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## Hankook Tire's Supplier Sustainability Guidance

Hankook Tire & Technology ('Hankook Tire') is committed to conduct business ethics to contribute to increasing corporate value as a global company. Fulfilling its corporate social responsibility, Hankook Tire is also pursuing robust and sustainable growth with all the stakeholders including customers, business partners, shareholder communities and workers. All the decisions and impacts that Hankook Tire makes are based upon its code of ethics along with truthful and ethical management.

Hankook Tire shares the 'Supplier Sustainability Guidance' to obtain shared growth with suppliers, and requires its suppliers to respect and comply with the Sustainability Guidelines. Hankook Tire's Supplier Sustainability Guidance applies to all suppliers of Hankook Tire and their workers along with all agencies, representatives, and contractors in contract with Hankook Tire as well as all supply chain that do not have contracts with Hankook Tire.

Hankook Tire shares this Sustainability Guidance to all Suppliers prior to entering into contractual relationships. Suppliers should be fully aware and be acquainted with the elements of Sustainability Guidance, share it with their workers and train them, and be committed to their compliance.

Hankook Tire may evaluate whether Suppliers are complying with the Sustainability Guidance and may conduct audits such as site visits, if necessary. Hankook Tire may request Suppliers to submit documents for evaluation and guarantees the protection of confidential information of suppliers. If an on-site audit is necessary, Hankook Tire must give proper and reasonable notification to Suppliers prior to the visit.

Suppliers must respond faithfully to the requests for evaluation from Hankook Tire and must also inform Hankook Tire immediately of any violation or concerns that may cause a violation of Sustainability Guidance. If the negative social and/or environmental impacts resulting from violation of Sustainability Guidance are critical, Hankook Tire may terminate its relationships with the violating Supplier immediately as contracted.

### 1. Compliance with Laws and Regulations, and Code of Ethics

- 1) Suppliers shall comply with the laws and regulations in the local and national jurisdiction of where they operate.
- 2) Suppliers must comply with Hankook Tire's Supplier Sustainability Guidance along with their own code of ethics.
- 3) Hankook Tire has a duty to fulfill its corporate social responsibility by reporting ESG performance to all stakeholders. In order to achieve this, Hankook Tire may request the followings from its Suppliers, and Suppliers must faithfully respond with such requests unless there is a reasonable and mutually understandable cause.
  - (1) Request for ESG performance of Suppliers: Hankook Tire may request information regarding Suppliers' policies, programs and their progress, and outcomes. Hankook Tire guarantees that all information provided by Suppliers is not used for any purpose other than ESG evaluation, and handled in compliance with the information security policies of each Supplier.
  - (2) Suppliers ESG audits: Hankook Tire may request a visit if an on-site audit of a Supplier is necessary. Hankook Tire must notify the Supplier prior to the visit.
  - (3) Faithful response to evaluation and the audit: Suppliers must submit accurate data in timely manner for ESG evaluation and an audit performed by Hankook Tire. If any violations of laws and regulations, and Hankook Tire's Supplier Sustainability Guidance or potential critical issues have been observed, Suppliers must immediately inform this observation with Hankook Tire. If a Supplier provides false data for the evaluation or the audit, or if Supplier's violations cause critical social and/or environmental impacts, Hankook Tire may terminate its relationships with the Supplier immediately.

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## **2. Anti-corruption and Anti-bribery**

- 1) Suppliers shall comply with the anti-corruption and/or anti-bribery laws in their jurisdictions such as the Anti-graft law, Foreign Corrupt Practices Act and UK Bribery Act.
- 2) Suppliers shall never provide or accept any bribes such as money and valuables to/from anyone under any circumstances and shall never demand or guarantee such to anyone.
- 3) Suppliers shall not provide any direct or indirect bribes to governments for commercial profit or to induce activities beneficial to the company.
- 4) Suppliers shall not provide or receive any gifts, money, valuables or items that go beyond the standards of local laws and Hankook Tire's regulations with/from any government, Hankook Tire, or stakeholders.
- 5) Suppliers shall not be involved in any improper acquisition or embezzlement that results in unfair and improper benefits.
- 6) Supplier shall fulfill its financial responsibilities by accurately recording-maintaining accounting records and transparently disclosing-reporting them in accordance with applicable laws and regulations.
- 7) Supplier shall respect the international trade order for related trade requirements such as export controls or economic sanctions.
- 8) Supplier shall establish and implement a monitoring process to minimize the risk of including counterfeit parts and materials in products.
- 9) Suppliers shall take appropriate measures against worker(s) who offend the anti-corruption and anti-bribery practices, such as disciplinary actions, as prescribed by company regulations.

## **3. Respecting and Protecting Human Rights**

- 1) Establishing its own human rights management system, Hankook Tire is committed to respect and protect human rights. In line with its human rights policy, Hankook Tire demands that its Suppliers respect and protect human rights as well. Also, Hankook Tire demands that Suppliers support and endeavor to observe Universal Declaration of Human Rights, UN Global Compact, International Labor Organization Declaration on Fundamental Principles and Rights at Work, and UN Guiding Principles on Business and Human Rights which all serve as the foundation of the human rights management system of Hankook Tire.
- 2) Prohibition of forced labor: Supplier shall not impose all types of forced labor (slave, human trafficking, involuntary prison labor, etc.) against the free will of the worker or restrict the worker's mental and physical freedom such as assault, threat, verbal abuse or harassment.
- 3) Prohibition of child labor: Suppliers shall comply with the minimum employment age regulations of each country where they operate, and shall not employ youth below the age of 15. If Suppliers employ individuals under the age of 18, Suppliers shall protect those workers from any hazards.
- 4) Prohibition of discrimination: Supplier shall not discriminate against workers in hiring, compensation, or promotion on the basis of race, ethnicity, age, gender, sexual orientation, nationality, disability, religion, pregnancy, unionization, marital status, or social status. In addition, the supplier shall guarantee the equal remuneration for work of equal value and provide the education on diversity and non-discrimination.
- 5) Ethical recruiting: Supplier shall employ workers in a legal, fair and transparent manner. The supplier shall let workers keep their original documents such as identity documents or passport, and inform the working conditions, rights and responsibilities in a language well understood by them when hiring them or modifying employment contracts. The supplier shall not make financial demands such as deposits or commissions on workers in the process of employment.
- 6) Guarantee of freedom for association: Suppliers shall offer opportunities for communication

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between the companies and their workers, guarantee the freedom of association, and shall not retaliate for unionization activities of their workers.

- 7) Fair wage payment and stabilization of livelihood: Suppliers shall contribute to the stabilization of the livelihood of their workers by complying with the minimum wage, overtime, health insurance and worker rest and leave regulations of each country where they operate.
- 8) Working hours: Suppliers shall comply with the maximum working hours in the jurisdiction of their business sites and shall not force overtime labor on their workers.
- 9) Rights of minorities and indigenous peoples: Supplier shall respect and recognize the economic, social and cultural rights of minorities and indigenous peoples according to the UN Declaration on the Rights of Indigenous Peoples. The supplier shall carry out the FPIC (Free, Prior, and Informed Consent) process of UN-REDD for activities that can affect their rights.
- 10) Land, forest and water rights and forced eviction: Supplier shall respect and support the rights of local communities for proper living conditions.
- 11) Use of private or public security forces: Supplier shall conduct appropriate monitoring to prevent the violations of human rights by any private or public security company it hires.

#### **4. Health and Safety Management**

- 1) Suppliers shall abide by the laws and regulations relating to the health and safety of work environment in the jurisdiction of where they operate. Suppliers should establish and enforce their own health and safety policies and processes. Also, the health and safety standards and processes must be notified and shared among workers in a language that they are able to understand.
- 2) Suppliers should put the safety first and foremost under any circumstances. Therefore, Suppliers should not proceed with any process, manufacturing, or activity that does not comply with the safety policies, regulations or laws.
- 3) Suppliers should provide their workers with a safe and clean work environment including as follows:
  - (1) Safety equipment and training necessary to perform work in a safe condition
  - (2) Training on how to respond to emergencies at workplace
  - (3) First aid kits which are readily available
  - (4) Fully functional fire extinguishers and fire exits
  - (5) Ventilation with fresh or purified air
  - (6) Comfortable temperature
  - (7) Sufficient and suitable lighting for work
  - (8) Potable water for all workers
  - (9) Providing and proper maintaining sufficient and suitable washing facilities and sanitary conveniences
  - (10) Sufficient, suitable and comfortable seats (chairs) supplied to the workers
  - (11) Suitable facilities for changing, storing, and drying workers' clothing (if workers use uniforms or other work-specific clothing)
  - (12) Clean and sanitary facilities and areas designated for eating
  - (13) (If possible) Dormitories (residential facilities) which are clean and sanitary, safe and meet the basic needs of the workers
  - (14) Clean and sanitary toilet facilities
- 4) Suppliers shall prohibit the use, possession, distribution, and sale of all illegal drugs in all of their business sites.
- 5) If an accident occurs at the Supplier's business site, the Supplier should assess the accident, take appropriate corrective actions, and these actions should include measures to prevent the recurrence of such an accident.
- 6) If Suppliers have been ordered to suspend its business, or have been levied a significant fine as a

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result of violating health-safety laws and regulations, or have been convicted, Suppliers should inform such facts immediately to Hankook Tire.

#### **5. Environmental Management and Greenhouse Gas (GHG) Management**

- 1) Suppliers shall observe the laws and regulations of where they operate, and make policies and implement procedures of their own
- 2) Suppliers should make the following efforts to decrease environmental impacts which occur during business.
  - (1) Reduction and prevention of environmental pollution
    - A. Reduction and prevention of air-water-soil-underground water pollution, waste - generation, hazardous substances usage and noise
    - B. Safe treatment of air and water pollutants, and waste
  - (2) Climate change response
    - A. Expansion of use of renewable energy
    - B. Reduction of GHG emissions in value chain (Decarbonisation)
  - (3) Use of energy-efficient and environmentally friendly technologies
  - (4) Reducing, reusing, recycling resources, and replacing by renewable ones
  - (5) Protection of natural ecosystem with the preservation of biodiversity, land use and prevention of deforestation
  - (6) Compliance with national and international regulations related to animal protection, animal welfare, and animal testing
  - (7) Acquisition, maintaining and renewal of environmental permits and registration
- 3) If Suppliers have been ordered to suspend its business, or have been levied a significant fine as a result of violating environmental laws and regulations, or have been convicted, Suppliers should inform such facts immediately to Hankook Tire.

#### **6. Responsible Minerals**

- 1) All Suppliers that provide materials for Hankook Tire shall not use any mineral extracted from conflict-affected or high-risk areas and must submit certificates to prove the origin of these minerals. If necessary, Hankook Tire may conduct an on-site audit of Supplier practices.
- 2) Minerals subject to regulations: refers to minerals illegally mined in conflict areas or high-risk areas such as tin, tantalum, tungsten, gold, and cobalt.

#### **7. Protecting Confidentiality, Personal Data and Intellectual Property**

- 1) Suppliers shall comply with information security regarding personal, financial and health information of workers, suppliers and customers, and must establish and implement a protection policy.
- 2) Suppliers may request and collect personal information from their workers, customers, and their own suppliers only with a legitimate business reason and shall comply with the local laws and regulations in their respective jurisdiction in such situation.
- 3) Suppliers shall observe laws and regulations regarding intellectual property, trade secrets, trademark rights and confidential information, and must establish and implement a protection policy.

#### **8. Conflict of Interest**

- 1) The workers of Suppliers and Hankook Tire should not enter into any financial or personal relationships that may cause a conflict of interest for either side.
- 2) Suppliers should immediately report to Hankook Tire if a conflict of interest or potential concern

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arises. For example, if a family member or close relative of an worker of Hankook Tire has been employed by a Supplier, such fact should be reported to the Legal Team of Hankook Tire immediately. Also, the Supplier should reassign workers under such circumstances to prevent the conflict of interest.

#### **9. Anti-competition**

- 1) Suppliers shall comply with the principles of competition while respecting business ethics and customs and not pursuing profit in an unfair manner.
- 2) The workers of Suppliers must not collect competitive information through improper channels such as misrepresentation or theft, and must not accept confidential information without the owner's consent.
- 3) Suppliers must be aware and well acquainted with the terms above, and share them accurately with their workers and contractors. Also, Suppliers must train their workers regarding anti-competition laws and regulations as well.

#### **10. Additional Requirements Regarding Supplier Sustainability Guidance**

- 1) Suppliers should guide and train their workers regarding the elements of this Sustainability Guidance.
- 2) Suppliers may report or inquire to the Misconduct Report, Audit Team, or Legal Team of Hankook Tire if the workers of their own company or Hankook Tire violate this Sustainability Guidance or similar concerns arise.
- 3) Hankook Tire must adhere to its strictest confidentiality regarding reports and/or inquires made by Suppliers and protect anonymity for reporters and/or inquirers.
- 4) Suppliers should operate appropriate channels for reporting any violations or potential concerns of this Sustainability Guidance mentioned above while establishing and implementing a policy that protects whistle-blower. Also, Suppliers should train their workers regarding whistle-blowing channels and processes along with the policy on protection of whistle-blowers.
- 5) For the sustainability of the entire value chain of Hankook Tire, the supplier (tier-1) should establish its own sustainability guidelines and ensure that sub-suppliers (tier-n) comply with them.