

NATURAL RUBBER POLICY

I. Purpose

- Kumho Tire has interests in the sustainability of natural rubber as a tire manufacture that uses natural rubber.
- Kumho Tire has to ensure the sustainability of natural rubber in order to supply high-quality tires reliably to its current and future customers
- Kumho Tire also has an obligation to inform consumers that they are participating in socially responsible consumption.
- Kumho Tire will therefore join in the efforts to achieve the implementation of natural rubber sustainability of global peer industries and double its effectiveness.

II. Direction

- Kumho Tire prioritizes the preservation and regeneration of resources, including natural rubber, when making decisions throughout the entire process of tire manufacturing and distribution.
- We recognize that we can also directly or indirectly affect the upstream of the value chain, and act in a direction to drive the qualitative growth of the entire value chain in the use of natural rubber.
- To stakeholders, we regularly and transparently disclose our business performance related to the natural rubber value chain.
- We promote the value chain issue of natural rubber to end consumers, thus promoting proper consumption
- We are always listening to the issues regarding natural rubber, and continue to explore the ways that Kumho Tire can contribute to the value chain.

III. Policy by subject

1. Commitment to Legal Compliance

- Complying with applicable local, national and international laws on human rights, labour, land use, and the environment.
- Working against corruption in all of its forms including extortion and bribery.

2. Commitment to Healthy, Functioning Ecosystems

- Procure natural rubber produced in a way that does not contribute to deforestation or degrade High Conservation Values (HCVs).
- Identify and manage areas subject to development and conservation based on the HCV evaluation and the High Carbon Stock Approach (HCSA).
- Natural rubber from areas deforested or where HCVs have been degraded after the cutoff date of April 1, 2019 is considered to be non-conforming with this policy element.
- We work with natural rubber suppliers to support the long term protection of natural forests and other ecosystems and their conservation values, and to support restoration activities of deforested and degraded rubber landscapes.
- Not use open burning/fire in new or ongoing operations for land preparation, land management and waste management other than justified or documented cases due to reasons listed below.
 - Fire break establishment
 - Waste management for sanitary reasons in cases where public garbage collection is not available
 - Phytosanitary and other emergencies
- Support activities aimed at protecting wildlife, including rare, threatened, endangered and critically endangered species, from poaching, over-hunting and habitat loss.
- Commit to protecting water quantity and quality, preventing water contamination from agricultural and industrial chemicals, and preventing erosion and sedimentation.
- Commit to protecting soil quality, preventing erosion, nutrient degradation, subsidence and contamination.
- Prevent the development of peatland and refrain from procuring natural rubber from plantations located on peatland.

3. Commitment to Respecting all Human Rights

- Uphold international norms on human rights, including the UN Universal Declaration of Human Rights (UDHR), the UN Guiding Principles on Business and Human Rights

- (UNGP), various treaties of the International Labour Organization (ILO), and international accords concerning land tenure rights of the UN Food and Agriculture Organization (FAO).
- A system enabling anonymous reporting of complaints related to supply chains has been established and the system will be operated in accordance with the UNGP effectiveness criteria.
- Desk receiving complaints
email: khethics@kumhotire.com
Post: Kumho Tire Inc.,
68, Saemuna-ro, Jongno-gu, Seoul, 03184, Korea
- Recognize and protect the customary, traditional, and communal land tenure rights of indigenous peoples and local communities (IP/LC), carry out operations in accordance with the UN Declaration on the Rights of Indigenous Peoples (UNDRIP), and protect rights listed below.
 - Ongoing land tenure and access rights
 - Traditional rights of access for hunting and gathering of animals and plants for the purpose of subsistence and indigenous cultural and religious traditions, customs and ceremonies
- Ensure that, prior to any activity that might affect rights of (IP/LC), territories and resources, their free, prior and informed consent (FPIC) is secured. (This includes when planning, establishing, restoring, or transforming corporate plantations or industrial sites, as well as associated infrastructure.)
- The FPIC process is done in an appropriate manner while following credible and generally accepted methodologies, and associated GPSNR guidance. (IP/LC) have the right to give or withhold their consent to any activity that is subject to the FPIC process.
- Where the company's operations impinge on rights of indigenous peoples and local communities, compensate and accommodate them through appropriate and mutually agreed measures while reflecting the negotiated outcomes of the FPIC process.
- Adopt measures to provide remedy through mutually agreed procedures in cases where the company previously took possession of, caused harm to the lands, territories or resources of indigenous people and local communities, or contribute to either of them or both without securing FPIC. Implementation is jointly monitored by the community and the GPSNR member and/or by a mutually agreed third party or parties.
- For the FPIC approach, suppliers are required to observe one of the following approaches.
 - UN-REDD (2012) Guidelines on Free, Prior and Informed Consent
 - RSPO (2015) Free, Prior and Informed Consent for RSPO Members
 - FAO (2015) Free, Prior and Informed Consent Manual
- Establish ongoing, effective, culturally appropriate channels of dialogue with (IP/LC)
- Uphold applicable labour rights and labour laws in the jurisdictions where the company is operating, the UNGP, and the intent of the ILO's eight core conventions.

This includes:

- Freedom of association and collective bargaining in accordance with national and international laws and ILO Conventions No.87 and No.98
- No forced labour
- No child labour
- Decent living wages
- No discrimination
- Legal working hours
- Safe and healthy workplaces
- No abusive practices
- Gender equity

Safeguards apply to all workers, including contract, temporary and migrant workers.

4. Commitment to Community Livelihoods

- Support decent living conditions of local communities (e.g., drinking water, adequate housing sanitation).
- Support the right to food and food security of individuals, households and local communities.
- Support the economic, social and cultural rights of local people, including through access to education and employment.

5. Commitment to Increased Production Efficiency

- Support training for natural rubber producers, including smallholders, to improve yield and quality.
- Manage operations to minimize the amount of energy usage.
- Manage operations to maximize natural resource efficiency.
- Minimizing and mitigating carbon emissions.

6. Commitment to Systems and Processes to Drive Effective Implementation of Policy

- Setting public, timebound and geographic-specific targets and milestones with their associated indicators/metrics for applying its commitments.
- Maintaining an active, regular stakeholder dialogue to provide relevant information, and to afford opportunities for feedback and suggestions related to fulfillment of the company's commitments.

- Participate in and support multi-stakeholder planning to uphold the GPSNR principles in different districts and jurisdictional areas.

7. Commitment to Supply Chain Assessment, Traceability, and Management Applicability

- Conduct supply chain mapping, assess suppliers for social and environmental risks and engage in risk mitigation activities.
- Support traceability of natural rubber till an appropriate jurisdictional level to confirm or control the conformity of procured natural rubber with the GPSNR Policy Components.
- Notify all natural rubber suppliers that material produced in accordance with the GPSNR Policy Components will be preferred, set a deadline so as to meet the policy requirements and ensure that supplier codes and contracts reflect the requirements.
- Get involved in supply chains on a periodical base to support their conformity with company commitments through effective incentives, support mechanisms and procurement monitoring systems.
- In the case of non-conformity by suppliers with the GPSNR Policy Components, grasp the situation promptly and extend cooperation for the compilation of timebound implementation plans aimed at remedying past or ongoing harms.

8. Commitment to Monitoring and Reporting on Progress Towards, and Conformance with, Policy Components

- Monitor the progress toward company commitments on a periodical base to ascertain the performance.
- Collect information from local stakeholders and affected parties regarding non-conformity with commitments through the use of monitoring systems.
- Disclose yearly the management of progress and outcomes toward implementation of policy-related commitments at least annually.

Terminology

- GPSNR (Global Platform for Sustainable Natural Rubber)
(<https://sustainablenaturalrubber.org/>) (GPSNR website)
GPSNR is a cross-industry platform aimed at promoting global natural rubber production and use in a way to take environmental and social issues into more consideration.
- High Conservations Value (HCV)
HCV represents value of natural habitats, with HCV areas defined as where these values are considered to be biologically, ecologically, socially and culturally important, and to be extremely influential nationally, regionally and globally, and/or to be of outstanding significance.