501,513	4,572,434	4,760,054	4,594,967
Purchased electricity		5,374,855	5,322,029	5,409,855	5,224,239	5,365,414
Renewable energy		53,337	65,859	134,957	67,515	93,327[1]
Purchased steam		2,381,085	2,136,910	2,154,324	1,596,851	1,537,568
Total	**GJ**	**12,066,662**	**12,026,312**	**12,271,571**	**11,648,660**	**11,591,275**

1) Does not include 39,211GJ sourced through Renewable Energy Certificate purchases

Environmental Performance

GHG Emissions

Plant		Unit	2020	2021	2022	2023	2024
Daejeon Plant	Scope 1	tCO2-eq	47,336	42,026	43,575	43,571	38,538
	Scope 2		149,637	144,508	154,651	86,811	78,720
Geumsan Plant	Scope 1		75,953	71,424	75,383	80,835	79,413
	Scope 2		174,795	163,384	172,730	181,945	183,521
Jiangsu Plant	Scope 1		1,138	857	818	868	852
	Scope 2		166,766	152,121	154,147	169,230	169,553
Jiaxing Plant	Scope 1		1,624	1,445	1,607	1,537	2,068
	Scope 2		164,633	156,690	157,543	165,291	178,953
Chongqing Plant	Scope 1		22,929	23,090	21,739	22,210	25,687
	Scope 2		64,898	68,762	65,367	54,232	57,821
Hungary Plant	Scope 1		42,085	48,269	50,176	44,442	42,907
	Scope 2		43,484	49,028	43,238	45,785	42,042
Indonesia Plant	Scope 1		33,249	33,905	31,592	33,025	31,329
	Scope 2		101,002	99,061	102,214	96,757	100,090
Tennessee Plant	Scope 1		17,349	19,770	20,591	18,170	18,985
	Scope 2		30,000	29,817	29,553	30,550	30,268
Key offices[2]	Scope 1		2,759	2,376	2,320	2,114	2,101
	Scope 2		10,399	10,938	11,265	10,816	10,927
Subsidiaries[3]	Scope 1		1,917	2,345	603	453	1,736
	Scope 2		13,327	10,985	13,754	12,958	13,703
Total	**Scope 1**	**tCO2-eq**	**246,339**	**245,507**	**248,404**	**247,224**	**243,616**
	Scope 2		**918,942**	**885,294**	**904,461**	**854,375**	**865,598**
	Scope 1 + Scope 2		**1,165,281**	**1,130,801**	**1,152,865**	**1,101,599**	**1,109,213**

1) Based on eight plants
2) Technoplex, Technodome, and Engineering Lab
3) Hankook Precision Works, Hankook Engineering Works, Model Solution, Hankook Donggeurami Partners

Reduction of GHG Emissions

Plant	Unit	2020	2021	2022	2023	2024
Plants in Korea	tCO2-eq	31,810	19,830	23,817	12,845	12,308
Plants overseas		11,879	34,658	31,816	12,482	24,043
Total	**tCO2-eq**	**43,689**	**54,488**	**55,633**	**25,237**	**36,351**

Savings in Energy and Carbon Expenses

Plant	Unit	2020	2021	2022	2023	2024
Plants in Korea	KRW 100 million	26.30	16.37	33.13	37.28	48.86
Plants overseas		5.11	63.48	43.00	36.02	66.98
Total	**KRW 100 million**	**31.41**	**79.85**	**76.13**	**73.30**	**115.84**

Energy Saving Project Investment Expenses

Plant	Unit	2020	2021	2022	2023	2024
Plants in Korea	KRW 100 million	7.53	2.64	7.37	13.46	28.57
Plants overseas		4.79	11.94	29.78	38.37	66.60
Total	**KRW 100 million**	**12.32**	**14.58**	**37.14**	**51.82**	**95.17**

Social Performance

Employee Profile

Item			Unit	2020	2021	2022	2023	2024
Total employees	Korea		Persons	6,503	6,523	6,781	6,278	6,228
	Overseas (expatriates)			226	221	209	207	240
	Overseas (locally hired)			13,171	12,849	12,797	13,029	13,224
	Total			19,900	19,593	19,787	19,514	19,692
New hires	Office workers in Korea		Persons	72	106	188	142	198
	Operators in Korea			198	255	530	90	126
	Office workers overseas			245	337	345	335	388
	Operators overseas			860	772	896	1,060	984
By job category	Office workers		Persons	4,606	4,543	4,585	4,692	4,832
	Operators			15,294	15,050	15,202	14,822	14,860
By type of employment	Regular	Male	Persons	17,788	17,385	17,155	17,113	17,212
		Female		1,924	1,957	2,044	2,151	2,194
	Percentage of regular employees		%	99.1	98.7	97.0	98.7	98.5
	Non-regular	Male	Persons	177	236	566	225	271
		Female		11	15	22	25	15
	Percentage of non-regular employees		%	0.9	1.3	3.0	1.3	1.5
	Full Time	Male	Persons	17,965	17,621	17,721	17,338	17,483
		Female		1,935	1,972	2,066	2,176	2,209
	Part Time	Male	Persons	0	0	0	0	0
		Female		0	0	0	0	0
By type of employment and region	Regular	Korea	Persons	6,354	6,524	6,441	6,281	6,219
		China		6,592	6,364	6,313	6,286	6,297
		Europe		3,545	3,462	3,447	3,585	3,689
		Americas		1,273	1,230	1,186	1,305	1,431
		Middle East and Asia Pacific		1,948	1,762	1,812	1,807	1,770
		Total		19,712	19,342	19,199	19,264	19,406
	Non-regular	Korea	Persons	149	220	549	204	249
		China		28	21	21	20	20
		Europe		4	2	7	9	9
		Americas		4	5	5	12	7
		Middle East and Asia Pacific		3	3	6	5	1
		Total		188	251	588	250	286

Item			Unit	2020	2021	2022	2023	2024
By region	Korea		Persons	6,503	6,744	6,781	6,485	6,468
	China			6,620	6,385	6,388	6,306	6,317
	Europe			3,549	3,464	3,511	3,594	3,698
	Americas			1,277	1,235	1,243	1,317	1,438
	Middle East and Asia Pacific			1,951	1,765	1,864	1,812	1,771
	Total			19,900	19,593	19,787	19,514	19,692
By age group	Under 30		%	20.1	18.2	18.2	16.6	15.9
	30 - 50			69.5	70.1	69.1	69.9	69.4
	Over 50			10.4	11.7	12.8	13.5	14.7
By gender	Male		%	90.3	89.9	89.6	88.8	88.8
	Female			9.7	10.1	10.4	11.2	11.2
Non-employee workers (workers from suppliers, workers not directly employed by the company)	Subcontractors for plants in Korea		Persons	Approx. 1,400	Approx. 1,400	Approx. 1,400	Approx. 1,130	Approx. 1,140
Parental leave (Korea)	Employees whose parental leave ended in the reporting year		Persons	96	90	128	90	88
	Employees who returned to work			89	85	120	83	84
	Return-to-work rate		%	92.7	94.4	93.8	97.8	95.5
	Employees eligible for parental leave by gender	Male	Persons	2,129	2,015	1,881	1,704	1,517
		Female		97	101	99	89	97
	Employees who took parental leave by gender	Male	Persons	69	95	145	90	87
		Female		27	30	24	26	34
	Employees who returned to work after parental leave by gender	Male	Persons	66	66	109	70	62
		Female		23	19	19	13	22
	Employees who returned and worked 12 months after parental leave by gender	Male	Persons	38	67	62	70	48
		Female		20	24	16	7	18
Parental leave (overseas)	Employees whose parental leave ended in the reporting year		Persons	43	32	33	33	32
	Employees who returned to work			27	27	33	33	32
	Return-to-work rate		%	62.8	84.4	100.0	100.0	100.0
Female employees	Percentage of females		%	9.7	10.1	10.4	11.2	11.2
	Percentage of female leaders			7.5	8.4	7.7	8.0	8.1
	Proportion of female managers (assistant and senior manager positions)			15.9	16.6	17.0	17.1	17.7
	Percentage of female managers (assistant manager or higher positions)			15.5	16.2	16.6	16.7	17.2
	Percentage of females in STEM positions			8.2	9.7	10.9	10.5	12.5

Social Performance

Employee Profile

Item			Unit	2020	2021	2022	2023	2024
Female employees	Percentage of female employees in sales management departments		%	19.1	19.2	19.9	19.6	20.4
	Female executives		Persons	2	2	2	3	4
Diversity	Employees with disabilities (Korea)[1]		Persons	139	141	163	154	150
Recruitment	New hires by gender	Male	Persons	1,091	1,158	1,550	1,226	1,347
		Female		284	312	409	401	349
	Percentage of new hires by gender	Male	%	79.3	79.0	79.1	75.4	79.4
		Female		20.7	21.0	20.9	24.6	20.6
	New hires by age group	Under 30	Persons	865	826	1,196	858	919
		30 - 50		458	558	662	677	665
		Over 50		52	86	101	92	112
	Percentage of new hires by age group	Under 30	%	62.9	56.0	61.0	52.7	54.2
		30 - 50		33.3	38.0	33.8	41.6	39.2
		Over 50		3.8	6.0	5.2	5.7	6.6
	New hires by region	Korea	Persons	270	361	718	232	324
		China		243	274	255	214	195
		Europe		433	409	503	648	576
		Americas		384	364	318	448	526
		Middle East and Asia Pacific		45	62	165	85	75
	Percentage of new hires by region	Korea	%	19.6	24.6	36.8	14.3	19.1
		China		17.7	18.6	13.1	13.2	11.5
		Europe		31.5	27.8	25.8	39.8	34.0
		Americas		27.9	24.8	16.3	27.5	31.0
		Middle East and Asia Pacific		3.3	4.2	8.5	5.2	4.4
	Overseas recruitment	Total number of employees overseas	Persons	13,397	13,070	13,006	13,236	13,464
		Number of expatriates		226	221	209	207	240
		Number of locally-hired employees		13,171	12,849	12,797	13,029	13,224
		Percentage of locally-hired employees	%	98.3	98.3	98.4	98.4	98.2
		Number of locally hired managers[2]	Persons	982	1,004	1,005	1,030	1,110
		Percentage of locally hired managers[2]	%	81.3	82.0	82.8	83.3	82.2

Item			Unit	2020	2021	2022	2023	2024
Turnover	Turnover rate		%	10.7	13.5	13.7	9.7	9.3
	Turnover by gender	Male	Persons	1,792	2,218	2,209	1,497	1,466
		Female		340	429	507	400	371
	Turnover rate by gender	Male	%	84.1	83.8	81.3	78.9	79.8
		Female		15.9	16.2	18.7	21.1	20.2
	Turnover by age group	Under 30	Persons	1,077	1,263	1,188	610	828
		30 - 50		874	1,127	1,269	952	873
		Over 50		181	257	259	335	136
	Turnover rate by age group	Under 30	%	50.5	47.7	43.7	32.2	45.1
		30 - 50		41.0	42.6	46.7	50.2	47.5
		Over 50		8.5	9.7	9.5	17.7	7.4
	Turnover by job category	Office workers	Persons	478	681	685	468	503
		Operators		1,654	1,966	2,031	1,429	1,334
	Voluntary turnover rate		%	7.3	10.7	11.0	7.4	7.2
	Percentage of internal hiring			85.6	74.5	71.5	85.1	79.9
Average years of employment (Korea)			Years	16.2	16.4	16.1	17.3	17.1
Performance and compensation (Korea)	Percentage of employees who received regular performance evaluations		%	99.3	99.4	99.5	99.4	99.8
Grievance handling (Korea)	Number of grievances handled		Cases	19	8	4	4	4
Labor union (Korea)	Number of employees eligible for union membership		Persons	4,352	4,309	4,430	4,410	4,347
	Number of unionized employees			4,111	4,206	4,317	4,082	3,946
	Percentage of unionized employees		%	94.5	97.6	95.0	92.6	90.8
Health and safety[3]	LTIFR (employees)[4]		%	5.4	8.0	8.8	10.2	6.2
	LTIFR (suppliers)[5]			3.7	5.5	9.3	12.7	12.4
	OIFR (employees)[6]			3.11	5.68	5.62	7.48	4.13

1) Based on the number of employees with disabilities in December as stated in the specifics of inclusive employment levy calculations
2) Restated the data to reflect revised criteria for managerial positions
3) Calculated the number of employees based on global plant employees only until 2021, and have calculated based on total employees in Korea and employees at overseas plants since 2022
4) LTIFR: Lost-Time Injuries Frequency Rate
5) Based on the Daejeon and Geumsan Plants
6) OIFR: Occupational Illness Frequency Rate
7) Employee breakdown by nationality: Korean 33.2%, Chinese 32.1%, Hungarian 13.8%, Indonesian 8.0%, American 6.6% / Breakdown of employees in management positions by nationality: Chinese 35.2%, Korean 35.1%, Hungarian 15.2%, American 7.0%, Indonesian 4.3%

Social Performance

Female-to-Male Wage Ratio by Job Position[1)]

Item		Unit	2020	2021	2022	2023	2024
Executives (based on total salary)	Female-to-male wage ratio (female/male)	%	94	97	95	94	97
	Female-to-male wage ratio for identical job positions (female/male)		99	101	101	100	106
Executives (based on total salary + incentives)	Female-to-male wage ratio (female/male)		79	93	85	84	83
	Female-to-male wage ratio for identical job positions (female/male)		98	99	100	100	106
Managerial positions (based on total salary)	Female-to-male wage ratio (female/male)		79	80	79	80	77
	Female-to-male wage ratio for identical job positions (female/male)		93	98	98	87	89
Managerial positions (based on total salary + incentives)	Female-to-male wage ratio (female/male)		80	80	80	81	76
	Female-to-male wage ratio for identical job positions (female/male)		95	99	97	89	89
Non-managerial positions	Female-to-male wage ratio (female/male)		88	91	91	91	90
	Female-to-male wage ratio for identical job positions (female/male)		86	93	94	91	94

1) There are no gender-based differences in entry level salaries, and wage levels are determined based on performance evaluations and years of service.

Employee Training

Item		Unit	2020	2021	2022	2023	2024
Training hours per person	Office workers	Hours	24.7	65.4	60.1	60.7	69.3
	Operators		17.6	27.1	23.5	30.7	33.9
	Total		20.5	36.0	32.0	38.8	43.9
Training expenses per person		KRW 1,000	107	171	106	112	139
Sexual harassment prevention and human rights training (Korea)		Persons	6,445	6,347	6,507	6,098	5,863

Suppliers

Item		Unit	2020	2021	2022	2023	2024
Supplier ESG assessment	Korea	Companies	86	213	210	296	185
	Overseas		24	108	203	119	161
	Total		110	321	413	415	346
Supplier complaints handled[1)]		Cases	11	19	10	12	15

1) The majority of inquiries were related to basic system usage, and 100% were successfully resolved.

Customers

Item	Unit	2020	2021	2022	2023	2024
Consumer feedback and complaints (Korea)[1)]	Cases	-	84	78	83	75
Customer complaints concerning data privacy (Korea)		4	2	5	6	4
Recalled products (based on the number of vehicles)[2)]	Vehicles	107	68	67.5	24	23.25
Recall expenses against sales	%	0.001	0.006	0.004	0.0001	0.0001
Tires subject to non-voluntary recalls	Tires	0	0	0	0	0

1) Data has been disclosed since 2021.
2) 2021-2024 figures were collected based on tire counts, and were converted to vehicle units through a simple calculation.

Social Performance

Corporate Philanthropy

Item		Unit	2020	2021	2022	2023	2024
Corporate philanthropic expenses	Cash donations[1]	KRW million	3,496	3,396	3,730	2,693[2]	2,553
	In-kind donations		573	4033	673	3,368[3]	1,338
	Total		4,069	7,429	4,403	6,061	3,891
	Percentage out of consolidated sales	%	0.06	0.09	0.05	0.06	0.04
Volunteering (Korea, Hungary, Indonesia)	Total volunteer hours	Hours	4,995	7,642	9,133	11,654	14,380
	Total volunteer hours converted into monetary value	KRW 1,000	96,789	213,749	311,298	419,860	579,139
	Cumulative annual number of employee volunteers	Persons	526	2,627	1,704	2,688	3,395
	Non-cumulative number of employee volunteers		425	1,685	644	822	882
	Total volunteer activities	Cases	81	98	189	316	432
	Volunteer hours per person	Hours	0.5	0.4	0.6	0.7	0.8
Corporate philanthropic management expenses (wages paid to corporate philanthropic personnel at each operational site, etc.)		KRW 1,000	422,688	463,313	487,751	523,736	791,091

1) Main beneficiaries: Community Chest of Korea, Federation of Volunteers in Daejeon, Community Welfare Council in Geumsan-gun
2) Include KRW 2.77 billion paid in cash compensation for the fire which occurred at the Daejeon Plant in 2023
3) Include KRW 530 million paid in in-kind compensation for the fire which occurred at the Daejeon Plant in 2023

Membership Fees Paid to Organizations/Associations Influential to Policy Outcomes

Item		Unit	2020	2021	2022	2023	2024
Political donations		KRW million	0	0	0	0	0
Trade associations, chambers of commerce and industry, etc.[1]	Korea Tire Manufacturers Association, USTMA, ETRMA, TIP (Tire Industry Project), WBCSD, KBCSD[2], Korea Employers' Federation, Korea Chamber of Commerce & Industry, etc.		1,494	1,490	1,766	2,212	2,730
Total membership fees paid to organizations/ associations influential to policy outcomes			1,494	1,490	1,766	2,212	2,730

1) Ranking by membership fees paid
   1. ETRMA (European Tyre and Rubber Manufacturers' Association): KRW 862 million
   2. TIP (Tire Industry Project): KRW 551 million
   3. USTMA (U.S. Tire Manufacturers Association): KRW 495 million
   4. KOTMA (Korea Tire Manufacturers Association): KRW 280 million
   5. WBCSD (World Business Council for Sustainable Development): KRW 140 million
2) KBCSD (Korea Business Council for Sustainable Development): KRW 20 million

Government Grants

Project	Task	Supervising Team	Total Development Period	Government Grants (Unit: KRW) Total Grants Received During the Development Period	2022	2023	2024
Developing smart tires with integrated multi-sensors for enhanced vehicle safety	Develop automotive smart tires with embedded 1Hz-grade multi-sensors to advance safety and functionality in future vehicles	Mobility Solution Project	Apr. 2023 - Dec. 2026	400,000,000	0	100,000,000	100,000,000
Localizing core strategic materials under the materials and parts technology development program	Develop ultra-wear-resistant butadiene elastomer materials for tires	Advanced Compound Project	Apr. 2020 - Dec. 2024	173,000,000	60,000,000	70,000,000	43,000,000
Developing technologies for repurposing end-of-life molds into resources and manufacturing precision molds	Develop ± 0.03 mm precision micro-pattern tire mold production technology using additive manufacturing	Material Planning Team	Jul. 2024 - Dec. 2027	1,050,000,000	0	0	150,000,000
Developing materials and parts for electric vehicles in response to regulations of non-exhaust emissions (Euro 7)	Develop tires with reduced wear particles by considering braking characteristics unique to EVs	Advanced Compound Project	Jul. 2024 - Dec. 2028	112,500,000	0	0	12,500,000
	Develop evaluation and demonstration technologies for wear particles generated by eco-friendly vehicles in alignment with international standards	SHE Research Team	Jul. 2024 - Dec. 2028	115,000,000	0	0	15,000,000

GRI Index

General Disclosure

Disclosure	no.	Reporting Requirement	Page	Note
The organization and its reporting practices	2-1	Organizational details	p. 10	
	2-2	Entities included in the organization's sustainability reporting	p. 8	
	2-3	Reporting period, frequency, and contact point		
	2-4	Restatements of information	p. 74	
	2-5	External assurance	p. 88~90	
Activities and workers	2-6	Activities, value chain and other business relationships	p. 16	
	2-7	Employees	p. 73	
		Employee breakdown by age group		
		Employee breakdown by gender and by type of employment contract		
		Employee breakdown by region and by type of employment contract		
		Employee breakdown by gender and by type of employment		
	2-8	Workers who are not employees	p. 73	
Governance	2-9	Governance structure and composition	p. 23	
	2-10	Nomination and selection of the highest governance body	p. 22	
	2-11	Chair of the highest governance body	p. 23	
	2-12	Role of the highest governance body in overseeing the management of impacts	p. 22	Financial Report
	2-13	Delegation of responsibility for managing impacts		
	2-14	Role of the highest governance body in sustainability reporting		
	2-15	Conflicts of interest	p. 23	Corporate Governance Report
	2-16	Communication of critical concerns	p. 18	
	2-17	Collective knowledge of the highest governance body	p. 24	
	2-18	Evaluation of performance of the highest governance body	p. 25	
	2-19	Remuneration policies		
	2-20	Process to determine remuneration		
	2-21	Annual total compensation ratio		

Disclosure	no.	Reporting Requirement	Page	Note
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	2-23	Policy commitments	p. 51	
	2-24	Embedding policy commitments	p. 51~52	
	2-25	Processes to remediate negative impacts	p. 28	
	2-26	Mechanisms for seeking advice and raising concerns	p. 27~28, 52	
	2-27	Compliance with laws and regulations	p. 79	
	2-28	Membership associations	p. 87	
Stakeholder engagement	2-29	Approach to stakeholder engagement	p. 31	
	2-30	Collective bargaining agreements	p. 74	
Disclosure on material topics	3-1	Process to determine material topics	p. 32	
	3-2	List of material topics	p. 33	
	3-3	Management of material topics	p. 34	

Material Topics

Material Issue	Disclosure	no.	Reporting Requirement	Disclosure	Page	Note
Climate change mitigation (E)	Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change		p. 83~85	
	Energy	302-1	Energy consumption within the organization		p. 71	
		302-2	Energy consumption outside the organization		p. 85	
		302-3	Energy intensity		p. 71	
	Emissions	305-1	Direct (Scope 1) GHG emissions		p. 72	
		305-2	Energy indirect (Scope 2) GHG emissions	Location-based emissions	p. 90	
				Market-based emissions	p. 72	
		305-3	Other indirect (Scope 3) GHG emissions		p. 85	
		305-4	GHG emissions intensity		p. 72	
		305-5	Reduction of GHG emissions			
Energy efficiency management (E)	Energy	302-1	Energy consumption within the organization		p. 71	
		302-2	Energy consumption outside the organization		p. 85	
		302-3	Energy intensity		p. 71	
		302-4	Reduction of energy consumption		57,385 GJ	
		302-5	Reduction in energy requirements of products and services		p. 38, 44~45	
Hazardous/ chemical substances management (E)	Water and Effluents	303-2	Management of water discharge-related impacts		p. 39, 70~71	
	Emissions	305-6	Emissions of ozone-depleting substances (ODS)		0 tons of CFC-11	
		305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		p. 39	
Resource circulation management (E)	Water and Effluents	303-1	Interaction with water as a shared resource			
		303-2	Management of water discharge-related impacts		p. 39, 70~71	
		303-3	Water withdrawal		p. 70	
		303-4	Water discharge		p. 70~71	
		303-5	Water consumption		p. 70	
	Waste	306-3	Waste generated (total weight, breakdown, and contextual information)		p. 71	
		306-4	Waste diverted from disposal (total weight of waste recycled)			
		306-5	Breakdown of total weight of waste by disposal operations (incineration with energy recovery, incineration without energy recovery, landfilling, etc.)			

Material Issue	Disclosure	no.	Reporting Requirement	Disclosure	Page	Note
Employee health and safety management (S)	Occupational Health and Safety	403-1	Occupational health and safety management system		p. 60~62	
		403-2	Hazard identification, risk assessment, and incident investigation		p. 61	
		403-3	Occupational health services		p. 60~62	
		403-4	Worker participation, consultation, and communication on occupational health and safety			
		403-5	Worker training on occupational health and safety			
		403-6	Promotion of worker health			
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			
		403-8	Workers covered by an occupational health and safety management system			
		403-9	Work-related injuries (injury rate)		p. 74	
		403-10	Work-related ill health			
Respect for employee human rights (S)	Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees		p. 23~24, 73~74	
		405-2	Ratio of basic salary and remuneration of women to men		p. 75	
	Non-discrimination	406-1	Incidents of discrimination and corrective actions taken		p. 28, 52, 74	
	Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor		p. 53	
	Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor			
Supply chain ESG risk management (S)	Activities and workers	2-6	Activities, value chain and other business relationships		p. 16	
	Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria		p. 48~50	
		308-2	Negative environmental impacts in the supply chain and actions taken			
	Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor		p. 53	
	Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor			
	Supplier Social Assessment	414-1	Percentage of new suppliers screened using social criteria		p. 41~42	
		414-2	Negative social impacts in the supply chain and actions taken			
R&D and technology innovation (E, G)	Not applicable - no GRI-aligned disclosures available				p. 16, 56~57	

Others

Disclosure	no.	Reporting Requirement	Page	Note
Economic Performance	201-1	Direct economic value generated and distributed	p. 69	
Anti-corruption	205-1	Operations assessed for risks related to corruption	p. 27~28	
	205-2	Communication and training about anti-corruption policies and procedures	p. 27~28	
	205-3	Confirmed incidents of corruption and actions taken	p. 28	
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	One incident in 2023, Zero incidents in 2024	
Tax	207-1	Approach to tax	p. 16, 69	
Employment	401-1	Number and rate of new employee hires and employee turnover	p. 74	
	401-3	Number and rate of employees that returned to work after parental leave ended that were still employed by gender	p. 73	
Training and Education	404-1	Average hours of training per year per employees (by gender, by employee category)	p. 75	
	404-2	Programs for upgrading employee skills and transition assistance programs (Skills training and lifelong education programs to maintain employment and assist post-retirement management)	p. 55~57	
	404-3	Percentage of employes receiving regular performance and career development reviews (by gender, by employment category)	p. 74	
Local Communities	413-1	Percentage of operations with local community engagement, impact assessments, and development programs	p. 75	
Customer Health and Safety	416-1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Zero non-compliance	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	p. 63~64	
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero incidents of data breach	

※ Non-compliance with environmental regulations (USD 10,000 and above in fines or penalty) in 2024: 1 incident of non-compliance

SASB

Transportation Sector - Auto Parts

Category	Code	Accounting Metric	Page
Energy Management	TR-AP-130a.1	(1) Total energy consumed	p. 71
		(2) Percentage of grid electricity	
		(3) Percentage renewable	
Waste Management	TR-AP-150a.1	(1) Total amount of waste from manufacturing	p. 71
		(2) Percentage hazardous	
		(3) Percentage recycled	
Product Safety	TR-AP-250a.1	(1) Number of recalls issued, total units recalled	p. 75
Design for Fuel Efficiency	TR-AP-410a.1	(1) Revenue from products designed to increase fuel efficiency and/or reduce emissions	p. 44
Materials Sourcing	TR-AP-440a.1	(1) Description of the management of risks associated with the use of critical materials	p. 48~50
Materials Efficiency	TR-AP-440b.1	(1) Percentage of products sold that are recyclable	Specified in our Financial Report
	TR-AP-440b.2	(2) Percentage of input materials from recycled or remanufactured content	Not disclosed
Competitive Behavior	TR-AP-520a.1	(1) Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulation	

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

ESRS

E3, E4, S3, and S4 are not disclosed as they were not identified as material sustainability matters.

2 - General Disclosures

Type of Indicator		Disclosure Requirement	Page
Governance	GOV-1	The role of the administrative, management and supervisory bodies	p. 18, 20, 22~24
	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	p. 18, 24
	GOV-3	Integration of sustainability-related performance in incentive schemes	p. 25
	GOV-4	Statement on due diligence	-
	GOV-5	Risk management and internal controls over sustainability reporting	p. 18, 20, 29~30
Strategy	SBM-1	Strategy, business model and value chain	p. 11~12, 16
	SBM-2	Interests and views of stakeholders	p. 31
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	p. 32~34
Impacts, Risks, and Opportunities Management	IRO-1	Description of processes to identify and assess material impacts, risks and opportunities	p. 18, 20, 29~30
	IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	p. 80~81

E1 - Climate Change

Type of Indicator		Disclosure Requirement	Page
Strategy	E1-1	Transition plan for climate change mitigation	p. 3, 83~85
Impacts, Risks, and Opportunities Management	E1-2	Policies related to climate change mitigation and adaptation	p. 91
	E1-3	Actions and resources in relation to climate change policies	P. 37~38, 83~85
Metrics and Targets	E1-4	Targets related to climate change mitigation and adaptation	p. 3, 36, 83~85
	E1-5	Energy consumption and mix	p. 71
	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	p. 3, 72, 85, 90
	E1-7	GHG removals and GHG mitigation projects financed through carbon credits	-
	E1-8	Internal carbon pricing	p. 37
	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	p. 83

E2 - Pollution

Type of Indicator		Disclosure Requirement	Page
Impacts, Risks, and Opportunities Management	IRO-1	Impacts, Risks, and Opportunities Management	p. 18, 20, 29, 30
	E2-1	Policies related to pollution	p. 91
	E2-2	Actions and resources related to pollution	p. 39~40
Metrics and Targets	E2-3	Targets related to pollution	p. 36, 39
	E2-4	Substances of concern and substances of very high concern	p. 43
	E2-5	Anticipated financial effects from pollution-related impacts, risks, and opportunities	-

E5 - Resource Use and Circular economy

Type of Indicator		Disclosure Requirement	Page
Impacts, Risks, and Opportunities Management	IRO-1	Impacts, Risks, and Opportunities Management	p. 18, 20, 29, 30
	E5-1	Policies related to resource use and circular economy	p. 91
	E5-2	Actions and resources related to resource use and circular economy	p. 4, 39, 43, 46
Metrics and Targets	E5-3	Targets related to resource use and circular economy	p. 4, 36, 42
	E5-4	Resource inflows	p. 69~70
	E5-5	Resource outflows	p. 70~71
	E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks, and opportunities	-

S1 - Own Workforce

Type of Indicator		Disclosure Requirement	Page
Impacts, Risks, and Opportunities Management	S1-1	Policies related to own workforce	p. 51, 60, 91
	S1-2	Processes for engaging with own workforce and workers' representatives about impacts	p. 52, 60
	S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	p. 28, 52~53
	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. 53, 61
Metrics and Targets	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	p. 47
	S1-6	Characteristics of the undertaking's employees	p. 73
	S1-7	Characteristics of non-employees in the undertaking's own workforce	p. 73
	S1-8	Collective bargaining coverage and social dialogue	p. 73
	S1-9	Diversity metrics	p. 73~74
	S1-10	Adequate wages	-
	S1-11	Social protection	p. 58, 73
	S1-12	Persons with disabilities	p. 53, 74
	S1-13	Training and skills development metrics	p. 75
	S1-14	Health and safety metrics	p. 74
	S1-15	Work-life balance metrics	p. 58
	S1-16	Remuneration metrics (pay gap and total remuneration)	p. 25, 75
	S1-17	Incidents, complaints and severe human rights impacts	p. 28, 53

S2 - Workers in the Value Chain

Type of Indicator		Disclosure Requirement	Page
Impacts, Risks, and Opportunities Management	S2-1	Policies related to value chain workers	p. 51, 91
	S2-2	Processes for engaging with value chain workers about impacts	p. 48~50, 60~61
	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	p. 48~49, 60, 75
	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 action	p. 48~49, 60, 75
Metrics and Targets	S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	p. 47~48

G1 - Business Conduct

Type of Indicator		Disclosure Requirement	Page
Impacts, Risks, and Opportunities Management	G1-1	Business conduct policies and corporate culture	p. 27~28, 91
	G1-2	Management of relationships with suppliers	p. 48~50
	G1-3	Prevention and detection of corruption and bribery	p. 27~28
Metrics and Targets	G1-4	Incidents of corruption and bribery	p. 28, 79
	G1-5	Political influence and lobbying activities	p. 76
	G1-6	Payment practices	-

UN SDGs

Hankook Tire & Technology endorses the Sustainable Development Goals (SDGs) pursued by the UN and the global community, and has been actively committed to addressing the universal social and environmental challenges facing humanity and our planet. We vow to take diverse actions to contribute to the betterment of our society.

SDGs	Our Action	Page
End poverty	Support disaster recovery	p. 64
	Engage in employee volunteering and support at-risk groups in the local communities where our global operations are based	p. 63~67
Zero hunger	Ensure the sustainable management of natural rubber cultivation areas through support activities and trainings for natural rubber producers	p. 50
Good health and well-being	Create a safe and pleasant workplace through safety risk management and other measures	p. 60~62
	Ensure health management for employees through health checkups and mental health counseling support	p. 62
	Engage in corporate philanthropy to support the health of local communities (emergency medical services, campaigns for children with incurable diseases, smart bus stops, etc.)	p. 63~64
	Uphold road safety for children by fostering a culture of traffic safety (installation of road safety fences in school zones, etc.)	p. 67
Quality education	Support workplace training as well as training related to arts and sports	p. 63~64
	Operate science camps for employees' children and underprivileged children	p. 58
	Provide human rights training for employees	p. 51
Gender equality	Engage in female talent development activities	p. 54
Clean water and sanitation	Reduce water consumption by increasing the reuse of treated wastewater	p. 39
Affordable and clean energy	Introduce new technologies, use renewable energy, and establish an energy management system	p. 37~38
	Optimize process energy efficiency, manage energy leaks, and improve equipment operation methods for energy conservation	p. 38
Decent work and economic growth	Expand and stabilize employment for people with disabilities through Hankook Donggeurami Partners, our subsidiary-type standard worksite for people with disabilities	p. 53

SDGs	Our Action	Page
Industry, innovation and infrastructure	Conduct product lifecycle environmental impact assessments	p. 44
	Strengthen the competency of our R&D workforce	p. 56
Reduced inequalities	Provide leadership training on diversity and inclusion	p. 54
	Engage in common group activities	
Sustainable cities and communities	Reduce air pollutants through the adoption of new air pollution control technologies	p. 39
	Minimize waste generation and manage waste through professional outsourcing companies	
Responsible consumption and production	Expand waste recycling to advance resource circularity	p. 39
	Develop sustainable raw materials	p. 2, 43
	Join end-of-life tire initiatives	p. 45
	Publish ESG reports to disclose sustainability data	p. 8
Climate action	Implement the 2050 carbon neutral roadmap, join the TCFD, and support suppliers with Net Zero activities to enhance climate change response capabilities	p. 3, 37, 49, 83~85
Life below water	Engage in biodiversity risk assessment and conservation activities	p. 40~41
	Reduce the use of water resources	p. 39
Life on land	Comply with EUDR (EU Deforestation Regulation) requirements - strengthen traceability and monitoring of origin within the supply chain	p. 21
	Engage in biodiversity risk assessment and conservation activities	p. 40~41
Peace, justice and strong institutions	Implement Jeongdo Management and ethical management, and manage compliance risks	p. 27~28
Partnerships for the goals	Participate in global partnerships for sustainable development (UNGC, WBCSD, TIP, GPSNR, etc.)	p. 87

TCFD (Task force data-on Climate-related Financial Disclosures)

In line with TCFD recommendations, we make the following disclosures in the areas of governance, strategy, risk management and metrics & targets for climate-related risks and opportunities.

Governance

The Board's oversight of climate-related risks and opportunities

Hankook Tire & Technology established the ESG Committee under the Board of Directors in 2021 and has since ensured the management and oversight of its climate change response from the highest decision-making body. With sustainability as our core value, we discuss our ESG management strategies and mid- to long-term business plans while significant climate-related agendas are reported at least once a year such as progress achieved and investment reviews on key tasks relating to the carbon neutral roadmap and company-wide GHG emissions reductions.

* Reporting key achievements
  - Approval of the carbon neutral roadmap in 2021
  - Renewable energy purchase plans and energy-saving activity results for 2022
  - SBTi validation results in 2023, Climate Change Committee activity results in 2023 (82 energy saving activities), trends in the mandatory adoption of global ESG frameworks
  - Implementation progress of the carbon neutral roadmap and Climate Change Committee activity results for 2024

CDP Mapping — C4.1, C4.2, C4.3

Describe management's role in assessing and managing climate-related risks and opportunities

Our CEO (Chief Executive Officer) chairs the ESG Strategy Committee to make decisions on our company-wide directions and critical investments for climate change response. The CAO (Chief Administrative Office) is responsible for heading and overseeing our climate change strategies and implementing relevant tasks. To ensure climate change response throughout the value chain, Chairs (responsible executives) of the three Steering Committees (Climate Change, Product Environment, Supplier) identify key tasks and execute relevant investments to implement such tasks to bolster the management's accountability.

The dedicated ESG response organization manages the overall climate change response, including our carbon neutral roadmap, SBTi implementation and TCFD disclosures, and regularly reports relevant issues to responsible executives and the CAO while directly escalating key issues to the Board of Directors. The ESG Strategy Committee, attended by the CEO and other C-suite members, meets once a year, and the ESG Steering Committees convene three times a year to review quarterly pending issues and identify necessary improvements.

CDP Mapping — C4.3, C4.4

Strategy

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

Climate-related Risks

Category		Time Horizon			Key Risks	Potential Risks	Potential Financial Impacts	Response and Plan	CDP Mapping
		Short-term	Medium-term	Long-term					
Transition risk	Policy and legal (current)	✓	✓	✓	Policies associated with GHG emissions reduction regulations - GHG emissions trading schemes - Nationally Determined Contributions (NDC) and the Framework Act on Carbon Neutrality and Green Growth	- Increases in GHG reduction rates and allowance auctioning	- Increased direct/indirect costs (implementation, credit purchases, regulatory compliance)	- Establish the carbon neutral roadmap and strategies - Monitor regulatory developments and requirements including laws, market information, and issues - Implement site-level energy and GHG reduction activities - Enhance allowances management including allowance trading strategies and allowance cancellations	C3.1
	Policy and legal (emerging)		✓	✓	Legislation of climate disclosures	- Enhanced stakeholder monitoring and emerging green washing issues	- Increased indirect costs (regulatory compliance) - Decreased profits (failure to fulfill stakeholder needs)	- Establish an internal disclosure system and a data management system - Strengthen climate change risk analyses and TCFD compliance	
			✓	✓	Supply chain due diligence laws	- Failure to comply with ESG regulations along the supply chain	- Increased direct/indirect costs (on-site due diligence, regulatory compliance)	- Establish supplier sustainability guidance and a supplier due diligence system	
					Digital product regulations (Digital Product Passport)	- Digitizing product environmental information (including carbon footprint) for traceability and disclosure - Disclosure of product carbon footprint information to consumers	- Increased investment costs (development of a digital traceability system)	- Review alternatives including the use of RFID and barcodes for key production areas	
	Technology			✓	Transition to low-carbon technologies and raw materials, recourse circulation (including recycling) technology development	- Risk of failure in investing in low-carbon technologies and businesses - Increased R&D investment costs for securing low-carbon technologies and raw materials - Market dominance of leading companies and their monopolizing core technologies - Risk of weakened cost and price competitiveness	- Increased indirect/direct costs and capital expenditures (investments, transition costs, etc.)	- Secure low-carbon raw material technologies (proactively identify sustainable raw materials) - Conduct R&D for eco-friendly products (lightweight, improved rolling resistance), review their commercial viability - Review resource circularity technologies (tire pyrolysis, recycling, etc.)	
	Market	✓	✓	✓	Growing customer demand for carbon emissions reduction and eco-friendly production	- Growing demand to manage product carbon footprint and use low-carbon raw materials - Contract failure with customers	- Increased direct/indirect costs (purchase of RECs, rising raw material prices)	- Pursue long-term renewable energy contracts (including PPAs) - Expand product LCAs - Secure low-carbon raw materials and pursue their certification (including ISCC PLUS) - Meet customer requirements through the purchase of RECs and other renewable energy certificates	
		✓	✓		Increased fluctuations in fossil fuel prices	- Increased energy costs (electricity, LNG, etc.)	- Increased direct costs (energy purchase)	- Review energy transition investments (installation of PV power generators, PPAs, etc.)	
			✓	✓	Prevalent disapproval for the use of petroleum-based raw materials	- Growing demand to use eco-friendly (bio-based) and low-carbon raw materials	- Increased direct costs (raw material costs), decreased profits for unfulfilled customer needs	- Conduct R&D on bio-based raw materials (silica derived from rice husks, raw materials extracted from dandelions, etc.)	
	Reputation	✓	✓	✓	Implementation of Net Zero commitments	- Compromised external credibility due to substandard implementation	- Declining corporate value	- Lay the groundwork for continuous implementation (ESG management, internalization, management system)	
		✓	✓	✓	Expansion in ESG assessments, increased demand to respond to ESG assessments	- Decline in external ESG evaluation scores and ratings - Declining corporate investment value, stock prices, and credibility	- Declining corporate value and reduced investments	- Identify and implement improvement tasks based on ESG assessment results - Proactively respond to global initiatives including the CDP	
Physical risk	Acute	✓	✓		Increased frequency of abnormal and extreme climate events such as typhoons, rainstorms, blizzards, and hurricanes	- Damage to production and infrastructure facilities resulting from cold snaps, typhoons, and other climate events affecting the areas in which we operate	- Increased direct/indirect costs (plant maintenance, damage recovery, rising production costs, etc.)	- Conduct routine workplace maintenance (leak prevention, waterproofing, etc.) - Strengthen safety training for emergency preparedness - Support GPSNR (Global Platform for Sustainable Natural Rubber) activities	
	Chronic			✓	Change in climate/ecosystem environments resulting from rising average temperatures	- Disruption to raw material supply and rising prices resulting from abnormal climate events affecting the areas supplying imported raw/subsidiary materials (including natural rubber) - Increased frequency of physical risks materializing and direct damage to operational sites due to rising sea levels			

Strategy

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

Climate-related Opportunities

Category		Time Horizon			Key Opportunities	Potential Opportunities	Potential Financial Impacts	Response and Plan	CDP Mapping
		Short-term	Medium-term	Long-term					
Opportunity	Energy source	✓	✓	✓	Participation in carbon markets Use of low-carbon energy	- Profit generation through the sale of surplus allowances - Profit-making opportunity through external reduction business development - Reduced energy costs through improved process energy efficiency - Participation in renewable energy programs and use of government subsidies	Increased profits from allowances trading Decreased direct/indirect costs (operating costs)	- Establish the carbon neutral roadmap and GHG reduction strategies - Manage allowances and engage in strategic trading - Achieve reductions through energy efficiency improvement and energy transition - Review the development of external reduction businesses	C3.6
	Resource efficiency		✓	✓	Efficient use of resources and their recycling and reuse	- Development of resource circulation technologies (tire pyrolysis, end-of-life tire recovery, etc.) - Improvement in raw material efficiency	Reduced direct/indirect costs (raw material purchase, waste treatment costs, etc.)	- Review investment in tire pyrolysis equipment and endeavor to reduce waste - Participate in technology research through the TIP (Tire Industry Project) - Improve process efficiency and yields	
	Markets, products, and services		✓	✓	Growing demand for low-carbon products and services Creation of eco-friendly businesses	- Facilitation of the EV product market resulting from the transition to EVs - Securing competitive advantages through reduced product carbon footprint - Identifying new businesses through business diversification	Increased profits resulting from growing demand for eco-friendly and low-carbon products and services	- Develop and produce EV-specific tires and launch brands - Develop and apply eco-friendly product technologies (lightweight, improved rolling resistance) - Manage carbon footprint through LCAs - Continue with efforts for new business investment/discovery and business diversification	
	Resilience		✓	✓	Securing and diversifying alternative resources	- Development and eco-friendly raw materials and technology procurement	Increased investment returns through new technology procurement and other methods	- Conduct R&D on bio-based raw materials (silica derived from rice husks and materials extracted from dandelions) - Secure low-carbon raw material technologies (proactively identify sustainable raw materials)	

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

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

IEA NZE 2050 Scenario

The IEA Net Zero Emissions (NZE) by 2050 scenario is a highly ambitious climate pathway that aims to limit the rise in average global temperatures to below 1.5℃ by 2050. This scenario is anchored on the following key assumptions. First, it assumes a rapid expansion of renewable energy, particularly solar and wind, with the proportion of renewable energy expected to surpass 60% of global electricity generation by 2030. The second assumption is sustained increases in carbon pricing. The carbon price is projected to reach USD 140 per ton by 2030 and to USD 250 per ton by 2050, which will provide strong economic incentives for reducing GHG emissions. Third, it is essential that energy efficiency is improved across key sectors including buildings, industry, and transport. The scenario projects more than 30% improvement in energy efficiency by 2030. Fourth, the scenario assumes the rapid development and commercialization of low-carbon technologies such as renewable energy technology, CCS (Carbon Capture and Storage), EVs, and hydrogen-powered vehicles. It should be noted, however, that this scenario is subject to uncertainties. National policy stances, technological progress, commercialization timelines, global economic growth, and change in energy demand can all affect the pace of the energy transition. Up-front investment costs, financing issues, and lack of infrastructure also represent potential critical constraints. The findings from this scenario analysis provided significant inputs for our financial planning, goal setting, and transition strategy development.

Hankook Tire & Technology is expanding facility investments to reduce carbon emissions in anticipation of rising carbon prices, along with proactive efforts to improve energy efficiency and lower emissions across all global production plants. As the Hungary Plant is highly exposed to carbon regulations, we allocate a budget for carbon credit purchases in advance. In 2024, our investments associated with energy conservation amounted to nearly KRW 9.5 billion, which continues to rise early. To cater to the growing EV market and increasing demand for low-carbon tires and to drive long-term revenue growth, we are also strengthening R&D investments in the development of EV-specific tires and low-carbon products.

RCP (Representative Concentration Pathway) 8.5 Scenario

The Representative Concentration Pathway (RCP) 8.5 was proposed in the IPCC's 5th Assessment Report under the assumption that GHG emissions will continue at the current level. This scenario predicts that global human occupancy and its associated activities will cause CO_2 concentrations to reach 940ppm by the end of the 21st century (2070 - 2099), with the average global temperature rising by 4.8℃ and precipitation by 6.0%. If the RCP 8.5 materializes in Korea, Korea's average temperature will increase by 6.0℃ and precipitation by 20.4%, indicating Asia's relative vulnerability to climate change compared to the rest of the world.

Presently, we operate eight plants, five of which are located in Asia. Extreme and frequent weather resulting from climate change (torrential downpours, typhoons, heatwaves) may damage our production and infrastructure facilities and disrupt the supply of raw materials. In particular, natural rubber presents sizeable potential risks as it is primarily imported from Southeast Asia and represents the highest share of the total tire raw material purchase costs. This prompted us to set mid- to long-term goals for sustainable raw material use and incorporate these goals under the carbon neutral roadmap. We are conducting R&D on the development of alternative raw materials in partnership with the GPSNR (Global Platform for Sustainable Natural Rubber), and manage key relevant tasks through the Product Environmental Committee. In addition, we perform regular maintenance including annual inspections on leak areas, and enhance safety training to respond to emergency situations, building necessary preparedness against abnormal climate events such as rainstorms.

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

CDP Mapping — C5.1, C5.2

Risk Management

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

We periodically identify and assess climate change issues and risks to ensure our effective response. Our dedicated ESG organization identifies climate-related risks and opportunities, including climate change risks, internal/external issues, stakeholder requirements, and recent trends. The identified risks are prioritized according to their impact, urgency, and likelihood. Key risks and opportunities are reported to top management and the ESG Strategy Committee, and are reflected in key ESG tasks and budgets. Additionally identified risks concerning institutional changes in Korea and abroad and internal/external issues affecting our operational sites are also regularly reported to responsible executives and the CAO as deemed necessary. The ESG Strategy Committee meeting held in 2024 served to analyze recent trends - Green Technology (Net Zero technology), grid parity, and renewable energy outlook - and their projected impact on the company and to report the findings to the CEO and top management to discuss corresponding strategic directions.

CDP Mapping — C2.2

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

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

CDP Mapping — C2.2

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

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

CDP Mapping — C2.2

Metrics & Targets

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

We manage both total volumes and intensity as evaluation metrics based on Scope 1, 2, and 3 emissions (tCO_2-eq), global production volumes (ton), and energy consumption.

CDP Mapping — C7.54

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

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

(Unit: tCO_2eq)

Category	2021	2022	2023	2024
Purchased goods and services	2,586,742	2,594,189	2,581,936	2,717,292
Capital goods	107,186	156,972	189,687	219,865
Fuel and energy-related activities not included in Scope 2 and Scope 2	317,397	335,798	239,281	243,191
Upstream transportation and distribution	489,077	432,253	504,126	524,571
Waste generated in operations	7,493	10,136	11,003	10,194
Downstream transportation and distribution	2,481	7,476	8,697	34,350
Use of sold products[1)]	27,320,917	25,501,726	25,825,175	25,727,447
End-of-life treatment of sold products	14,606	14,092	7,557	7,681
Investments	52,038	52,038	51,481	85,327
Total	30,897,938	29,104,680	29,418,944	29,569,918

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

CDP Mapping — C7.6, C7.7, C7.8

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

In line with the SBTi, we aim to reduce our Scope 1 and 2 emissions from our operations by 46.2% by 2030 and scope 3 emissions generated from the value chain by 27.5% by 2030 from the 2019 base year to eventually achieve Net Zero emissions by 2050. To mitigate our Scope 1 and 2 emissions, we pursue the use of highly efficient equipment, optimize energy use, and choose renewable energy. To reduce our Scope 3 emissions, we opt for eco-friendly materials, provide suppliers with Net Zero guidance, and embrace eco-friendly product designs on an ongoing basis. In 2024, we achieved a nearly 11.5% reduction in Scope 1 and 2 emissions against 2019.

※ For further details on our reduction activities in 2024, see pp. 37-38 of this report.

CDP Mapping — C7.55

TNFD (Taskforce on Nature-related Financial Disclosures)

In line with TNFD recommendations, we make the following disclosures in the four pillars of governance, strategy, risk management and metrics & targets for nature-related risks and opportunities.

Governance

Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities

Hankook Tire & Technology established the ESG Committee under the Board of Directors in 2021 to manage and oversee sustainability risks across its overall business operations, such as natural capital issues, at the highest level of governance. The ESG Committee incorporates material nature-related issues, including climate change and biodiversity as key items in the company's sustainability management strategies and mid- to long-term business plans, reporting agenda items associated with natural capital at least once a year. Since 2024, the Committee has been reporting on biodiversity activity plans including results of the site-level risk analyses conducted in accordance with TNFD's LEAP approach.

Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities

The Chief Executive Officer, serving as the Chair of the ESG Strategy Committee, is involved in setting the company's overall direction in responding to nature-related risks and making key investment decisions related to biodiversity. For nature-related issues including response to the TNFD, chairs of the two Steering Committees (SHE, Corporate Philanthropy) are responsible for identifying and implementing key tasks and executing relevant investments to strengthen the management's accountability. Hankook Tire & Technology's dedicated ESG organization manages overall nature-related risk responses, including the analysis of performance levels against the set nature-related targets and the evaluation of risk priorities based on LEAP analysis results, with key matters directly reported to the Board of Directors. The ESG Strategy Committee, attended by the CEO and other C-level executives, meets once a year, and Steering Committees convene three times a year to review quarterly pending issues and identify necessary improvements.

Strategy

Disclose the effects of nature-related dependencies, impacts, risks and opportunities on the organisation's business model, strategy and financial planning where such information is material

Nature-related Risks

Category		Time Horizon			Key Risks	Potential Risks	Potential Financial Impacts	Response and Plan
		Short-term	Medium-term	Long-term				
Transition	Policy and legal	✓	✓		- EUDR - Domestic and international environmental regulations including restoration mandates	- Delays in permitting and licensing - Supply chain disruptions	- Costs for business model transitions - Increased procurement costs	- Collect geospatial information on the natural rubber supply chains and ensure the prevention of deforestation - Conduct plant-level biodiversity risk assessments and analyze restoration areas
	Technology	✓			- Expansion of recycled raw materials - Transition to low-carbon, eco-friendly technologies	- Investment burden - Delayed implementation of process changes	- Increased direct costs - Weakened competitiveness	- Secure low-carbon raw materials and pursue their certification - Conduct R&D on products with reduced natural impact
	Market	✓	✓	✓	- Uncertainty in market signals - Shifts in consumers' perceptions	- Customer attrition - Decline in ESG scores	- Decline in revenue - Procurement disadvantages	- Enhance sustainability reporting to customers - Expand eco-friendly portfolios tailored to market needs
	Reputation	✓	✓	✓	- Non-response of operational sites located near protected areas - Expansion of ESG evaluations, enhanced requirements to respond to such evaluations	- Downgrades in external ESG scores or ratings - Decline in corporate investment value	- Decreased corporate valuation - Reduced investments	- Expand TNFD-aligned disclosures - Identify and implement improvement tasks based on ESG evaluation results
Physical	Acute	✓	✓		- Extreme weather events such as typhoons, floods, and heatwaves	- Suspended production - Delivery delays	- Costs for disaster recovery - Inventory losses	- Conduct regular maintenance at operational sites (leak and waterproof repairs) - Strengthen safety training to prepare for emergencies
	Chronic			✓	- Sustained temperature rises and deteriorating water quality	- Reduced productivity - Disruption to raw material supply and price increases	- Increased cost of goods sold - Deteriorating product quality	- Develop water-saving processes - Adopt and invest in Nature-based Solutions (NbS) for restoration

Nature-related Opportunities

Category		Time Horizon			Key Opportunities	Potential Opportunities	Potential Financial Impacts	Response and Plan
		Short-term	Medium-term	Long-term				
Opportunity	Spatial	✓	✓		- Restoration of high-risk areas with restoration potential	- Restoration investment	- Increase in asset value - Enhanced permitting	- Analyze priorities based on STAR restoration scores - Build partnerships with local communities
	Market-based	✓	✓	✓	- Establishment of sustainable sourcing markets	- New market entry - Enhanced in brand value	- Revenue growth - Enhanced competitiveness	- Establish sustainable sourcing systems - Diversify regional portfolios
	Operational	✓	✓	✓	- Efficient use of resources and increased recycling	- Improved operational efficiency - Improved reputation as an eco-friendly company	- Cost savings - Improved profitability	- Enhance waste recycling rates and plan the development of resource-efficient products - Transition to eco-friendly materials and develop product strategies in alignment with LCAs

Risk and impact Management

Describe the organization's processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its direct operations

Hankook Tire & Technology regularly identifies and evaluates nature-related issues and risks in accordance with the TNFD framework. Our dedicated ESG organization compiles internal/external issues, policy developments, regulatory trends, and stakeholder expectations in relation to water quality, soil, air quality, and biodiversity to proactively identify nature-related risks and opportunities. To support this identification process, data-based tools were used, such as the IBAT (Integrated Biodiversity Assessment Tool), the WWF Biodiversity Filter, the WWF Water Filter, and ENCORE, to analyze each operational site for its overlap with the distribution of IUCN Red List species, protected areas (PA), or key biodiversity areas (KBA). The findings provided the necessary information to calculate area-level threat reduction scores and restoration scores to determine priorities.

Describe the organization's processes for managing nature-related dependencies, impacts, risks and opportunities

Nature-related risks arise across the whole of the value chain encompassing biodiversity, water quality, air, and soil. As such, these risks are managed under the integrated governance system comprising two Steering Committees out of the eight (SHE and Corporate Philanthropy). The SHE Committee develops response strategies with a focus on site-level environmental impacts while the Corporate Philanthropy Committee manages support activities aimed at biodiversity conservation. The ESG Team oversees the operation of these committees, shares nature-related risks that are additionally identified year-round, and ensures these risks are incorporated into aligned initiatives or improvement tasks. Steering committees regularly convene at least three times a year and implementation progress is monitored on a quarterly basis.

Describe how processes for identifying, assessing, prioritizing and monitoring nature-related risks are integrated into and inform the organization's overall risk management processes

To manage nature-related risks, their specifics - type of risk, magnitude of impact, and response measures - are compiled regularly by relevant departments. The ESG Team shares a risk map summarizing key identified nature-related risks with related departments as well as materiality ranking results, ensuring that these insights are incorporated into the company-wide risk management system in alignment with the company's restoration investments and infrastructure improvement plans. The CEO reviews emerging issues and potential risks each year through the ESG Strategy Committee, and executives responsible for facilities, research, procurement, finance and other relevant functions identify key tasks as the Chair of the respective ESG Steering Committees to manage risks accordingly.

Metrics and Targets

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

Hankook Tire & Technology evaluates not only biodiversity but also nature-related risks and opportunities across water, air, and other dimensions of natural capital. To this end, we monitor a range of internal and external indicators, and key indicators are as follows.

- ENCORE-based indicators for the tire sector's dependencies and impacts on water, air and soil
- Site-level nature-related risk assessment results based on the IBAT and the WWF Risk Filter
- Scores indicating the potential for contributing to threat reduction and ecosystem restoration based on STAR scores
- Number of protected areas and endangered species at the plant level in line with Performance Standard 6 (PS6)

The ESG Team regularly reviews these indicators, which are used to comprehensively evaluate each plant for its financial implications and the feasibility of opportunity materialization.

UNGC and Memberships

UN Global Compact (UNGC)

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

Principle		Report Content	Page
Human rights	Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights;	Human rights and diversity management	p. 51~54
	Principle 2. make sure that they are not complicit in human rights abuses.		
Labor	Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;		
	Principle 4. the elimination of all forms of forced and compulsory labour;		
	Principle 5. the effective abolition of child labour; and		
	Principle 6. the elimination of discrimination in respect of employment and occupation.		
Environment	Principle 7. Businesses should support a cautionary approach to environmental challenges; and	Eco Value Chain, Sustainable Product	p. 36~46
	Principle 8. undertake initiatives to promote greater environmental responsibility; and		
	Principle 9. encourage the development and diffusion of environmentally friendly technologies.		
Anti-corruption	Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.	Jeongdo Management and ethical management	p. 27~28

Membership in Associations and Organizations Related to Sustainability Management

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

Third-party Assurance Statement

To the Stakeholders of Hankook Tire & Technology Co., LTD

The Korea Productivity Center (hereinafter the "Assurer") was appointed by Hankook Tire & Technology CO., LTD. (hereinafter the "Company") to provide independent assurance of its "2024-25 Hankook Tire & Technology CO., LTD. ESG 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(2008)[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 in Gyeonggi-do.

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 Universal Standards, and the material issues are reported following the Material Topics and related Topic-specific Standards.

[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-specific Standards]

Economic Performance (201-1~2), Anti-corruption (205-1~3), Anti-competitive Behavior (206-1), Tax (207-1), Energy (302-1~5), Water and Effluents (303-1~5), Emissions (305-1~7), Waste (306-3~5), 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), 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 six stakeholder groups as customers, employees, local communities, partners, shareholders and investors, and government, 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.

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 Gyeonggi-do. 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.

1) AA1000AS (2008): AA1000 Assurance Standard (2008) 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.

SMART KPC 한국생산성본부

AA1000 Licensed Report 000-81/V3-KB7D4

Jul 2025
CEO
Sung-Joong Park

Director
Pyung-Hee Jang

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.

GHG Emissions Verification Report

GHG Emissions Verification

Hankook Tire & Technology Co., LTD

Verification Target

Korean Foundation for Quality (hereinafter 'KFQ') has conducted a verification of Scope 1, 2, 3 Greenhouse Gas Emissions (hereinafter 'GHG emissions') of Hankook Tire & Technology CO., LTD.[1] (hereinafter 'Company') for 2024. KFQ is responsible for providing an assurance statement on the GHG emissions based on the verification scope and criteria described below, while the responsibility for the claims made regarding the GHG emissions rests with the company.

1) Address (based on headquarters): 286, Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Republic of Korea

Verification Purpose

The purpose is to provide an independent verification opinion on the company's voluntary GHG emissions inventories.

Verification Scope

- Scope 1, 2: As of 2024, 6 overseas operations of the Company, 4 domestic operations and subsidiaries
- Scope 3: 9 emission categories[2] selected by the company (domestic and overseas operations) during 2024

* Overseas operations (HP, JP, CP, MP, IP, TP), Domestic subsidiaries (HDP, HEW, HPW, MS)
2) Category 1, 2, 3, 4, 5, 9, 11, 12, 15

Verification Criteria

The following criteria and coefficients used by the company were applied.

- Criteria
  - ISO 14064-1: 2018, ISO 14064-3: 2019
  - 2006 IPCC Guidelines for National Greenhouse Gas Inventories
  - GHG Protocol Corporate Standard
  - WBCSD/WRI, Corporate Value Chain (Scope 3) Accounting and Reporting Standard
  - Rule for emission reporting and certification of greenhouse gas emission trading Scheme
- Coefficient
  - Environmental Product Declaration evaluation coefficient (2021)
  - Ecoinvent database, TIP_PCR_RawMat_LCIA, Ecoeye EEIO

Level of Assurance

The verification has been conducted in accordance with the verification principles and standards of the 'ISO14064-3: 2019' under the limited verification level.

Verification Limitation

GHG emissions verification involves inherent limitations that may arise depending on the organization's data characteristics, calculations and estimates, sampling method, and limited assurance level. Additionally, this verification does not include responsibility for the accuracy of the original data provided by the company.

Conclusion

Based on the criteria and guidelines stated above, KFQ'S verification opinion is as follows.

1) The data and information used in calculating the GHG emissions were appropriate, reasonable, and no significant errors or omissions could affect verification statement were not found.
2) For Scope 1, 2 emissions GHG emissions Company were properly calculated according to the verification standards. The materiality assessment result of GHG emissions has met the agreed-upon criterion of less than 5%.
3) For Scope 3 emissions, the criteria and process established by the company for calculating GHG emissions were transparently documented in the internal calculation process to prevent potential misunderstandings.
4) Accordingly, KFQ provides a verification opinion that is "Unmodified".

(Unit: tCO_2eq)

Division	Scope 1	Scope 2	Scope 1 + 2	Scope 3
Location based [1]	123,563	597,298	720,861	29,569,918
Market based [2]	123,563	592,431	715,994	

1) The 'Located-based' refers to greenhouse gas emissions reported in Scope 2 based on electricity use based on the national power grid.
2) The 'Market-base' refers to Scope 2 greenhouse gas emissions reflecting the purchase of renewable energy power.
3) Total emissions from each site are rounded, the company's total emissions may differ from the actual values by $\pm 1tCO_2eq$.

June 20, 2025
CEO **Ji-Young Song**
Korean Foundation for Quality

Contributors

Contributors to the Hankook Tire & Technology ESG Report 2024/25

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Reference

Financial Report	
Corporate Governance Report	kor
CDP Report	
ESG Policy	
Code of Ethics	
Code of Ethics Articles	

Social Media

Facebook | YouTube | Naver Blog | Naver Post

Hankook Tire & Technology Website

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