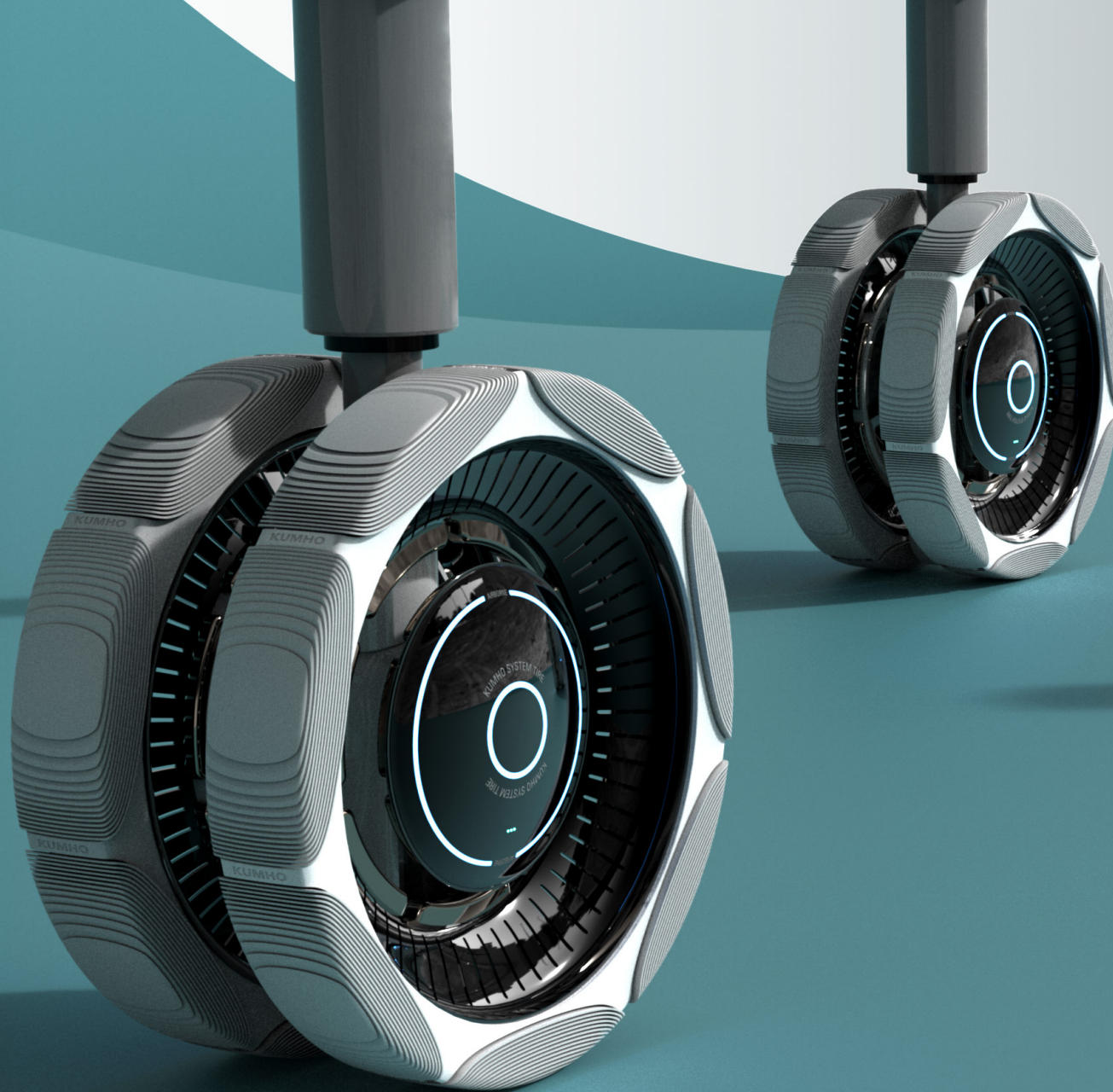


**KUMHO**  
TIRE



2024 Kumho Tire Sustainability Report  
**Your Smart Mobility Partner**

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COVER STORY  
Airborne Tire for Urban Air Mobility, Awarded the German Red Dot and iF Design Awards

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### Interactive Guide

The Kumho Tire Sustainability Report has been created as an Interactive PDF to enhance reader convenience and comprehension. Various icons are used to easily navigate to the desired page.

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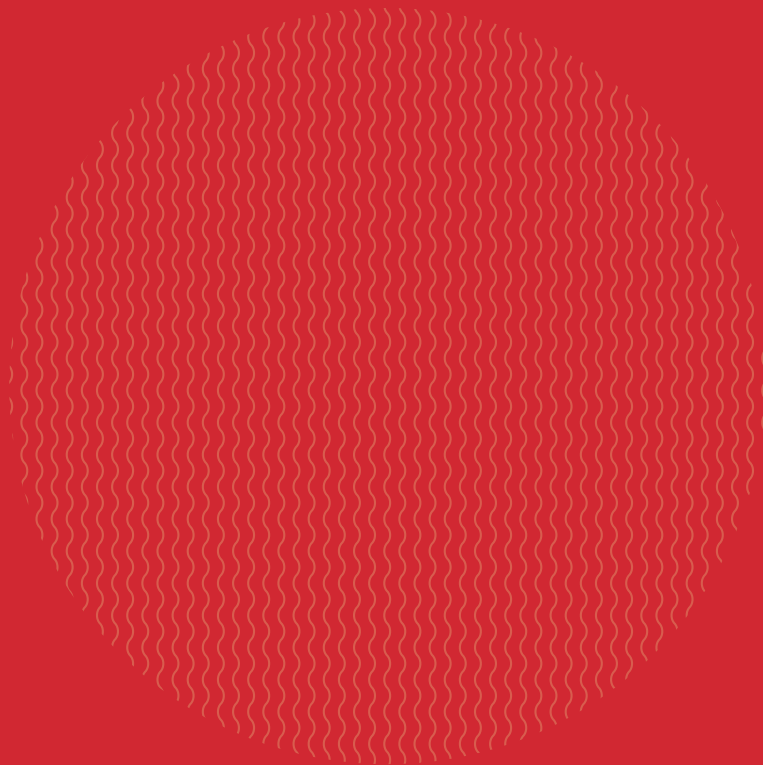
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# Sustainable Value Story



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Business Spotlight

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## Business Spotlight 1.

# Record-high Achievement

### Kumho Tire's Growth Continues

In 2023, Kumho Tire achieved its best performance in the past decade, ensuring management stability. Despite facing crises, Kumho Tire has continuously focused on its core business and improving its structure, demonstrating double-digit growth for three consecutive years. This culminated in a sales revenue of KRW 4.0414 trillion, with a record-high operating profit of KRW 411 billion and an operating profit margin increase of 9.5% compared to the previous year. These achievements are attributed to the expanded sales of larger rim diameter tires (18 inches and above), the launch of competitive products, stable production and supply, timely investment in the Vietnam plant, etc. Kumho Tire considers last year's achievements as the starting point of its growth trajectory and aims to set new records in 2024 by expanding its premium market share with the newly launched EV-specific tire, 'EnnoV.'



## Business Spotlight 2.

# Embrace Innovation with 'EnnoV' for EV tires

## The Formula for EV Tire Evolution: 'EnnoV'

In March 2024, Kumho Tire launched its EV-specific tire brand, 'EnnoV.' 'EnnoV' is a combination of 'ELECTRIC' and 'INNOVATION', representing Kumho Tire's cutting-edge technology in a premium brand. The lineup includes four types: EnnoV PREMIUM (all-season), EnnoV SPORT (summer), EnnoV SUPERMILE (mileage), and EnnoV WINTER (winter). Among these, EnnoV PREMIUM (29 sizes) and EnnoV SPORT (26 sizes) are the world's first to apply the 'HLC (High Load Capacity)' technology across all sizes. The core technology of EnnoV, HLC, is optimized for electric vehicles, ensuring durability and quick responsiveness even with high initial torque. It also improves wear performance by about 20% compared to standard products. Additionally, K-Silent\* technology is incorporated to ensure quiet and stable driving. EnnoV is expected to set a new standard in future mobility by providing drivers with an optimal driving experience.

\* K-Silent: A unique technology of Kumho Tire to reduce cavity resonance noise by approximately 8%, which is generated from the vibration of air inside of the tire contacting with the road surface, with attaching sound-absorbing material (foam) inside the tire.

# EnnoV HL

EnnoV  
Five Key Technologies

Superior Durability



Excellent Driving Stability



Noise Reduction



Optimized Wear Performance



Maximized Energy Efficiency



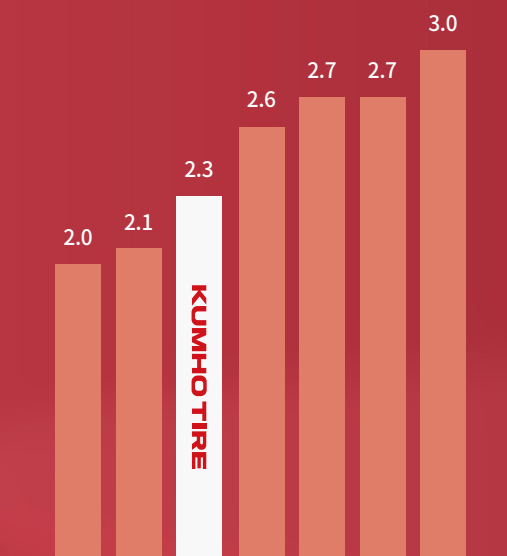
## Business Spotlight 3.

# Proven Outstanding Technology in the Global Stage

## Demonstrating Superior Technology in Global Stage

Kumho Tire's technology is excelling on the global stage. The first notable achievement is the ECSTA HS52, which secured 3rd place in the summer tire performance test conducted by the renowned German automotive magazine ADAC. It further demonstrated its excellence by ranking 4th in tests conducted by the influential European and global automotive magazine Auto Bild. Another flagship model of the ECSTA brand, the ECSTA PS71, achieved 4th place in the SUV summer tire test conducted by Germany's AutoBild Allrad. Additionally, Kumho Tire ranked 3rd in the passenger car segment of the 2024 U.S. Consumer Satisfaction Survey conducted by the American quality evaluation agency J.D. Power. These accolades, the highest among domestic companies, reaffirmed Kumho Tire's superior technology as recognized by globally credible institutions.

### Ranked **3<sup>rd</sup>** in Europe's Prestigious ADAC Automobile Magazine Tire Test

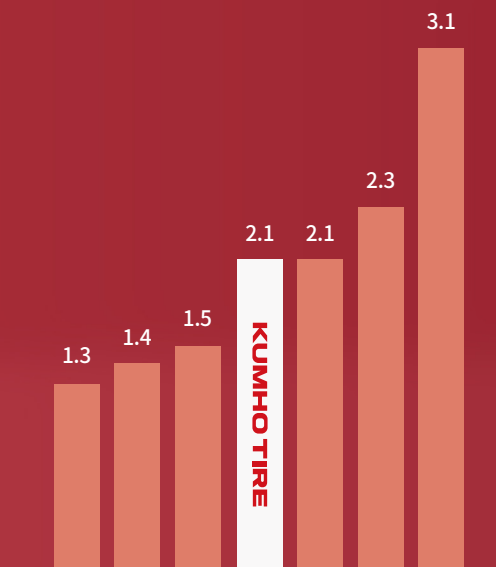


\* ECSTA HS52 Achievements, Ranked 3rd out of 16 Companies

\* ADAC Summer Tire Test 2024

\* Lower scores indicate better performance

### Ranked **4<sup>th</sup>** in Germany's Auto Bild Automobile Media Tire Test

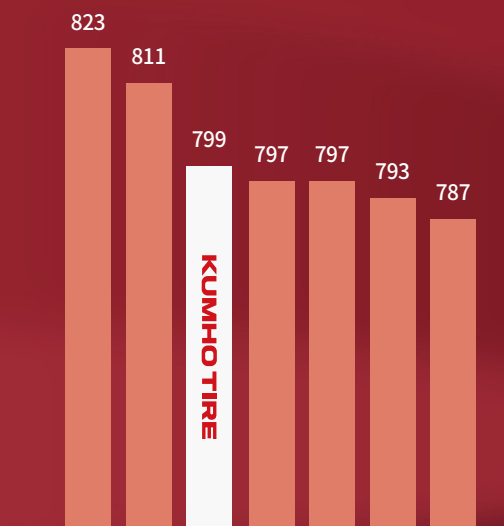


\* ECSTA HS52 Achievements, Ranked 4th out of 55 Companies

\* AutoBild Summer Tire Test 2024

\* Lower scores indicate better performance

### Ranked **3<sup>rd</sup>** in the U.S. J.D. Power Passenger Car Tire Segment Consumer Satisfaction Survey



\* Ranked 3rd among 18 Global Tire Brands

\* Passenger Car Segment of the 2024 U.S. Original Equipment Tire by J.D.Power

\* Higher scores indicate better performance

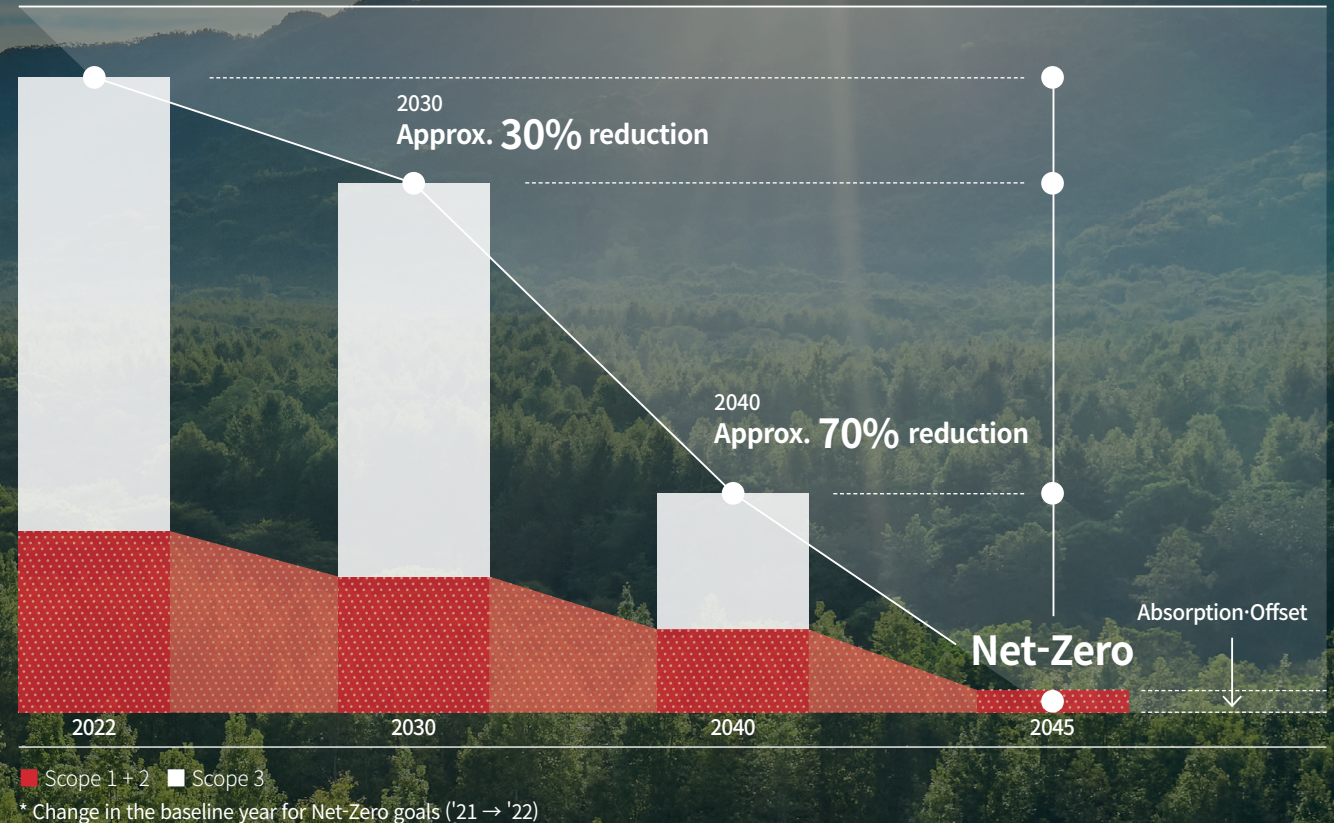
## Sustainability Spotlight 1.

# Net-Zero: The Essential Path to Sustainability

### Dedication to Net-Zero by 2045

Global Warming has resulted in frequent extreme weather events worldwide. Kumho Tire recognizes the severity of this climate crisis and, as a global manufacturer providing tires in over 180 countries, is actively pursuing Net-Zero by 2045. In March 2023, Kumho Tire became the first company in the domestic tire industry to support the TCFD (Task Force on Climate-related Financial Disclosures), undertaking initiatives based on the analysis of climate change risks, opportunities, and potential financial impacts. Additionally, Kumho Tire is fulfilling its environmental responsibilities by setting phased reduction targets for Scope 1 and 2 (direct and indirect greenhouse gas emissions from business operations) and Scope 3 (indirect greenhouse gas emissions related to corporate activities across the value chain) in accordance with SBTi (Science Based Targets initiative) requirements.

### 2045 Net-Zero Roadmap



## Sustainability Spotlight 2.

# Solar Power: Beginning of Renewable Energy Transition

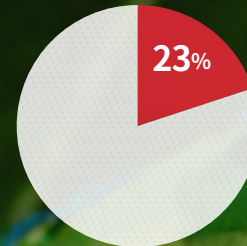
### Renewable Energy Transition Goals and Achievements

RE100 is a voluntary commitment by companies to procure 100% of their electricity from renewable energy sources as a key measure to achieve Net-Zero. Kumho Tire has set a goal to achieve RE100 at all its overseas plants by 2038. As part of this effort, the company is actively promoting the installation of solar power facilities at each of its plants.

As of 2023, four out of Kumho Tire's eight plants have transitioned to renewable energy through the installation of solar power facilities. The Tianjin plant in China has achieved RE23 through on-site PPA\* and the purchase of green electricity certificates. Furthermore, in 2024, Kumho Tire is striving to achieve RE100 by 2045, by installing solar power facilities at domestic plants, and introducing various measures such as PPA (Power Purchase Agreement) and REC (Renewable Energy Certificate) at domestic and international plants.

\* On-site PPA: A method where renewable energy generation facilities are installed on the roof or unused land of the power consumer, followed by the conclusion of a PPA.

### Achievement of RE23 at the Tianjin Plant in China by 2023



#### Achievement of RE23

Procurement Methods:  
Green Electricity Certificate (GEC),  
On-site PPA

### RE100 Transition Goals



### Expected Global Solar Power Usage in 2024



Vietnam Plant  
RE8



Nanjing Plant  
RE19



Tianjin Plant  
RE8



Changchun Plant  
RE11

\* Based on the expected solar power usage relative to the expected electricity consumption of each plant in 2024.

### Sustainability Spotlight 3.

## Sustainable Material Cycle

#### Successful Development of Tires with 80% Sustainable Materials

The recent mobility industry demands the use of eco-friendly tires with low carbon dioxide emissions. Kumho Tire takes the environmental issues arising from the production, usage, disposal of tires seriously, establishing a circular economy system from product design to disposal. Among these efforts, the development of alternative materials stands out as a notable success. Kumho Tire has developed a tire composed of 80% sustainable materials. This tire includes recycled carbon black from petrochemical-based materials, recycled PET, recycled steel cord, synthetic rubber from recycled plastics, silica obtained from burning rice husks, sunflower oil, and resin extracted from pine tree sap. Currently, 25.7% of Kumho Tire's total raw materials are sustainable, but the goal is to increase this to 40% by 2030 and to achieve 100% sustainable materials by 2045. In realizing these goals, Kumho Tire aims to provide not just products but the value of a sustainable mobility experience.

#### Mid-to-Long-Term Plan for Applying Sustainable Materials



#### 1. Design

- Low rolling resistance (RR) for improving fuel efficiency
- Lightweight for resource conservation and energy efficiency improvement
- Reduced wear that generates less particulate matter and extends the life of the tire

#### 2. Raw Material Sourcing

- Application of recycled and renewable materials, eco-friendly plant-based new materials
- MOUs for the development of sustainable raw materials
- Use of deforestation-free natural rubber

#### 5. Disposal

- Efforts to improve product lifespan and to recycle used tires into new tires or other rubber products

#### 4. Usage

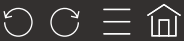
- Improvement of tire weight, rolling resistance and tire durability to enhance vehicle fuel efficiency

#### 3. Production

- Energy efficiency improvement, use of renewable energy
- Reduction of air and water pollutants
- Waste reduction and recycling rate improvement

### Sustainable Material Cycle

Considering the sustainability of tires from design to disposal



SUSTAINABLE VALUE STORY

ABOUT KUMHO TIRE

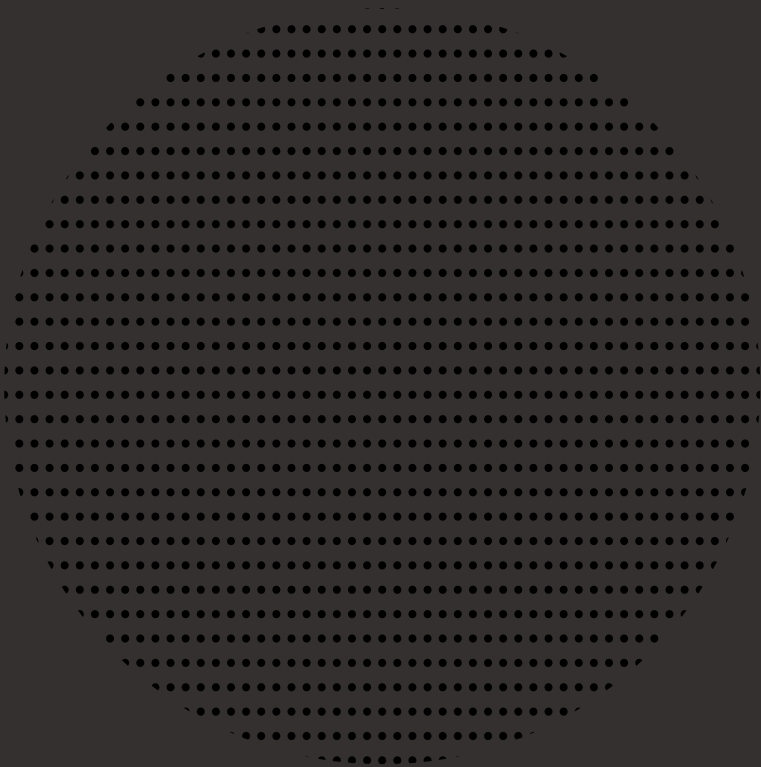
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# CEO Message



## Dear Respected Stakeholders,

In 2023, Kumho Tire achieved business normalization through the efforts of all domestic and international employees and the support of our stakeholders. Our revenue increased by 13.5% compared to the previous year, reaching KRW 4.0414 trillion, and our operating profit rose by 9.5%p, recording KRW 411 billion. Despite global supply chain risks such as natural disasters, wars, pandemics, and high exchange rates and interest rates, we secured market competitiveness through ‘competitive products and technology,’ ‘stable production and supply,’ ‘timely investment in the Vietnam plant,’ and ‘ESG management performance.’ Building on these solid results, Kumho Tire is promoting the leap to a premium brand, advancing research and development and quality enhancement, and internalizing sustainable management from a macro perspective. Through the 2024 Sustainability Report, we aim to transparently disclose our management performance and achievements in environmental, social, and governance aspects, and share Kumho Tire’s sustainable present and future with investors, customers, partners, employees, the government, and local community stakeholders.

### First, Kumho Tire will continue our reputation as a technology leader.

Kumho Tire will firmly establish our position as a technology leader by responding flexibly to the rapidly changing environment, including the development of the mobility ecosystem and the expansion of the electric vehicle market. In March 2024, Kumho Tire launched electric vehicle-specific brand, ‘EnnoV’ with innovative technologies, such as High Load Capacity (HLC) applied across all tire sizes, which is the first in the world, and improved wear performance and fuel efficiency. Additionally, many of our products have achieved excellent results in various evaluations worldwide. In 2024, Kumho Tire secured third place in the summer tire performance test hosted by the renowned German automotive magazine ‘ADAC,’ and fourth place in the ‘Auto Bild’ tire performance test, further solidifying our position as a technology leader.

### Second, Kumho Tire is accelerating our push for Net-Zero by 2045.

Recognizing the severity of the climate crisis, Kumho Tire has set Net-Zero goals and is actively pursuing carbon reduction at our domestic and international business sites. For Scope 1, Kumho Tire is enhancing energy efficiency and investing in facilities, and for Scope 2, Kumho Tire is promoting the conversion to solar power using the On-Site PPA method, primarily at overseas business sites, and actively implementing the transition to renewable energy through certificate purchases. Kumho Tire has also joined the global initiative SBTi (Science Based Targets initiative) to set and achieve goals based on international agreements.

### Third, Kumho Tire is striving to enhance ESG management.

Recently, ESG regulations are growing such as the EU Regulation on Deforestation-Free Products, the EU Supply Chain Due Diligence Directive, and mandatory disclosures based on the IFRS Sustainability Standards. Kumho Tire is working to raise internal awareness and enhance implementation levels through the operation of the ESG Management Committee and the ESG Working Group, not only in response to climate change but also in the areas of corporate and human rights, responsible natural rubber supply chains, compliance and ethical management, information security, and corporate governance. In particular, Kumho Tire is identifying human rights risks at domestic and international business sites based on a human rights checklist, and in terms of compliance and ethical management, we have obtained integrated certification for ISO 37301 (Compliance Management Systems) and ISO 37001 (Anti-Bribery Management Systems) to enhance our management system.

We ask for your continued interest and support in Kumho Tire’s ongoing changes and challenges.

June 2024  
Kumho Tire CEO  
Il-taik Jung

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Business Overview

Corporate Profile\*

Company Name	Kumho Tire Co., Inc
Establishment	June 30, 2003
CEO	Iltaik Jung
Headquarters	658, Eodeung-daero, Gwangsan-gu, Gwangju, Republic of Korea
Employees	10,240 persons**
Sales	KRW 4.0414 trillion
Operating Profit and Loss	KRW 411 billion
Total Asset	KRW 4.8310 trillion
Total Liabilities	KRW 3.4319 trillion
Total Equity	KRW 1.3991 trillion

\* As of December 31, 2023  
\*\* Based on global consolidated standards Annual Report

2023 Business Performance

Sales Revenue	Operating Profit	Operating Profit Margin
Approximately 13.5% <small>(Increase rate compared to the previous year)</small>	KRW 411 billion	9.5 %P <small>(Increase rate compared to the previous year)</small>

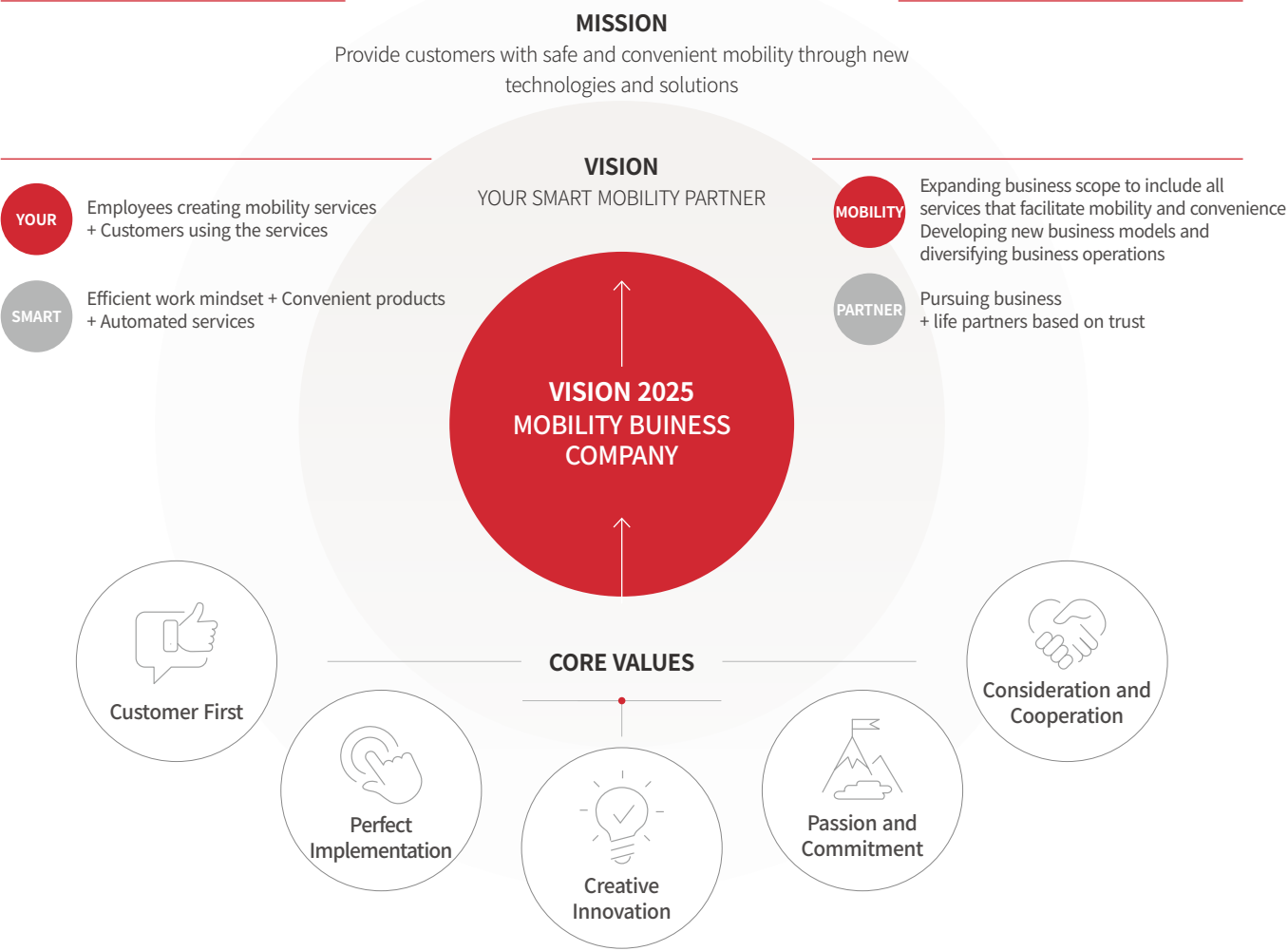
Credit Rating\*

Korea Ratings	Korea Investors Service	NICE Investors Service
A	A	A

\* As of May, 2024

Kumho Tire is demonstrating its performance through continuous fundamental improvements under a firm vision and clear objectives. Following a turnaround to profitability in 2022, we achieved an astonishing 1,677% increase in operating profit in 2023, thereby stabilizing our profit structure based on solidified internal stability. Even amidst an uncertain business environment and crisis situations, we have continually developed technology to improve product performance, expanded production capacity through the expansion of our Vietnam plant, etc., and implemented value systems through optimized sales strategies tailored to the characteristics of each market. This is enabling us to transition into a leading mobility business company.

Value System



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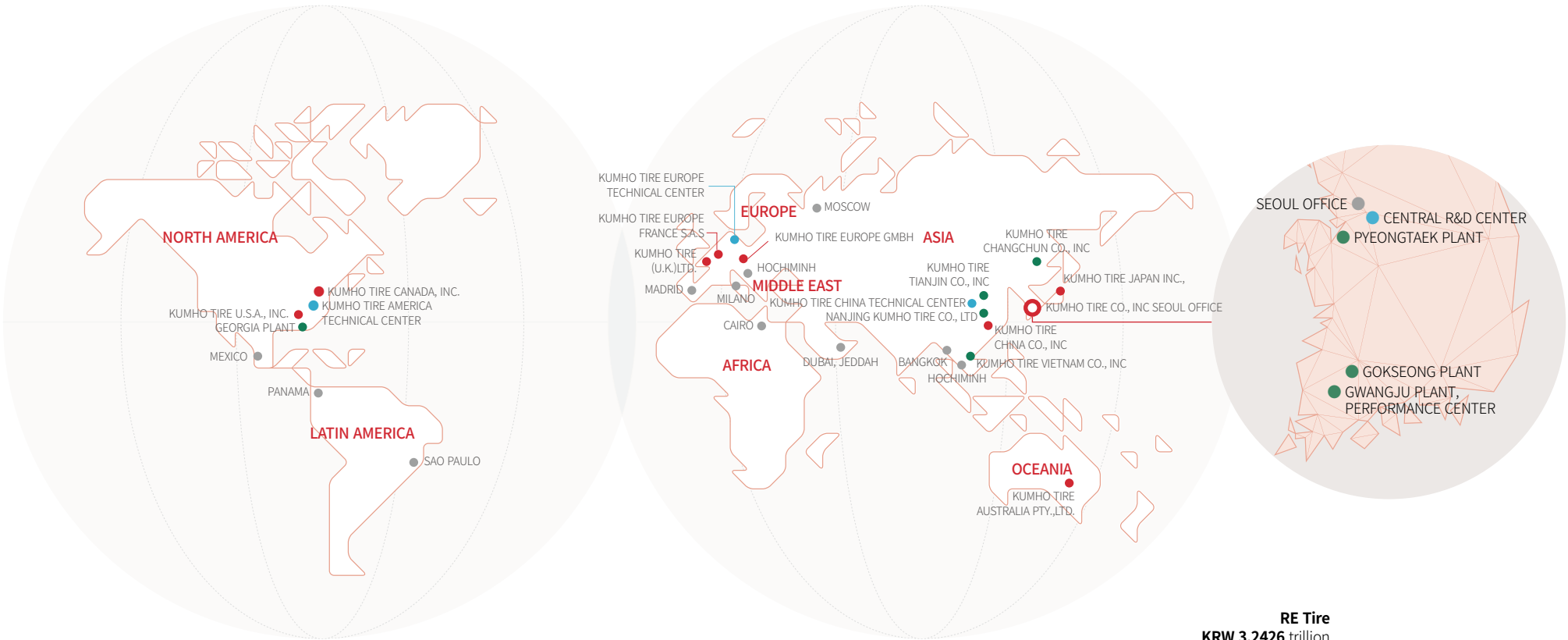
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Global Network

- Overseas Sales Subsidiaries ● Overseas Branches and Offices
- R&D Centers ● Manufacturing Plants and Subsidiaries

Kumho Tire is a global tire manufacturing and sales company with an extensive global sales network. We have established a global production system with eight tire manufacturing plants located in Korea, China, the United States, and Vietnam. Our products are sold through 10 overseas sales subsidiaries and 13 overseas branches and offices, employing marketing strategies tailored to the specificities of each country. Additionally, we operate R&D centers in regions such as Korea, China, the United States, and Germany, developing technologies and solutions to proactively respond to changing markets, thereby enhancing corporate value.



Tire Sales by Region (Unit: KRW billion)



# Business Portfolio

## Brand Portfolio

Kumho Tire offers a diverse range of products designed to provide safe and comfortable driving in any environment, considering the characteristics of the vehicle and the driving conditions. From our long-loved existing tires to our new EV tires optimized for the latest market trends, we have earned the trust of our customers through our differentiated technology and competitive quality.

### PREMIUM BRAND

EV Dedicated Product Lineup

**Majesty EV** TA31 SOLUS

- Premium sedan EV tire with advanced EV technology
- Low rolling resistance, low noise, high grip, and enhanced wear resistance

**CRUGEN EV** HP71

- SUV EV tire optimized for electric vehicles with high-strength design
- Driving stability, braking performance, and road noise reduction technology

**SOLUS EV** TA31

- Sedan EV tire with improved rolling resistance and wear performance
- Compounds and pattern design technology tailored to electric vehicle characteristics

**ECSTA EV** PS71

- High-performance tires optimized for electric vehicles
- EV-specific compounds and high-strength design to prevent abnormal wear

### VOLUME BRAND

**MARSHAL TIRE**  
**ZETUM TIRE**

A specialized sports performance brand offering comfortable high-speed driving and stable handling performance

High-efficiency performance tire brand with long mileage

**SOLUS** TA51

- All-season premium tires optimized for the Korean environment
- Pattern noise reduction technology and improved wear performance

**ECSTA** PS91

- High-performance premium sports tires
- Special compound for excellent grip performance on wet and dry surfaces, ensuring driving stability and braking performance

**CRUGEN** HP51

- SUV tires that balance key performance attributes
- Noise reduction and enhanced driving stability

**ROAD VENTURE** AT52

- Multiple tires satisfying both urban driving and outdoor activities

**WINTERCRAFT** WP72

- Premium winter tires for luxury sedans
- Optimized design for snow and wet performance

\* **EnnoV** is available in the Korea and China regions.

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# Business Portfolio

## Brand Portfolio

### Premium Truck and Bus Tires

TBR (Truck and Bus Radial) tires are high-performance tires designed for large vehicles. Since they are primarily mounted on trucks, buses, etc., the technology to withstand higher loads and long-distance driving is crucial. Kumho Tire offers TBR products that feature key technologies such as durability, mileage, and environmentally friendly performance. Representative products include the high-performance, high-durability light rail tire ‘KRA14,’ exclusively developed in Korea, the truck tire ‘KXA17’ with new intelligent pattern technology, and the first TBR electric bus High Load EV tire ‘KCA31.’

#### KRA14 High-performance, high-durability light rail tire exclusively developed in Korea



- Achieving six major performance goals free from the wear and defects of existing imported products, and obtaining international standards (Europe) certification
  - ① Obtained international (Europe ECE-R54 & ECE-R117) certification
  - ② Received European ‘3PMSF’ certification for Snow Grip evaluation to ensure winter road safety
- Conducted the final report meeting of the project supervised by the Ministry of Land, Infrastructure and Transport in 2024 and was selected as an Excellent Project
- Secured exclusive supply to the domestic light rail markets such as the Sillim Line in Seoul and Line 4 in Busan in 2024

#### KXA17 Truck tire with intelligent pattern technology



- Introduced new intelligent pattern technology that optimizes performance based on wear rate requirements
- Completed domestic and international patent applications for RCB (Rigidly Connected Bridge) technology and improved mileage and fuel efficiency with 3D sipe design
- Ensured high-speed stability and enhanced ride comfort through the adoption of wide tread widths for high-speed driving and lane changes

#### KCA31 The First TBR High Load EV Tire for Electric Buses



- Specialized platform and pattern design for EV vehicles, increasing load index for enhanced durability under high loads, reduced noise, and increased mileage
- New EV-specific compound and pattern applied, improving rolling resistance (fuel efficiency) grade compared to existing products
- ‘SWI’ technology applied to inform customers of the sidewall wear limit
- TBR environmental labeling certification obtained through environmentally friendly structure-material design
- European ‘3PMSF’ certification for Snow Wet Grip, ensuring driving stability on snowy roads

### GLOBAL OE PARTNERS

Kumho Tire maintains OE partnerships with global automakers such as Hyundai Motor Group (Hyundai, Kia), Volkswagen (Volkswagen, Audi, Skoda, SEAT), Mercedes-Benz Group, Renault-Nissan (Renault, Renault Korea Motors, Nissan), Stellantis Group (Fiat, Chrysler), KG Mobility, and Tata Daewoo. Additionally, Kumho Tire is expanding its market share of high-performance tires in the United States and Europe, the largest premium tire markets, gaining recognition for its technological capabilities.



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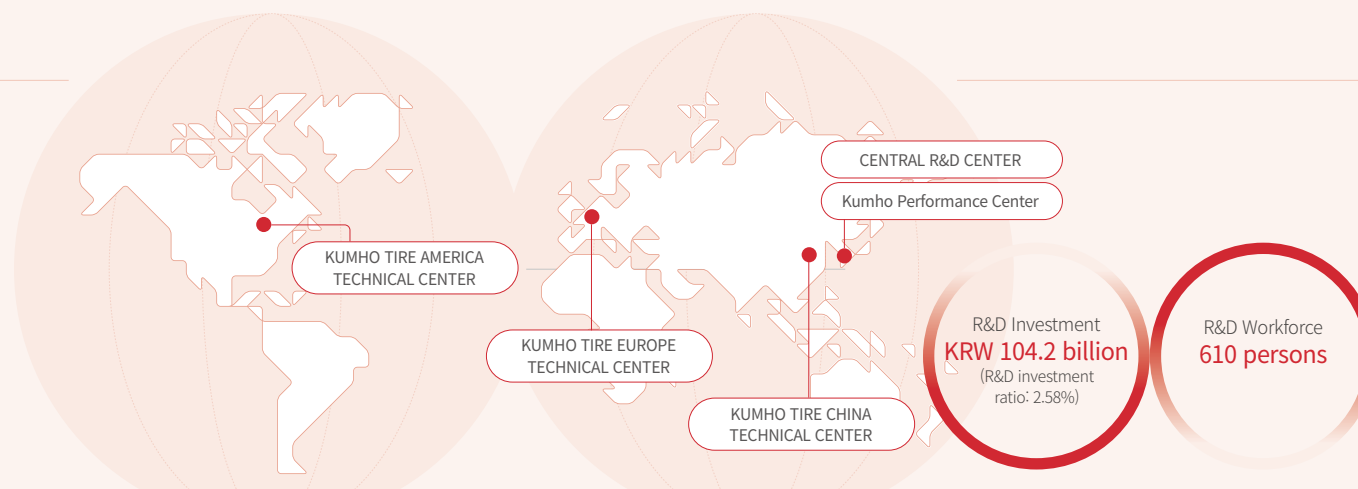
# Business Portfolio

## Competitiveness in Future Mobility, R&D

Kumho Tire is strengthening its R&D capabilities to accelerate the paradigm shift for future mobility. To maintain a competitive edge in technology, we have established and are operating a global R&D network. By expanding our R&D investment, Kumho Tire is not only enhancing product performance but also integrating digital technologies to develop tires that ensure safe and comfortable mobility while being environmentally conscious.

### Global Network

Kumho Tire has established and operates a global R&D network to develop world-class tires. The central research center, which integrally manages domestic and international research centers, serves as the hub of the global R&D network. The Kumho Performance Center (KPC) leverages its proximity to the test track and production plant to operate as a specialized performance center. The technical centers in the United States, Europe, and China focus on analyzing local markets, driving conditions, etc. to improve quality, enhance technical capabilities, and develop high-performance tires.



### Strengthening Innovative Research through Collaboration

Kumho Tire conducts R&D collaborations to secure eco-friendly new technologies and enhance the expertise and efficiency of its research and development. We collaborate in various fields, focusing on developing eco-friendly materials, innovative product development technologies, and next-generation advanced technology and product development. In 2023, we pursued a total of 39 research projects, including 31 joint research projects, 3 industry-academia cooperation projects, and 5 government projects.



### Establishing a Technology Roadmap

To maintain competitiveness in future markets, we have established a Technology Roadmap (TRM) and are identifying key technologies (Toolbox) to meet customer demands in response to market and technological changes. By integrating new technologies into our products, we aim to develop and launch new products in a timely manner. We also develop platforms to secure the performance competitiveness of newly developed products, preselecting core tasks to ensure timely product releases.



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# Business Portfolio

## Preparing for the Future Mobility Era

Kumho Tire has launched the dedicated electric vehicle tire brand ‘EnnoV’ to target the future mobility market with technology optimized for electric vehicles. The EnnoV lineup consists of four types: EnnoV PREMIUM (all-season), EnnoV SPORT (summer), EnnoV SUPERMILE (mileage), and EnnoV WINTER (winter). Among these, the EnnoV PREMIUM line is the world’s first product to apply ‘HLC (High Load Capacity)’ structural design across all 29 sizes. With EnnoV’s distinguished technologies, such as superior driving stability, low noise, and improved fuel efficiency, Kumho Tire is set to lead the new EV era as a technology leader.

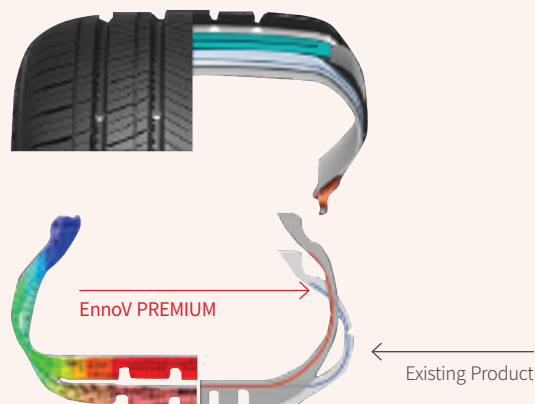
### EV Tire Technology

#### HLC Design to Withstand High Loads

EnnoV PREMIUM line is the world’s first to feature HLC (High Load Capacity) across all 29 sizes, capable of easily bearing the high loads of electric vehicles, which are on average 300 kg heavier than internal combustion vehicles. This design ensures durability and optimal performance, handling the high torque of initial acceleration.

Additionally, the application of high-rigidity steel belts prevents tread deformation and minimizes movement during driving, while the use of high-strength body ply with high-strength polyester cords for the tire’s framework enhances stability during high-speed driving.

**K-XTREME**  
**HLC**

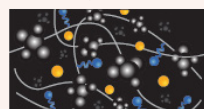


#### Improved Rolling Resistance (RR)

Kumho Tire has significantly improved rolling resistance performance to minimize power consumption in electric vehicles. By researching technologies to reduce rolling resistance caused by heat and friction during driving, we have improved rolling resistance by over 20%. The use of an EV-optimized compound material further enhances fuel efficiency.

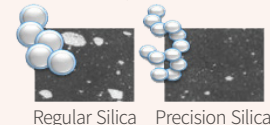
##### New Generation Polymer Materials

Applying new generation functional S-SBR reduces rolling resistance, further improving fuel efficiency



##### High-Dispersion Precision Silica

Applying high-dispersion precision silica reduces rolling resistance, further enhancing fuel efficiency



#### Optimized Quietness for Electric Vehicles

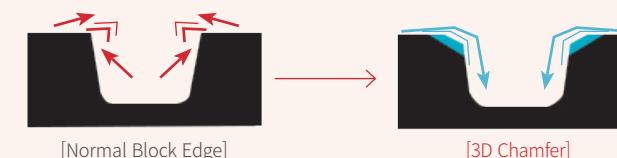
Kumho Tire applies special dimples and pattern designs within the tire grooves to reduce noise caused by air concentrated in the tire tread grooves during driving. Additionally, the sound-absorbing foam attached inside the tire reduces resonance noise, which is the noise generated by air vibrating inside the tire upon road contact, by approximately 8%, ensuring a quieter and more stable ride.

##### Sound-Absorbing Foam



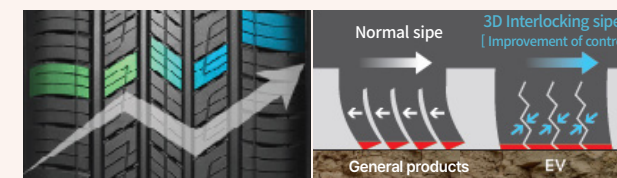
#### Optimized Wear Performance

Kumho Tire applies optimized ground pressure design technology to prevent uneven wear and early shoulder block wear, thereby improving ride comfort. Additionally, to improve abnormal wear and prevent tearing, 3D chamfer technology has been applied to enhance the residual rate of sipes.



#### Ensuring Driving Stability

The zigzag pattern design prevents vehicle pulling during driving, and the 3D sipe design applied to the thin lateral grooves of the tread blocks provides optimal handling and braking performance. Moreover, the hybrid sidewall design minimizes belt movement during acceleration, preventing vehicle pulling and enhancing driving stability.



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# Business Portfolio

## Preparing for the Advanced Mobility Era

### Building a Tire Digital Twin System

With the tightening of environmental regulations and the increasing demand for electric vehicles, technology trends are changing rapidly. To proactively respond to these trends, Kumho Tire has implemented a 'Tire Digital Twin' environment, utilizing Big Data and Artificial Intelligence (AI) technologies to maximize tire performance and safety.

The digital twin replicates the real-world product development process in a digital space, enabling virtual product development in advance, which reduces development time and costs, representing an innovation in the overall product development process. This system performs virtual evaluations and virtual manufacturing, including performance pre-assessment, design optimization, and driving simulation from the tire design stage. By using the digital twin system, we not only improve product development efficiency but also save resources used in trial manufacturing and evaluation.



### Smart Tire Monitoring System

The smart tire monitoring system provides customers with a total solution for safe and economical travel. It informs the driver of tire conditions using a sensor module attached inside the tire and an LTE wireless communication device installed in the driver's seat. By monitoring air pressure, temperature, acceleration, and tire conditions during driving, the system sends warnings or alerts to the driver if any danger is detected, preventing accidents. Furthermore, it analyzes comprehensive data on vehicle information, driver operation management, and tire inventory management, helping reduce fuel consumption and tire replacement costs. For example, trial operations conducted with intercity and city bus companies showed that vehicle management costs could be reduced by approximately KRW 1.2 million per vehicle annually. Due to these advantages, in December 2023, we successfully signed a supply contract with Suncheon Transport, the largest city bus company in the Jeonnam region, marking a milestone in commercialization.

### Future-Oriented Tires

#### Airless Tire

One of the major drawbacks of current pneumatic tires is the risk of unexpected accidents due to punctures while driving. The Airless Tire addresses this issue by being a non-pneumatic tire, increasing safety and reducing maintenance costs, making it particularly suited for autonomous driving and electric vehicles. Kumho Tire's Airless Tire not only incorporates fundamental technology but also uses eco-friendly materials and is designed for high-speed driving. Leveraging these technologies, Kumho Tire has completed international patent applications. Furthermore, to proactively respond to the Airless Tire market, Kumho Tire is actively collaborating with multipurpose unmanned vehicle developers to create Airless Tires for various purposes, such as small electric carts and unmanned delivery robots.

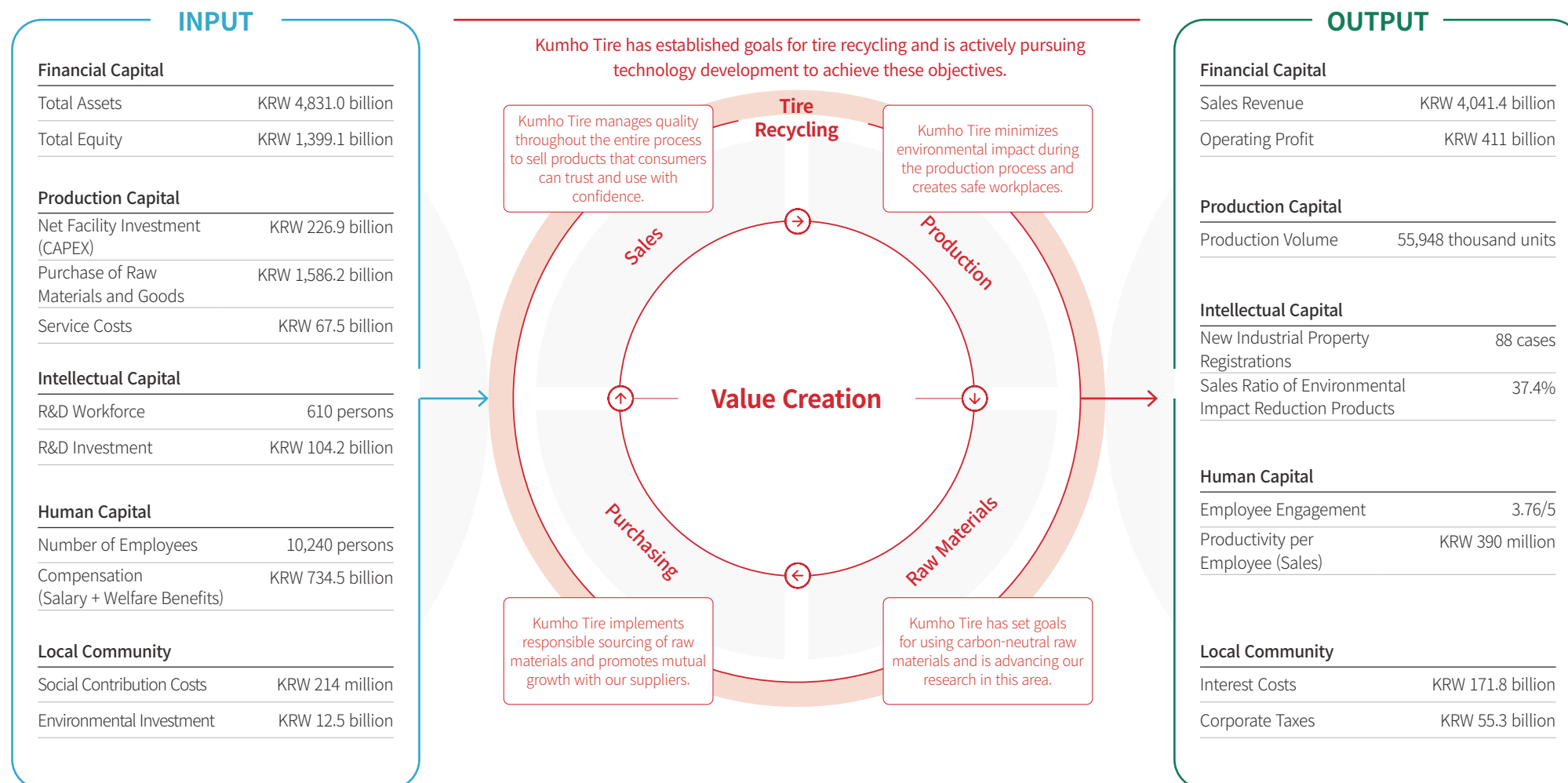
#### Airborne Tire

The Airborne Tire is a specialized tire for Urban Air Mobility (UAM), moving aircraft using only electricity through magnetic suspension and rotating wheel devices without a separate wheel motor. The tire wheels float in the air due to the magnetic force, allowing smooth operation during vertical takeoffs and landings. The combination of rubber components and airless parts facilitates smooth vertical landings, significantly reducing the impact felt by passengers. The Airborne Tire was awarded in the Concept category at the 2022 German Red Dot Design Award and the 2023 German iF Design Award, recognizing both its functionality and innovative design.



## Value Creation

Kumho Tire is committed to fulfilling its corporate social responsibility by fairly distributing the economic value generated from its business activities to various stakeholders connected through the company's value chain, including suppliers, employees, investors, the government, local communities, and customers.





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# ESG Management



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# Key ESG Achievements

## ESG Ratings

MSCI



AA grade

KCGS



Integrated A grade

CDP Climate Change



Management B

CDP Water



Management B

## Environment

### Establishment of Solar Power Facilities in 7 Global Plants

- Solar power facilities being established in 7 out of 8 global plants



### Signing of MOU for Joint Development of Sustainable Materials

- Successful application of 80% sustainable raw materials
- Signing of MOU for joint development of sustainable tire raw materials with the European petrochemical group Synthos



### Establishment of LCA(Life Cycle Assessment) Tool

- Establishment of internal processes for measuring carbon emissions per product unit

## Social

### Acquisition of TISAX Information Security Certification

- Acquisition of TISAX (Trusted Information Security Assessment Exchange) certification, an information security certification system organized by the German Association of the Automotive Industry
- A total of 9 Business Sites including the Seoul Office and R&D Center



### Human Rights Impact Assessment Conducted

- Advanced checklist adhering to the UN Guiding Principles on Business and Human Rights
- Human rights impact assessment conducted at domestic business sites

### Strengthening ESG Evaluation of Suppliers

- Conducted ESG evaluations and provided improvement support for 159 suppliers
- Establishment of Supply Chain Sustainability Policy

## Governance

### 13 ESG Agendas Reported and Approved by the Board of Directors

- Adoption of the Net-Zero roadmap and renewable energy, introduction of board evaluations, implementation of electronic voting at the general shareholders' meeting, etc.

### Acquisition of ISO 37301 and 37001 Certifications

- Acquisition of Integrated certification of ISO 37301 (Compliance Management System) and ISO 37001 (Anti-Bribery Management System) for domestic business sites

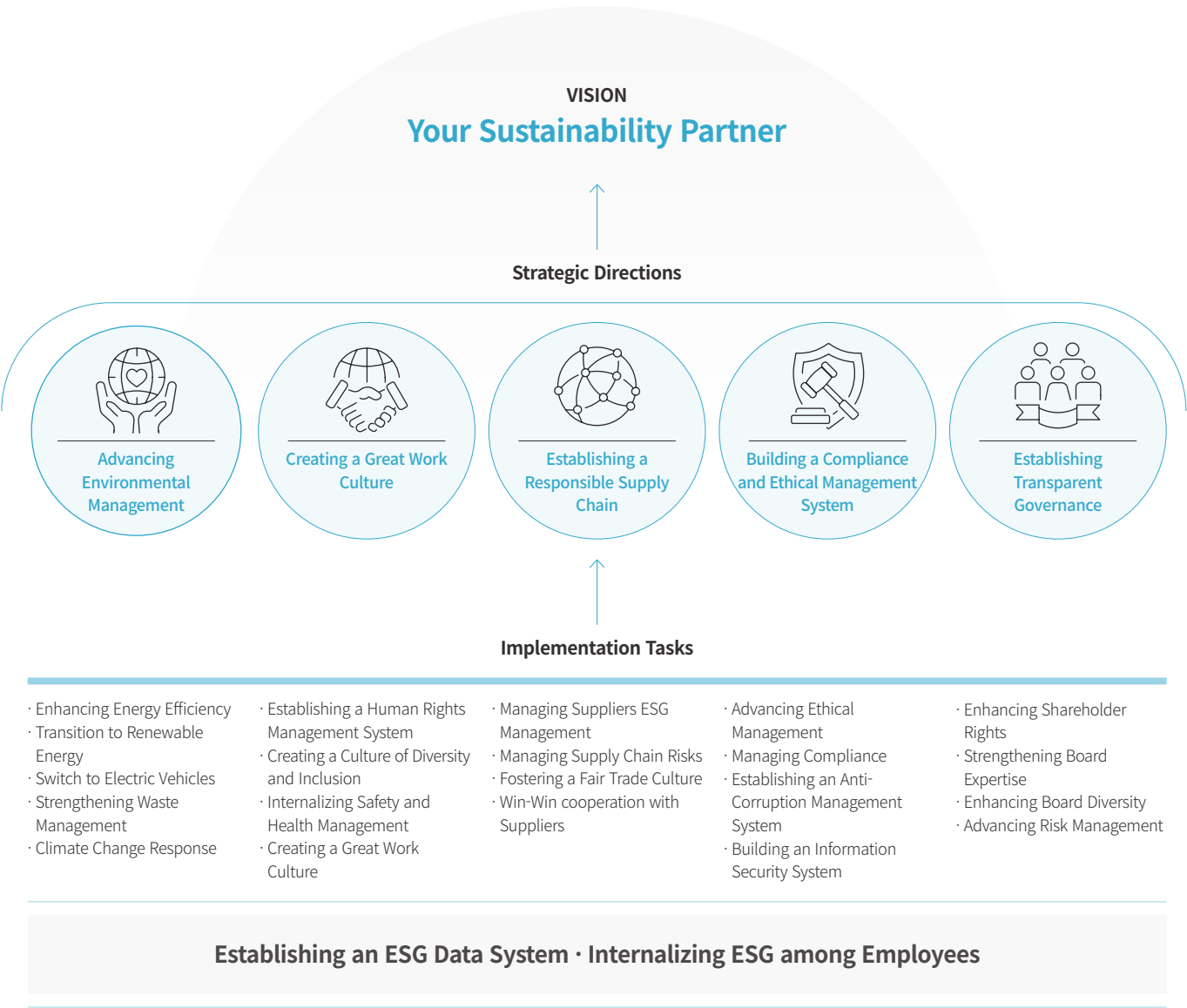


### Implementation of Electronic Voting System

- Implementation of electronic voting system starting from the 2024 general shareholders' meeting

# ESG Strategic Directions

Kumho Tire aims to realize the value of sustainability under the vision of ‘Your Sustainability Partner.’ To this end, Kumho Tire has established strategic directions and derived implementation tasks in the areas of environmental management, human rights and labor, supply chain, ethics and compliance, and governance. To execute tasks according to strategic directions, Kumho Tire has formed five company-wide ESG Working Groups, setting short-term and mid to long-term strategic tasks as well as ESG management indicators and goals. Through monitoring ESG tasks and management indicators, we aim to internalize company-wide ESG and concretize our ESG vision.



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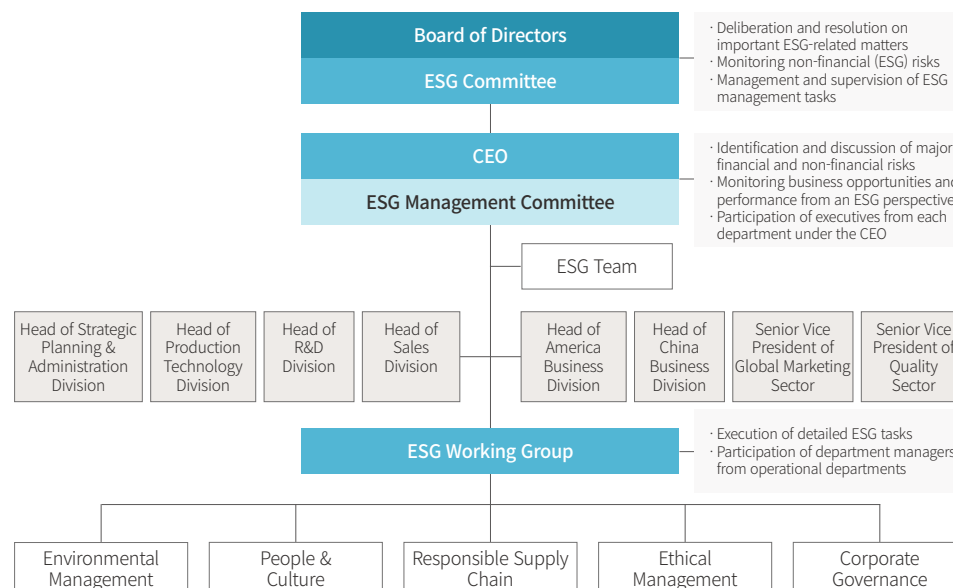
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# ESG Implementation Framework

## ESG Governance

Kumho Tire has established a governance system for promoting ESG management from the Board of Directors, the highest decision-making body, to the team units that perform the actual work. The ESG Committee under the Board of Directors actively incorporates the ESG philosophy into important decision-making and oversees ESG management. The CEO and executive management operate the ESG Management Committee to swiftly respond to and manage major ESG agendas. The dedicated ESG management organization within the Business Development & ESG Sector fulfills the role of promoting ESG management. To execute and operate ESG tasks according to strategic directions, five ESG Working Groups have been formed to enhance the company's ESG execution capabilities.



ESG Management Committee



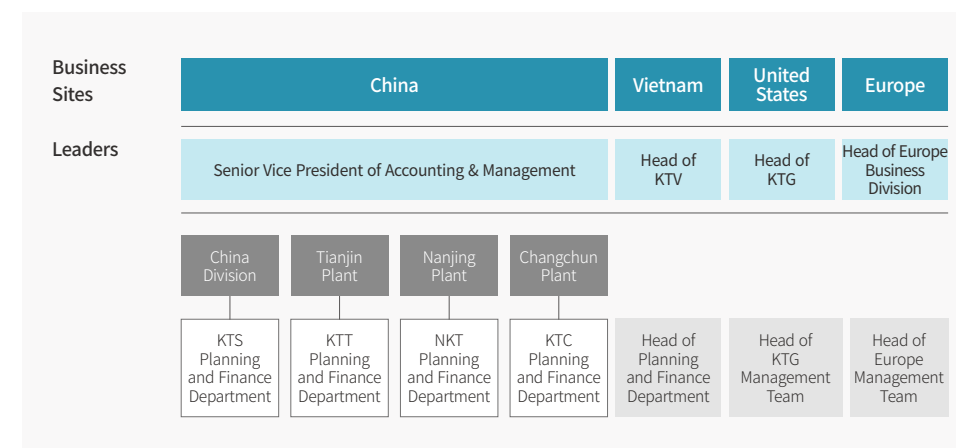
5 ESG Working Group Leaders Meeting



Corporate Governance Working Group Meeting

## Expansion of ESG Management in Overseas Operations

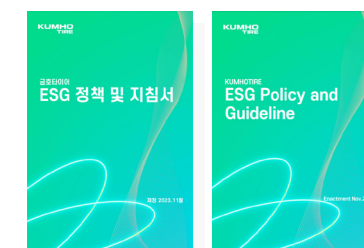
To establish a global ESG management system, Kumho Tire has designated ESG leaders and managers for each overseas business site. Kumho Tire has established an ESG operational system divided into environment and carbon, safety, supplier management, HR management and human rights, and ethics and compliance, and Kumho Tire is systematically implementing ESG management tasks. Through this, we aim to expand ESG management to global business sites, meet customer requirements, and elevate the level of ESG management.



## Provision of Translated Versions of ESG Policy Book

Kumho Tire translates and guides its ESG policies and guidelines into various languages to ensure that employees at global business sites and stakeholders worldwide can read and understand them. Translated into English, Chinese, and Vietnamese, these policies are distributed and disseminated to employees at overseas business sites and posted on the official website for anyone to view.

In 2023, new policies were established in response to the expansion of ESG issue management, including sustainable supply chains, conflict minerals, fair trade, board independence-expertise-diversity, and biodiversity.



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Major Discussion Agendas of the BOD

To promote ESG management, the Board of Directors are getting reported and resolve on the following agenda items:

Meeting Date	Report and Approval Agenda
February 2023	<div><div>· Report on major ESG achievements in 2022 (Net-Zero roadmap and introduction of renewable energy, CDP evaluation results, etc.)</div><div>· Approval of the 2023 Industrial Safety and Health Plan</div><div>· Approval of the establishment and role of the ESG Committee</div><div>· Approval of the ESG Committee’s operating regulations</div><div>· Approval of amendments to the Board regulations (ESG Committee)</div></div>
May 2023	<div><div>· Report on ESG materiality assessment results and response plans</div></div>
November 2023	<div><div>· Report on 2023 ESG management performance</div></div>
January 2024	<div><div>· Report on compliance with 2023 compliance control standards</div><div>· Approval of the 2024 Industrial Safety and Health Plan</div><div>· Approval of the introduction of electronic voting at the general shareholders’ meeting</div></div>
May 2024	<div><div>· Report on ESG materiality assessment results and opportunities and risks (including establishment and plans of ESG management indicators)</div><div>· Report on implementation plans for anti-corruption</div><div>· Report on the introduction of board evaluations</div></div>

ESG Committee under the Board of Directors

The ESG Committee consists of one executive directors (Chairman Iltaik Jung) and two independent directors (Directors Moonsun Song and Jinyoung Kim). The ESG committee deliberates and decides on ESG management promotion plans and strategies, and continuously assesses and reviews related risks. The ESG committee meets semi-annually, but can convene as needed.

Meeting Date	Report and Approval Agenda
May 2023	<div><div>· Comprehensive ESG management diagnosis results (ESG management system, environment, society, governance)</div><div>· Approval of the 2045 Net-Zero roadmap and reduction targets</div><div>· Approval of the human rights management system and supplier ESG management</div></div>
November 2023	<div><div>· Results of the KCGS ESG evaluation and improvement measures</div><div>· Mid to long-term roadmap for ESG management</div><div>· Approval of the publication of ESG policies and guidelines</div></div>
May 2024	<div><div>· Report on ESG materiality assessment results and opportunity risks</div><div>· Report on Net-Zero and renewable energy implementation plans</div><div>· Report on ESG management systems for overseas business sites</div><div>· Results of the 2023 ESG evaluation and 2024 plans</div><div>· Anti-corruption implementation plans</div><div>· Review of board evaluation introduction</div></div>

ESG Management Committee under the CEO

The ESG Management Committee at Kumho Tire makes decisions on sustainable management strategies and regularly reviews the goals and performance of the Working Groups. As a decision-making body that proactively responds to significant financial and non-financial risks, the ESG Management Committee includes the CEO as the chairman and major division heads as members, meeting quarterly.

Meeting Date	Report and Approval Agenda
January 2023	<div><div>· Latest trends in 2023 ESG management</div><div>· Comprehensive diagnosis results of KH ESG management and mid to long-term roadmap</div><div>· Establishment of quantitative targets for key tasks and major promotion tasks (Strengthening ESG management governance, promoting Net-Zero, establishing a human rights management system, promoting supplier ESG management, disclosing ESG information and enhancing response to evaluations)</div></div>
April 2023	<div><div>· Status of response to Car makers on ESG management</div><div>· Carbon emission reduction targets</div><div>· List of necessary investments for carbon reduction</div><div>· Policy establishment: Supplier Code of Conduct</div></div>
July 2023	<div><div>· Publication of the 2023 Sustainability Report</div><div>· Results of supplier ESG evaluations</div><div>· Results of employee human rights impact assessments and improvement measures</div></div>
October 2023	<div><div>· 2023 ESG management performance (Establishment of ESG governance, performance of ESG Working Groups, internal and external communication)</div><div>· Major ESG management promotion plans for 2024 (mid to long-term roadmap, new global disclosure standards, establishment of ESG management system for overseas business sites)</div><div>· Publication of the ESG Policy Book</div></div>
January 2024	<div><div>· ESG regulations and C/M requirements</div><div>· Review of agenda items by the BOD and ESG Committee (review of electronic voting system introduction)</div><div>· 2023 comprehensive ESG evaluation results</div><div>· ESG Working Group Progress</div><div>· Key ESG Initiatives (Publication of the 2024 Sustainability Report, Mid to long-term ESG Key Management Indicators)</div></div>
April 2024	<div><div>· Review of agendas by the BOD and the ESG Committee (Report on ESG materiality assessment results, review of board evaluation introduction, report on anti-corruption planning)</div><div>· Q1 progress of ESG Working Group</div><div>· Report on major ESG management agendas (status of Sustainability Report, 2024 ESG evaluation response plan, Net-Zero and RE100 implementation plan, K-LCA tool establishment and utilization plan)</div></div>



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ESG Management Indicators and Implementation Status

Kumho Tire establishes and transparently discloses annual ESG tasks to promote ESG management and diligently implements them. In 2023, under the Working Groups of Environmental Management, People & Culture, Responsible Supply Chain, Ethical Management, and Governance, a total of 40 tasks were established and completed, achieving a 100% task implementation rate. The 2024 tasks are also planned to be implemented within the year in collaboration with the responsible departments.

	Performance Indicators	2023 Performance	Mid to Long-Term Goals		Achievement Level (Compared to 2025)	2023 Completed Tasks	2024 Planned Tasks
			2025	2030			
Environmental Management	Renewable Energy Usage Ratio	4%	21%	100% (2045)	●○○○○	- Enhancement of Scope 1-3 Calculation - Reporting to BOD on Climate Change - Stipulation of Climate Change Response in Investment Decision-Making - Response to CDP Water Security - Activities to improve water intensity and recycling rate and performance monitoring - Establishment and Internalization of Biodiversity Policy - Achieved 25.7% Usage Rate of Sustainable Raw Materials	- Setting and Pursuing Annual and Plant-specific Environmental Impact Reduction Targets (Energy, Air, Water, Chemicals) - Acquired Environmental Product Declaration Certification - Obtained ISO 50001 Energy Management System Certification
	Reduction in Carbon Emissions (Compared to 2022)	In Progress	10.7%	100% (2045)	○○○○○		
	Revenue Proportion from products with reduced environmental impacts	37.4%	45%	70%	●●●●○		
	Ratio of Sustainable Raw Materials	25.7%	40%	100% (2045)	●●●○○		
	Improving Water Withdrawals Intensity (Compared to 2021)*	9.0% Reduction	9.3% Reduction	10% Reduction	●●●●●		
	Improving Waste Recycling Rate (Compared to 2021)*	86.2%	87.3%	90%	●●●●●		
People & Culture	Proportion of Business Sites Conducting Human Rights Impact Assessments	50%	100%	100% Maintained	●●●○○	- Establishment of Core Talent - Revision and Distribution of Human Rights Policy to Overseas Sites and Training - Stipulation of Grievance Process - Implementation of Employee Satisfaction Survey - Participation in Ministry of Employment and Labor's Work-Life Balance Campaign - Management and Monitoring of Global Industrial Accident Indicators	- Expansion of Human Rights Management and Trends Education - Expansion of Human Rights Impact Assessment at Business Sites - Expansion of Organizational Culture Campaigns
	Accident Rate*	6.37%	4.6%	3.9%	●●●●○		
Responsible Supply Chain	ESG Evaluation Completion Rate of Core Supplier Companies	80%	100%	100% (Maintained)	●●●●○	- Conducting ESG Evaluations and Supporting ESG Management of Suppliers - Expansion of Code of Conduct Application for Suppliers - Support and Participation of Suppliers in Climate Change and Carbon Emission Management - Establishment and Monitoring of Conflict Minerals Policy - Revision of Sustainable Natural Rubber Policy	- Establishment of Supply Chain Management Guidelines Policy - Incorporation of Supplier ESG Evaluation Metrics in Procurement Processes - Conducting ESG Evaluations for Domestic and International Suppliers
	Conducting In-depth ESG Evaluations and Planning of Mitigation Measures	In Progress	Bottom 5%	Bottom 10%	○○○○○		
Ethical Management	Pledge to complying with Code of Ethics	1,601 Employees	Over 70% of Domestic Employees	100% of Domestic Employees	●●●○○	- Acquisition of ISO 37301 (Compliance Management System) and ISO 37001 (Anti-Bribery Management System) Integrated Certification - Development of Continuous Monitoring System for Corruption and Awareness Training - Establishment of Fair Trade Policy - Implementation of Fair Competition and Trade Training for Employees - Acquisition of TISAX Certification	- Management and Monitoring of Risks Related to Corruption, Unfair Trade, and Information Security - Implementation of Annual Ethical Management Campaigns - Expansion of Ethical Awareness and Fair Trade Training
	Training on Code of Ethics	1,601 Employees	Over 60% of Domestic Employees	Over 80% of Domestic Employees	●●○○○		
Governance	Building governance system meeting Code of Best Practices	B+ grade	Improvement of Governance Score by KCGS		●●●○○	- Provision of Professional Education for Board Directors - Review of ESG Materiality by the Board - Disclosure of Attendance Rates and Individual Votes by Committees - Introduction of Electronic Voting to Expand Shareholder Rights	- Enhancement of Enterprise-wide Integrated Risk (Financial, Non-Financial) Management System and Board Reporting - Establishment of Indicators for Board Evaluation System (Scope, Targets, Metrics, Entity, Method, etc.)
	Building a company-wide global ESG governance system	Completed**	Continuous Self-Assessment and Monitoring of ESG Management at Overseas Sites		●●●●●		

\*Based on Domestic Business Sites \*\*As of May 2024

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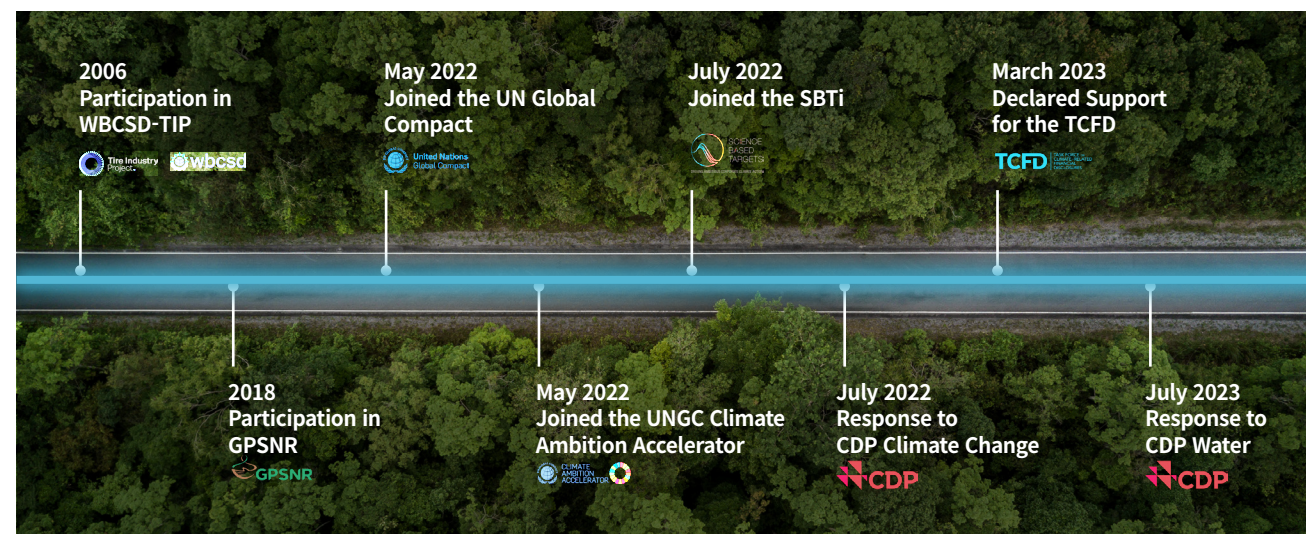
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## Initiatives and Key Achievements

### Participation in Global Initiatives

Kumho Tire participates in major industry initiatives and corporate actions, as well as climate-related initiatives, to promote ESG management that meets global standards. Through global initiative activities, Kumho Tire enhances its ability to address environmental, social issues, etc. that may arise during business operations and fulfills its social responsibility for sustainable development.



\* WBCSD-TIP: World Business Council for Sustainable Development – Tire Industry Projects

\* GPSNR: Global Platform for Sustainable Natural Rubber

## Efforts to Internalize ESG

### Operation of ESG KPIs for Employees

Kumho Tire incorporates ESG-related KPIs into its performance management system to achieve its ESG management goals. The ESG Management Committee oversees management indicators and performance for each ESG issue, integrating a 5% ESG KPI proportion into the KPIs of the committee members and 14 related departments to drive ESG performance. In particular, the SHE Planning Team, responsible for safety and health tasks, reflects a 15% KPI proportion to ensure momentum in managing safety issues and achieving results. We will continue to expand the scope of ESG-related KPIs to fully integrate ESG management throughout the company.

### Raising Employee Awareness

Kumho Tire shares information in various ways to raise employee awareness of ESG management. The weekly 'ESG Pick' is shared via email with the ESG Management Committee members and Working Group representatives, with key content also posted on the groupware. Additionally, ESG trends and major issues are communicated through card news, company newsletters, etc.

### External Communication and Promotion

Kumho Tire strives to communicate the process of promoting ESG management to stakeholders through various methods. We have produced YouTube content showcasing our ESG management achievements and the work of the ESG team, which is available on 'ECSTA TV.'



# Double Materiality Assessment

Kumho Tire conducts a double materiality assessment to identify key issues impacting corporate sustainability. The concept of double materiality assessment considers both the impact of issues arising from business activities on the environment and society (Outward, Impact Materiality) and the financial impact of these issues on the company (Inward, Financial Materiality). Key issues are selected by analyzing the Sustainability Accounting Standards Board (SASB) standards, GRI sector-specific standards, International Financial Reporting Standards (IFRS), EU sustainability reporting standards, MSCI guidelines, and internal and external management data. Surveys were also conducted with internal and external stakeholders.

## Double Materiality Assessment Process

### Step 1.

#### Topic Review

1. 2023 Kumho Tire Materiality Assessment Results
2. Domestic and international benchmarking analysis
3. Review of GRI, MSCI and SASB topics
4. Analysis of internal and external management data

### Step 2.

#### Impact Identification

1. Review of domestic and international regulations and guidelines
2. Identification of controversial negative issues that occurred in the industry over the last three years
3. Assessment of the risk or opportunity perception level of investor groups
4. Identification of impact scope and timing

### Step 3.

#### Impact Assessment

1. Environmental and Social Impact Assessment
  - Assessment of the materiality of the company's environmental and social impacts (likelihood, severity of impact)
  - General assessment subjects: Employees, suppliers, customers, local community, others
  - In-depth assessment subjects: ESG Working Group, ESG dedicated team, executives, others
2. Financial Impact Assessment
  - Assessment of the materiality of the impact on corporate value and finances (financial impact, risks, opportunities)
  - Assessment subjects: Members of the finance department, executives, others

### Step 4.

#### Priority Setting and Reporting

1. Identification of final priorities
2. Reporting to the ESG Management Committee and obtaining board approval
3. Incorporation into management strategy
4. Identification of the connection with key risks

## Results of the Double Materiality Assessment

Based on policy regulations, guidelines, industry trends, etc., Kumho Tire identified 16 key issues. The 2023 materiality assessment results highlighted 'R&D and technological innovation,' 'climate change response and Net-Zero,' 'product quality and safety enhancement,' 'hazardous substances and environmental pollution management,' and 'energy efficiency management and renewable energy transition' as top priority topics. The priority material issues were finalized through a board review process. The strategies, plans, activities, and outcomes related to these issues are transparently disclosed in the Sustainability Report.

	2024 Topic	Impacts		Customers	Employees	Shareholders and Investors	Suppliers	Government, Local Community, NGOs	Comparison of 2023
		Environment and Society	Finance						
1	R&D and Technological Innovation	H	H	●	●	●			▲ 6
2	Climate Change Response & Net-Zero	H	H	●		●		●	▽ 1
3	Product Quality & Safety Enhancement	H	H	●	●	●			-
4	Hazardous Substances & Environmental Pollution Management	H	M	●			●	●	New
5	Energy Efficiency Management & Renewable Energy Transition	M	H	●				●	▲ 5
6	Sustainable Supply Chain Management	M	M				●		▽ 4
7	Development of Environmental Impact Reduction Products	M	M	●			●	●	▽ 3
8	Establishment of Safe Workplaces	H	M		●			●	-
9	Harmonious Labor-Management Culture	M	M		●				New
10	ESG & Risk Management by the Board	L	M		●	●			▽ 1
11	Resource Efficiency & Circular Economy Enhancement	M	L	●				●	▽ 4
12	Strengthened Information Security & Privacy Management	L	L	●	●				New
13	Biodiversity & Forest Protection	L	M					●	New
14	Ethical Management & Compliance	L	L		●		●	●	▽ 9
15	Talent Acquisition & Fair Evaluation / Compensation	L	L		●				▽ 3
16	Respect for Human Rights & Promotion of Diversity	L	L		●				▽ 5



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Management Approach for Key Issues

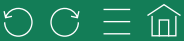
Issue	Impact (Business Importance)	Impact Characteristics	Response Activities and Plans	Management Indicators	Linked to the Management Compensation
R&D and Technological Innovation	- Increasing sales by enhancing technological competitiveness	+	- Expanding R&D investment proportion - Utilizing virtual development (digital twin) and AI	- R&D investment ratio to sales - Patent application achievement rate	Reflecting R&D productivity improvement indicators
	- Loss of market share due to inadequate response to market trends	-			
Climate Change Response and Net-Zero	- Entering new markets driven by the expansion of the electric vehicle market	+	- Declaration of 2045 Net-Zero - Establishing a Net-Zero roadmap - Implementing greenhouse gas reduction measures	- Net-Zero goals and performance indicators - Reduction of carbon emissions - CDP Climate Change evaluation score	Reflecting energy and fuel intensity targets in the management KPIs
	- Cost reduction through increased use of renewable energy				
	- Increased costs due to rising prices of greenhouse gas emission permits driven by strengthened climate regulations in various countries	-			
	- Increasing customer demands for climate change response - Increased risk of abnormal weather conditions affecting major production facilities				
Enhancing Product Quality and Safety	- Increasing customer trust and sales through superior product quality	+	- Establishing a mid to long-term quality management roadmap - Ensuring consistency in mass production quality - Quality consensus system	- Managing global quality claim rates - Securing competitiveness in European and North American magazines	Reflecting quality-related claim rates and external evaluation indices in the management KPIs
	- Potential major public disasters caused by product defects	-			
	- Decreased profitability due to recalls				
Hazardous Substances & Environmental Pollution Management	- Mitigating regulatory risks and costs	+	- Conducting self-measurement of air quality and improving air pollution prevention facilities - Establishing a hazardous chemical substance management system - Conducting training on hazardous chemical substances	- Improving water pollutant discharge levels - Improving air pollutant discharge levels - Improving chemical substance discharge levels	Reflecting environmental management WG tasks in the management KPIs
	- Incurring costs due to lawsuits related to health and property damage	-			
	- Losing market access due to community opposition, strengthened regulations, etc.				
Energy Efficiency Management and Transition to Renewable Energy	- Reducing energy costs - Reducing carbon emissions	+	- Operating the Energy Carbon Committee - Utilizing the Factory Energy Management System (FEMS) - Installing renewable energy (solar) facilities	- Achieving RE100 targets - Obtaining ISO 50001 certification - Improving energy intensity	Reflecting energy and fuel intensity targets in the management KPIs
	- Deepening global disparities due to renewable energy-related regulations	-			
Establishment of Safe Workplaces	- Increasing employee trust through workplace safety management	+	- Establishing a global safety and health management system	- Improving global LTIFR	Setting safety and major accident targets
	- Incurring work loss due to safety and health accidents	-			
	- Suffering corporate image loss due to accidents				

# Stakeholder Engagement

Kumho Tire categorizes its main stakeholders based on responsibility, influence, proximity, dependence, and representation. These stakeholders include customers, employees, shareholders and investors, local communities, governments, NGOs, and suppliers. We operate communication channels for each stakeholder group to understand their main concerns.



Stakeholder Opinions	<p>"There is a growing social concern for the environment and an increasing possibility that it could be utilized as a trade barrier to other emerging countries. Therefore, it is necessary to proactively establish a response system."</p>	<p>"Car makers are also becoming more interested in ESG, so it is important to analyze and incorporate regional requirements for ESG."</p>	<p>"Proactive development of eco-friendly tires and the establishment of a resource recycling system are necessary."</p>	<p>"Although ESG is not easily measured by performance, it is a crucial topic that can determine the company's existence. Therefore, it is important to strengthen employee awareness by training, etc."</p>
	<p>"ESG currently has a significant impact on financial performance. If we continue non-financial investments, such as employee training we can turn crisis situations into opportunities."</p>	<p>"To enhance corporate competitiveness and achieve sustainable management, proactive responses are necessary (e.g., developing sustainable materials, establishing a waste tire recycling system, utilizing eco-friendly energy, and building region-specific production systems)."</p>	<p>"Effective ESG management can be achieved through company-wide ESG education, on-site management, and data accumulation."</p>	<p>"It is important to plan programs that encourage employee participation and promote them internally."</p>



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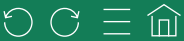
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# Environment

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Sales of Environmental Impact Reduction Products

37.4%

Reduction in Greenhouse Gas Emissions through  
Energy-Saving Equipment Investments

20,022tCO<sub>2</sub>eq

Renewable Energy Usage

4%

Development of Tires

with 80% of Sustainable Materials



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# Advanced Environmental Management

## Strategy

Kumho Tire established its Environmental Management Policy at the beginning of 2023, demonstrating a commitment to minimizing environmental impact. This policy includes basic principles and implementation systems reflecting the latest trends in environmental management issues such as raw materials, energy, greenhouse gases, water resource management, waste, hazardous chemicals, products and services, and ecosystems. It applies not only to all domestic and international business sites but also across the entire value chain.

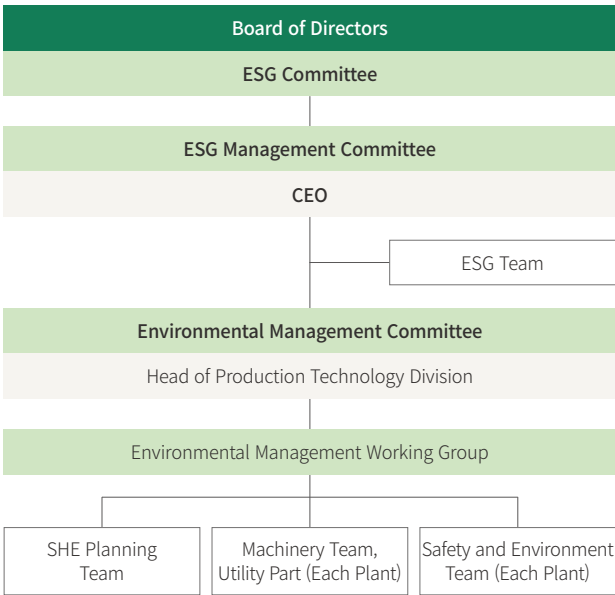
 [Environmental Management Policy](#)

## Governance

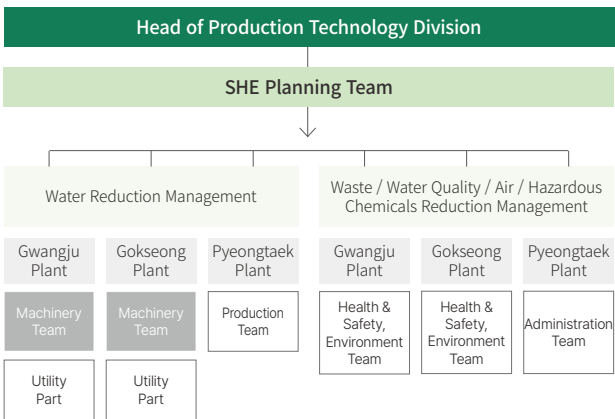
The Board of Directors, Kumho Tire’s highest decision-making body, is driving the ESG management strategy. The ESG Committee under the Board deliberates on major environmental risks and opportunities. Additionally, the ESG Management Committee, participated by the CEO and key executives, identifies financial and non-financial risks and performances related to environmental issues, making necessary decisions for business operations. The ESG Management Committee ensures that the Environmental Management Working Group operates efficiently to fulfill its tasks and achieve target.

The SHE Planning Team oversees environmental management tasks. Furthermore, in 2024, the Energy Management Committee expanded to the Energy and Carbon Management Committee to systematically manage carbon reduction and other environmental issues, and the Environmental Management Committee newly established under the Production Technology Division. The Energy and Carbon Management Committee includes participation from the machinery departments of each global plant and meets monthly to comprehensively manage energy-saving activities and carbon issues. The Environmental Management Committee, with participation from domestic safety and environment departments and machinery departments, meets monthly to set targets and monitor reduction activities for environmental impact emissions such as water, air, water quality, waste, and hazardous chemicals.

### Environmental Management Governance



### Environmental Management Committee



## Target

Kumho Tire aims to achieve Energy Management System (ISO 50001) certification for its three domestic sites in Gwangju, Gokseong, and Pyeongtaek by 2024.

## Assessment

### Environmental Management System Certification

After obtaining ISO 14001 certification, the international standard for environmental management systems, Kumho Tire is conducting ongoing maintenance and certification renewal audits. All eight domestic and international plants, along with the Yongin Central Research Center, maintain this certification, continuously improving the environmental management system to minimize environmental impact during production processes.

### Environmental Labeling Certification

As of 2023, Kumho Tire has obtained environmental labeling certification\* for five products. Through the environmental labeling system, we provide consumers with accurate and transparent environmental information about our products and will continue to develop products that reduce environmental impact.

Specifications	Certification Validity Period	Usage
11R22.5 16PR KCD12	Nov 15, 2026	Truck and Bus Tire (Winter Use)
275/70R22.5 18PR KCD12	Dec 13, 2026	
11R22.5 16PR KCA03	Sep 1, 2024	
275/70R22.5 18PR KCA03	Aug 16, 2025	Truck and Bus Tire (General Use)
275/70R22.5 18PR KCA31	Aug 21, 2026	

\* Environmental Labeling Certification System: A nationally certified system that grants environmental labels to products that minimize energy and resource consumption and reduce pollutant emissions throughout all stages of their lifecycle within the same usage category.

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Performance

Environmental Risk Management

Compliance with Environmental Regulations

As environmental regulations become stricter, managing the negative environmental impacts resulting from corporate activities has become increasingly important. To proactively respond to regulatory risks, Kumho Tire operates a compliance process for environmental regulations. Kumho Tire continuously monitors environmental regulations such as the Waste Management Act and the Act on the Allocation and Trading of Greenhouse Gas Emission Permits. Changes and updates are shared, and compliance evaluations are conducted to ensure environmental investments and business plans adhere to these regulations.

Environmental Regulation Compliance Process



Environmental Regulation Violations and Actions

Through its regulatory compliance process, Kumho Tire has successfully avoided any environmental violations in 2023. In the event of a violation, the cause is identified and corrective actions are implemented to prevent recurrence.

Category		Unit	2021	2022	2023
Environmental compliance	Number of violations	Cases	3	5	0
	Fines for negligence	KRW 1,000	250	5,960	0

\* Disclosing based on the ENV-INFO SYSTEM (domestic sites)  
\* Data for 2021 and 2022 revised due to changes in data aggregation criteria

Environmental Accident Response

Kumho Tire has established a response process to recognize the risks of environmental accidents on workplaces and local communities and to prevent the spread of damage. When an environmental accident occurs at a workplace, temporary measures are taken, the situation is assessed, the accident is classified, and it is promptly reported to the responsible parties. A task force is then formed to minimize damage through appropriate response measures, and the cause of the accident is analyzed to develop prevention strategies. Employee training and at least one annual drill are conducted to prepare for environmental accidents and strengthen the response system to prevent damage spread.

Environmental Investment Review

Kumho Tire is continuously expanding environmental investments to transition to an eco-friendly industrial structure. In 2023, the investment process was partially revised to separately manage ESG investment projects. The ESG team conducts preliminary reviews for ESG investments exceeding KRW 500 million. In 2023, investments in environmental projects, such as the installation of a differential pressure steam turbine generator for carbon reduction, were reviewed in advance and approved by the ESG Management Committee.

Category		Unit	2021	2022	2023
Environmental Investment	Energy management	KRW Million	52	337	8,107
	Environmental safety and firefighting	KRW Million	1,109	1,449	4,380

Employee Environmental Education

Kumho Tire raises awareness and encourages the practice of Net-Zero and environmental management among its employees through various channels. In particular, at workplaces, employees participate in five-minute pre-work training sessions on water conservation and waste reduction. Additionally, the importance of climate action is emphasized through training on Net-Zero practices. Moreover, Kumho Tire shares card news related to ESG issues and distributes guides on practicing Net-Zero lifestyles, fostering a culture where employees actively participate in environmental management.

Key Environmental Education Programs

Training Name	Training Target	Training Content
5 minutes of training before work	Technical worker	Environmental management practices that can be implemented in the workplace, such as water conservation and waste reduction
Education on Net-Zero practices	Technical worker	The concept and necessity of Net-Zero – Climate Action Practices: Energy conservation, eco-friendly consumption, transportation, resource circulation, carbon offsets, etc.

Status of Environmental Education

Category	Unit	2021	2022	2023
Gwangju Plant	Number of trainees	2,187	2,231	2,328
	Training hours	4,656	4,876	4,922
Gokseong Plant	Number of trainees	2,241	2,185	2,193
	Training hours	4,844	4,580	4,482
Pyeongtaek Plant	Number of trainees	2	0	3
	Training hours	16	0	46

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# Climate Change Response

## Governance

Kumho Tire has established a governance system for addressing climate change, extending from the Board of Directors to the organizations responsible for actual environmental operations.

### Board’s Oversight of Climate Change-Related Risks and Opportunities

The Board of Directors, Kumho Tire’s highest decision-making body, deliberates and decides on the company’s overall ESG management strategy, including responses to climate change and environmental management, considering environmental risks in major decisions. The ESG Committee, a subsidiary body of the Board, was established to strengthen the oversight system. It deliberates on major environmental risks and opportunities, managing and supervising tasks related to climate change response.

## Management’s role in assessing and Managing Climate Change-Related Risks and Opportunities

The ESG Management Committee comprises the CEO and heads of various divisions. It discusses key ESG issues, including climate change, comprehensively assessing business activities and reviewing performance. Additionally, key climate change initiatives are implemented through the Working Group, led by responsible executives. In 2023, the Working Group advanced tasks such as refining Scope 1-3 calculations, declaring support for the TCFD, and incorporating climate change response into the investment decision-making process. To ensure the effective achievement of these tasks, the Working Group’s activities are linked with the KPIs of practical departments and management

at the corporate level. Particularly for production plants with high power and fuel usage, KPIs have been established to implement annual energy and carbon reduction tasks.

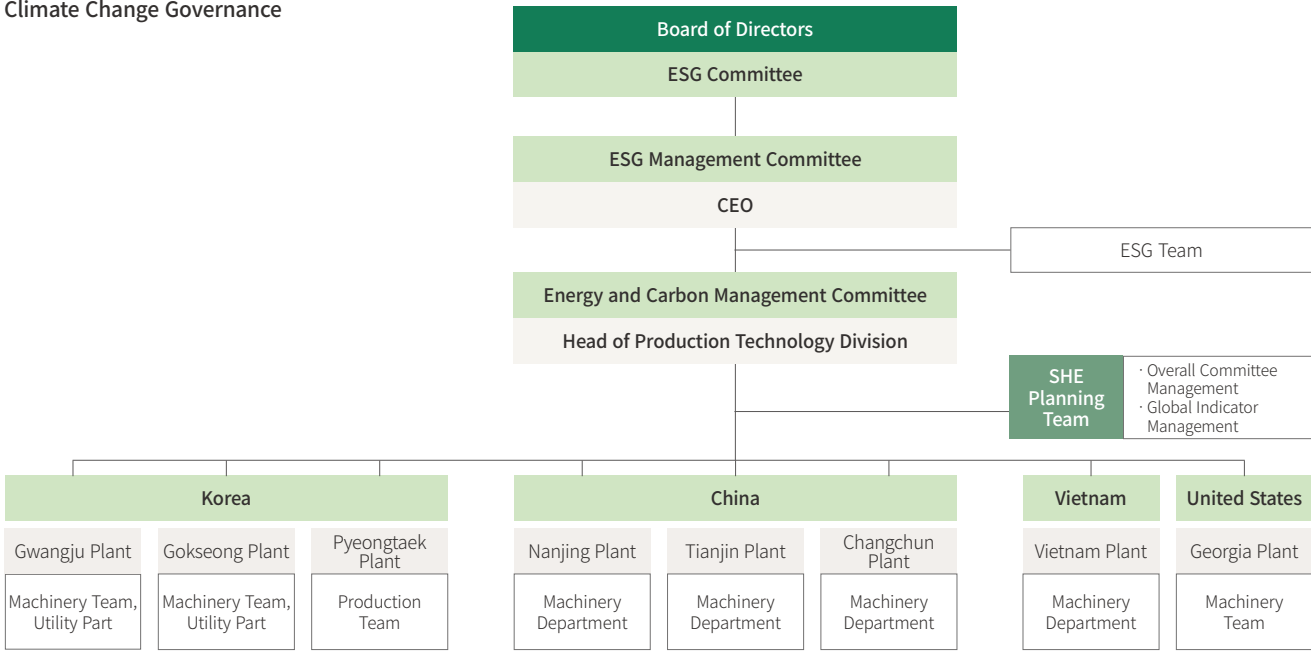
## Expansion of the Energy and Carbon Management Committee

Kumho Tire expanded the existing Energy Committee into the Energy and Carbon Management Committee to manage the carbon and environmental management agenda under C-level leadership and extend it to global business sites.

## Climate Change Management Incentives

KPIs have been set for executives of key departments to achieve ESG management goals. The ESG Management Committee regularly monitors these KPIs to ensure effective goal attainment. Executives of the Production Technology Division set annual goals to reduce electricity and city gas usage to lower greenhouse gas emissions and review the achievement of these goals. The achievement of energy-saving goals is linked to the KPIs of the management, motivating each responsible person to strive for energy reduction.

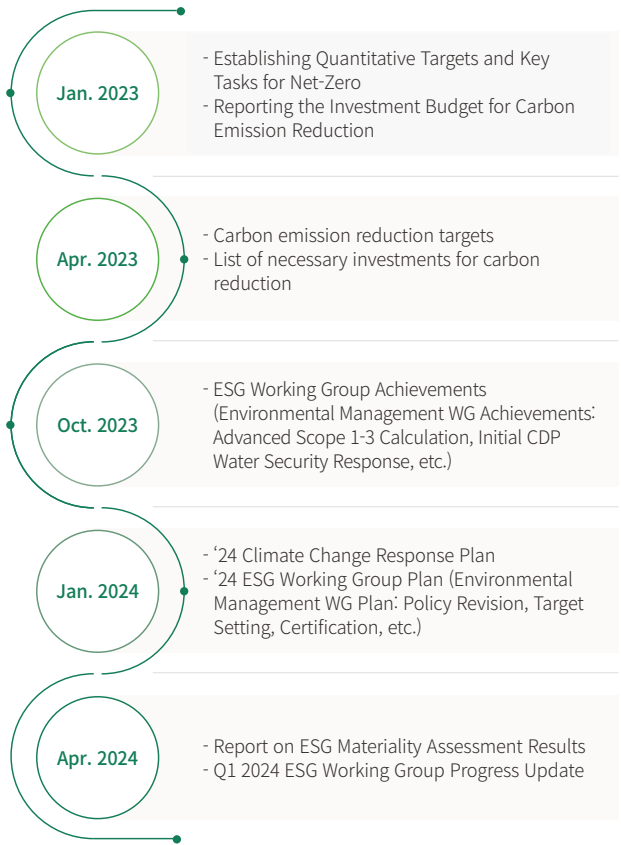
### Climate Change Governance



Energy and Carbon Management Committee

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ESG Management Committee Climate Change Discussion Agenda



Strategy

Kumho Tire has developed a ‘2045 Net-Zero Roadmap’ to actively respond to climate change. We identify risks and opportunities related to climate change and establish response strategies, particularly for major risks, through scenario analysis. Based on scenarios aiming to limit global temperature rise to within 1.5°C as per the Paris Climate Agreement and the 5th IPCC report, we have refined specific response plans for each risk.

Establishing Targets Based on SBTi

In 2022, Kumho Tire joined the Science Based Targets initiative (SBTi). We have set Net-Zero targets aligned with the 1.5° C scenario and are developing detailed plans and reduction measures to gain SBTi approval.



Declaration of Support for TCFD

In March 2023, Kumho Tire became the first in the domestic tire industry to declare support for the TCFD (Task Force on Climate-Related Financial Disclosures). Currently, around 3,400 companies and institutions across 95 countries support the TCFD. Kumho Tire will transparently disclose climate-related financial information and incorporate its financial impacts into management to achieve Net-Zero targets.



Net-Zero Investment Review

Kumho Tire has added a climate change-related review stage to the major investment process to consider climate change issues in decision-making. For ESG investments exceeding KRW 500 million, a preliminary review process is conducted before the Investment Review Committee meeting, and approval decisions are made through committee discussions. We are actively promoting investments needed for renewable energy transition, high-efficiency equipment conversion and emissions trading scheme responses. The ESG Committee and ESG Management Committee are dedicated to ensuring that climate change response is considered in investment decision-making.

Internal Carbon Pricing

To enhance the momentum towards Net-Zero, Kumho Tire has introduced and applied internal carbon pricing during ESG investment reviews. In 2022, Kumho Tire applied an internal carbon price range of KRW 12,050/tCO<sub>2</sub>eq to KRW 32,700/tCO<sub>2</sub>eq based on the average price of carbon emission permits in the domestic emissions trading scheme. In the future, internal carbon prices will be set based on the prices of international carbon emission permits and renewable energy certificates (RECs), and will be updated annually. Internal carbon pricing will be applied to all investments to comprehensively evaluate economic risks and opportunity costs. Introducing internal carbon pricing in the investment review process to estimate expected cost savings is crucial for evaluating the appropriateness of investments from a carbon perspective, supporting the implementation of Net-Zero plans. In 2023, for four ESG investments, internal carbon pricing was applied to the annual expected carbon reduction amounts, resulting in approximately a 10% reduction in the payback period, which was considered in investment decisions.

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Scenario Analysis

Kumho Tire has identified and analyzed scenarios for major risks due to the climate crisis, including transitional risks and physical risks. Based on scenario analysis, Kumho Tire aims to establish response strategies to minimize the impacts of climate change risks.

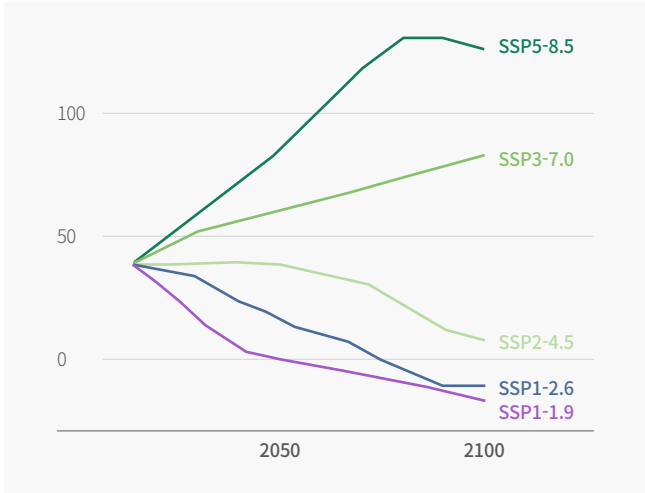
Analysis of Climate Change Resilience Through Scenario Analysis

Risk	Scenario	Average Temperature Rise by 2100	Description	Outcome
Physical Risk	IPCC SSP5-8.5	4.4 °C	· Assumes rapid industrial technology development with high fossil fuel usage and rampant urban development.	· Projected sea level rise by 2100: 0.63 - 1.01 m · CO <sub>2</sub> concentration: 1,089 ppm
	IPCC SSP1-2.6	1.8 °C	· Assumes minimal fossil fuel use and sustainable economic growth through advanced renewable energy technology.	· Projected sea level rise by 2100: 0.32 - 0.62 m · CO <sub>2</sub> concentration: 432 ppm
Transitional Risk	IEA STEPS	2.4°C	· Considers ongoing policies and measures, announced reduction targets, and confirmed plans.	· Carbon price by 2050: 89 USD / tCO <sub>2</sub> eq
	IEA NZE	1.4°C	· Projects that the world will achieve Net-Zero emissions by 2050, maintain temperature rise at 1.5°C, and achieve 100% energy access by 2030.	· Carbon price by 2050: 250 USD / tCO <sub>2</sub> eq

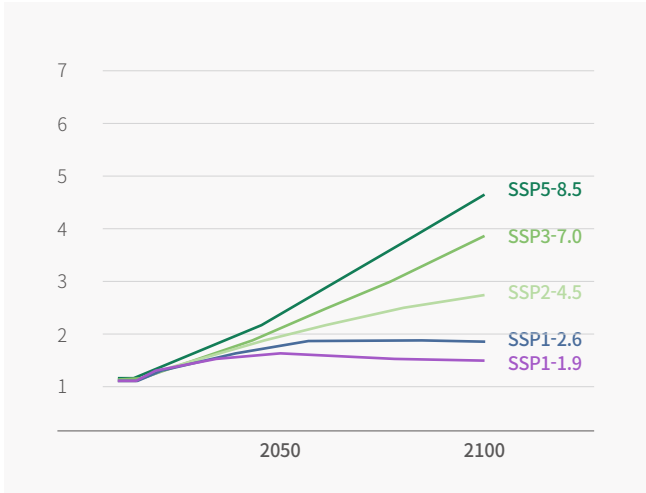
\* IEA (International Energy Agency)

\* IPCC (Intergovernmental Panel on Climate Change)

Projected CO<sub>2</sub> Emissions by Climate Change Scenario



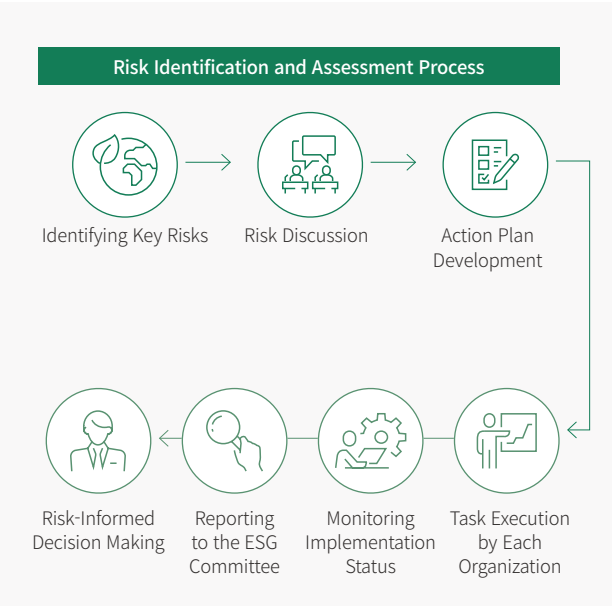
Projected Temperature by Climate Change Scenario



Risk Management

Risk Identification, Assessment, and Management Process

Kumho Tire operates a process for managing climate change risks. Key risks are identified, discussed, and action plans are developed. Relevant departments monitor risk management status by regulation and issue. Significant matters are reported to the ESG Committee to ensure that decision-making reflects risk response measures.



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Climate Change Response Strategy

Analysis of Climate Change Risks and Opportunities

Kumho Tire strives to proactively identify and systematically manage the risks and opportunities related to climate change. To achieve this, we identify the potential financial impacts of climate-related risks and opportunities both in the short and long term. Through appropriate response activities, we aim to minimize the impact of climate change on the corporate management environment.

Type	Climate Change-Related Risks and Opportunities	Timeline	Potential Financial Impact	Financial Impact (KRW billion)	Financial Impact Level	Responding Activities	Management and Utilization Costs (KRW billion)
Transitional Risk	Policy and Legal						
	· Increase in carbon emission permit prices due to stricter climate-related regulations	Mid-term	· Increase in compliance costs due to the purchase of carbon emission permits and related facility investments	505-604	High	· Implementation of greenhouse gas reduction activities and expansion of renewable energy adoption	96
	· Accelerating the enactment of binding legislation such as the Net-Zero Act and the EU Supply Chain Due Diligence Act	Short-term, Mid-term	· Increase in compliance costs, fines for non-compliance with regulations		Mid	· Identification of regulations and implementation of various improvement activities	
	Technology and Market						
	· Expansion of the transition to low-carbon products	Short-term, Mid-term	· Revenue loss due to market preemption by leading companies and increased R&D costs for low-carbon products	6,258	High	· Expansion of the use of sustainable raw materials and development of products with reduced environmental impact	29
	· Increase in power and fuel prices	Short-term, Mid-term	· Increase in direct costs due to rising prices of power and fossil fuels (LNG, diesel, gasoline, etc.)		High	· Expansion of renewable energy adoption and promotion of fuel transition	29
	· Expanding the market for tires for electric vehicles as the market for electric vehicles expands	Mid-term, Long-term	· Increase in costs for building new production facilities and processes		High	· Expansion of sales of electric vehicle tires and market leadership through research	
Physical Risk	· Need for infrastructure and personnel expansion for technology development	Mid-term, Long-term	· Financial loss due to failure in technology development and increased labor costs due to personnel expansion		High	· Expansion of investment in technology development and securing talent	
	Reputation						
	· Increase in climate change response demands from customers and investors	Short-term	· Decline in corporate value and sales due to sourcing restrictions if demands are not met	1,648	High	· Implementation of improvement items derived from ESG evaluation	3
	Acute						
	· Increased risk of extreme weather events (floods, heatwaves, water shortages, wildfires) in major production facility areas	Short-term	· Asset loss and increased recovery costs due to damage to manufacturing plants and logistics facilities		High	· Regular inspection of manufacturing plants and logistics facilities, establishment and revision of emergency response manuals	
Opportunities	Chronic						
	· Supply chain disruptions for raw materials due to climate change	Mid-term, Long-term	· Increased purchasing costs and supply chain disruptions due to abnormal weather in raw material (natural rubber, etc.) supply regions	850-972	High	· Management of the natural rubber supply chain and participation in efforts to ensure the sustainability of natural rubber	0.2
	Resource Efficiency: Reduction in resource input through technology development	Short-term	· Yield improvement and expansion of resource circularity (tire recovery, waste reduction efforts, etc.)		Mid	· Efforts to save resources and use them efficiently	
	Energy Resources: Energy use reduction at business sites subject to emissions trading schemes	Short-term	· Revenue generation through the sale of remaining emission permits	40	Mid	· Implementation of greenhouse gas reduction activities and expansion of renewable energy adoption	129
	Market: Increased stakeholder expectations due to improved ESG performance	Mid-term	· Increased investment and revenue		Mid	· Implementation of activities to improve ESG ratings	
	Market: Creation of new markets due to the expansion of the electric vehicle market	Short-term	· Increased revenue through the production and sale of electric vehicle-specific tires	20,000-25,000	High	· Expansion of electric vehicle tire sales and development of low-carbon products through R&D	142
	Product: Classified as Green Economic Activity by K-Taxonomy	Mid-term, Long-term	· Increased access to capital due to the expansion of taxonomy-based green investment products	3-15	Mid	· Review of eco-friendly investments and promotion of Environmental Labelling and Environmental Product Declaration for products	140
	Business Resilience: Reduction of climate change impacts through business diversification	Mid-term, Long-term	· Increased revenue through business diversification		High	· Review and implementation of new business	

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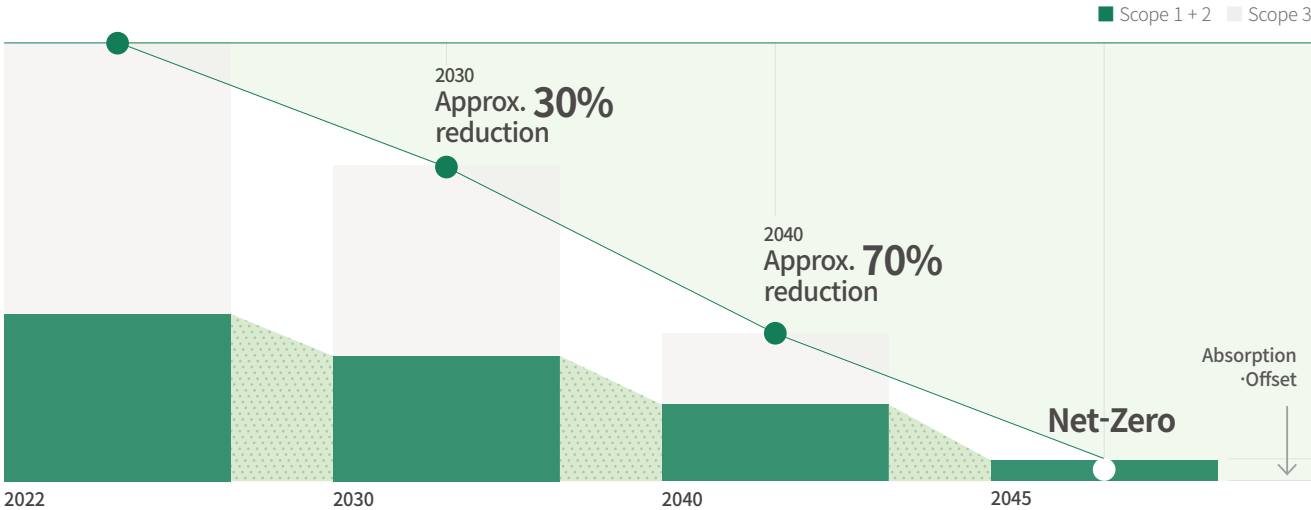
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Metrics & Target

Net-Zero Roadmap

Based on the ‘2045 Net-Zero Roadmap,’ Kumho Tire aims to reduce greenhouse gases by approximately 30% by 2030 compared to 2022 levels, 70% by 2040, and achieve Net-Zero by 2045. Specifically, for Scope 3, Kumho Tire plans to reduce emissions in the transportation stage by using low-carbon transportation methods and decrease greenhouse gas emissions during the tire usage stage by improving rolling resistance coefficient and relative load. Additionally, based on annual procurement plans to achieve RE100 goals, we plan to continuously procure renewable energy through various channels such as power purchase agreements (PPA), renewable energy certificates (REC), and green premium purchases.



Net-Zero Implementation Roadmap

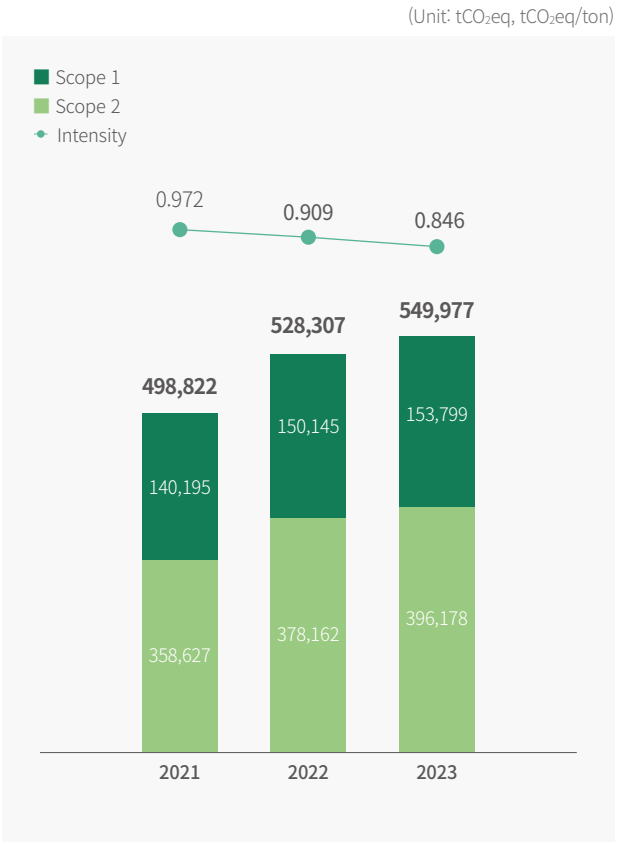
Category	2022-2023	2024-2030	2031-2045
Governance	<div>Establishment of Climate Governance</div> <div>Formulation of Climate Change Response Strategy</div>	<div>Development of Climate Change Performance Management System</div>	<div>Monitoring and Enhancement of Net-Zero Performance</div>
Scope Management	<div>Establishment of Scope 1, 2, 3 Inventory</div> <div>Development and Implementation of GHG Reduction Plans for Business Sites</div> <div>Expansion of Renewable Energy Adoption</div> <div>Development of Supplier Evaluation and Management Indicators</div> <div>Implementation and Analysis of Life Cycle Assessment (LCA)</div>	<div>Transition to Zero-Emission Vehicle Transport and Ship Fuel</div> <div>Expansion of Sustainable Raw Material Use</div> <div>Expansion of developing products with reduced environmental impacts</div> <div>Expansion of Environmental Product Certifications</div> <div>Establishment of End-of-Life Tire (ELT) Management System</div> <div>Support for Supplier Climate Change Response</div>	<div>Promotion of Reduction Activities through Absorption and Offset</div> <div>Fuel Transition</div> <div>100% Application of Sustainable Raw Materials</div> <div>Establishment of Circular Economy System</div>
Initiatives	<div>Participation in Science-Based Targets initiative (SBTi)</div> <div>Participation in CDP Climate Change and Water Security</div> <div>Promotion of Biodiversity Conservation Activities</div>	<div>Submission and Approval of SBTi Target</div> <div>Expansion of Participation in Issue-specific Initiatives</div> <div>Expansion of Biodiversity Activities</div>	<div>Review of SBTi Performances and Reestablishment of Targets</div>

Greenhouse Gas Emission Management

Efforts to Reduce Scope 1 and 2 Emissions

Kumho Tire sets reduction targets for direct emissions (Scope 1) and indirect emissions (Scope 2) for each plant and incorporates these targets into performance evaluations to manage greenhouse gas emissions. The SHE Planning Team oversees the entire process of calculating and reporting greenhouse gas emissions and is responsible for budget planning to participate in the third phase of the emissions trading scheme. Through this management process for direct (Scope 1) and indirect (Scope 2) emissions, we strive to reduce emissions.

Emissions and Intensity of Domestic and Overseas Sites



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Scope 3 Emissions Management

Kumho Tire manages Scope 3 greenhouse gas emissions across its entire supply chain. In 2023, 12 out of 15 categories were selected, and third-party verification was conducted to enhance the reliability of the data calculation methods. As part of efforts to reduce Scope 3 greenhouse gas emissions, certificates are issued for cargo transported by ships using low-carbon (LNG) fuel. We plan to increase the proportion of transportation using low-carbon fuel sources in the future.

2023 Scope 3 Emissions	(Unit: tCO <sub>2</sub> eq, (%))
C1. Purchased Goods and Services	1,476,420 (18.59)
C2. Capital Goods	150,909 (1.90)
C3. Fuel and Energy-Related Activities Not Included in Scope 1 or Scope 2	53,567 (0.68)
C4. Upstream Transportation and Distribution	388,485 (4.89)
C5. Waste Generated in Operations	4,586 (0.06)
C7. Employee Commuting	891 (0.01)
C8. Upstream Leased Assets	2,880 (0.04)
C9. Downstream Transportation and Distribution	164 (0.002)
C10. Processing of Sold Products	75 (0.001)
C11. Use of Sold Products	5,729,567 (72.15)
C12. End-of-life Treatment of Sold Products	109,862 (1.38)
C14. Franchises	23,455 (0.30)
Total	7,940,861 (100)

Energy Management

Utilization of Process Energy Management System

Kumho Tire utilizes the Factory Energy Management System(FEMS) at its domestic plants to systematically manage energy and greenhouse gases. Through FEMS, energy consumption and efficiency are analyzed in real-time and on a monthly basis to optimize energy use and manage equipment efficiency.

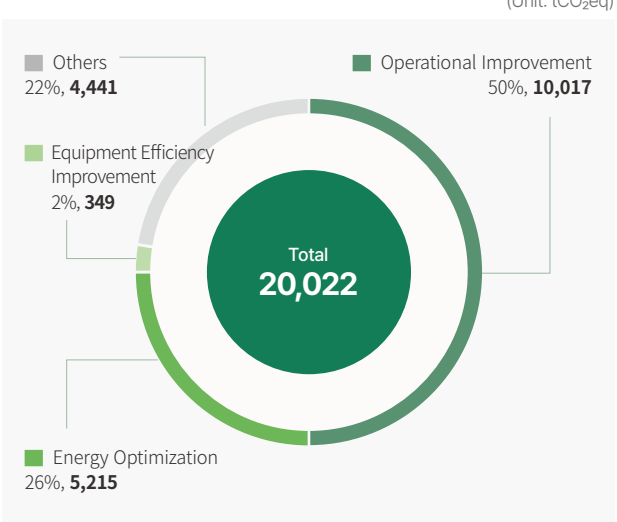
Waste Heat Recycling

Turbines are operated using the pressure differential generated during decompressing the steam from boiler to heating and cooling for the manufacturing plants, with an additional unit installed in 2023 to be operational in 2024. This is expected to reduce greenhouse gases by approximately 700 tCO<sub>2</sub>eq. In February 2024, a facility was installed to recycle re-evaporated steam from tanks for hot water heating. Future plans include reviewing the reuse of thermal energy generated in production processes for hot water and heating purposes and promoting related activities.

Capital Investment for Energy Saving

2023 Activities				2024 Plans	
Domestic	Gwangju	· Improvement of compressor operations · Participation in demand response (DR)		· Replacement of boiler and compressor · Installation of solar power facilities · Replacement of chillers for temperature control	
	Gokseong	· Installation of blower inverters · Replacement of air handling unit (AHU) steam traps		· Reduction of operating hours and partial replacement of four chillers · Replacement of boiler compressor	
	Pyeongtaek	· Installation of air handling unit (AHU) inverters · Improvement of steam leakages		· Installation of waste steam recycling facilities · Replacement of screw chillers	
Overseas	China	Nanjing	· Strengthening management of unnecessary electrical and power devices in all processes · Management of vulcanization main pit & branch pit leakages		· Expansion of chilled water pump inverters
		Tianjin	· Modification of dust collector inverters · Replacement of high-efficiency transformers		· Replacement of process steam traps · Insulation upgrade of vulcanization equipment
		Changchun	· Improvement of boiler room vacuum pumps		· Improvement of 75kw water pump motors in freezing rooms · Improvement of AHU piping / Valves and ductwork
	Vietnam		· Change of chiller coolant piping for cutting / Bead process AHU supply		· Daily leak management of steam traps
	Georgia, USA		· Repair of steam leaks in vulcanization units		· Reduction of operating hours for four chillers (June, September)

Reduction in GHG Emissions through Energy-Saving Equipment Investments



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Transition to Renewable Energy

Solar Power Implementation

Kumho Tire is establishing solar power facilities at domestic and international sites to transition to renewable energy, prioritizing overseas sites with relatively well-developed renewable energy infrastructure.

The Nanjing plant in China has been receiving power from solar power facilities on its factory roof through an On-Site PPA since July 2023, and it is expected to secure 12,856 MWh of power in 2024 when fully operational.

The Tianjin plant has been receiving power from solar power facilities on its factory roof through an On-Site PPA since October 2023, and it is expected to secure up to 9,931 MWh of power in 2025 when fully operational. Additionally, in 2023, 24,819 MWh of Green Electricity Certificates (GEC), similar to Korea’s REC, were purchased.

The Changchun plant began installing solar power facilities on its factory roof through an On-Site PPA in March 2024, and it is expected to secure up to 6,386 MWh of power in 2025 when fully operational.

The Vietnam plant has been receiving power from solar power facilities on its factory roof through an On-Site PPA since January 2023, and it is expected to secure up to 15,010 MWh of power in 2025 when fully operational.

In 2025, the three plants in China and the plant in Vietnam are expected to secure 11.32% of their expected power usage for 2025, and the three domestic sites are also scheduled to complete the installation of self-generation facilities by 2024.

Yearly Procurement Plan for Achieving RE100

(Unit: %)



Nanjing Plant



Tianjin Plant



Vietnam Plant

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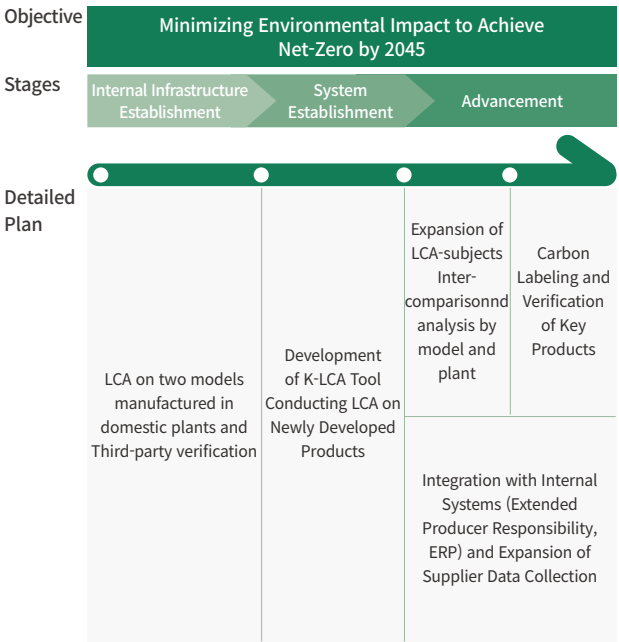
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Product Environmental Impact Management

Strategy

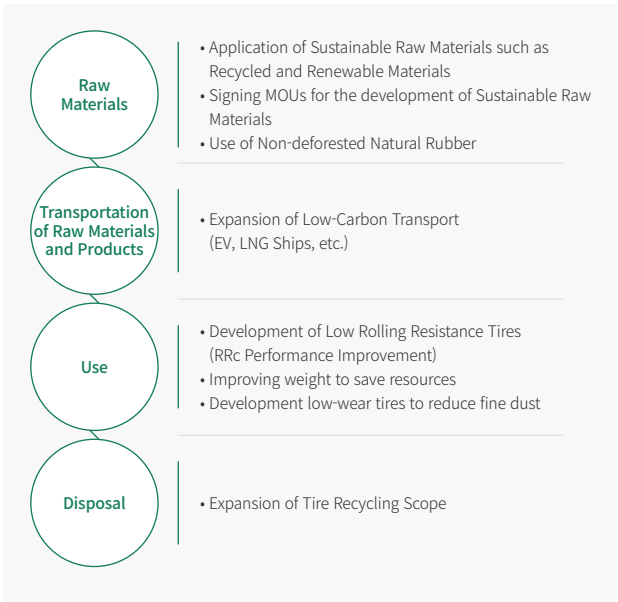
Kumho Tire is advancing strategies to mitigate environmental impacts across the entire product lifecycle. From product development to raw material procurement, transportation, distribution, use, and disposal, we aim to reduce greenhouse gases, conserve resources, and minimize harmful environmental impacts at every stage. To this end, Kumho Tire has established a long-term strategy for Life Cycle Assessment(LCA) and is specifying and applying actionable plans to reduce environmental impacts at each stage, increasing the sales proportion of environmentally friendly products.

LCA Long-Term Strategy



LCA-Based Environmental Impact Reduction Measures

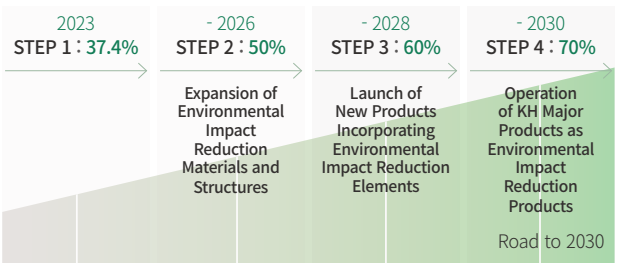
Based on the results of the LCA, we will explore process-specific environmental improvement measures, leading the development of carbon-reducing products and strengthening product competitiveness. To reduce the environmental impact of products, we consider environmental factors from the development stage, designing products accordingly, and expanding the use of low-carbon transportation (e.g., EVs, LNG ships) for raw material and product transportation.



Target

Kumho Tire has set a long-term goal to increase the sales proportion of products with reduced environmental impacts. Kumho Tire aims to increase the sales proportion of environmental impact reduction products from 37.4% in 2023 to 50% by 2026 and 70% by 2030. In the short term, Kumho Tire will increase EV products and the proportion of materials and structures with less environmental impact. In the long term, Kumho Tire will continue research and development to replace petrochemical-based materials, developing new products with environmental impact reduced features. Additionally, we aim to convert 40% of raw materials to sustainable materials by 2030, and 100% by 2045.

Mid to Long-Term Roadmap for Expanding Products with Reduced Environmental Impacts



Products with Reduced Environmental Impacts Standards

Environmental impact reduction products meet at least one of the following criteria and compliance with relevant laws and regulations is continuously monitored.

Products with Reduced Environmental Impacts (meeting at least one criteria)	<ul style="list-style-type: none"><li>• Products for Electric Vehicles</li><li>• Application of New Environmental Impact Reduction Technologies</li><li>• Improved Energy Consumption Efficiency</li><li>• Products with Enhanced Wear Performance</li><li>• Noise Reduction Products</li><li>• TBR Eco-Friendly Certified Products</li></ul>
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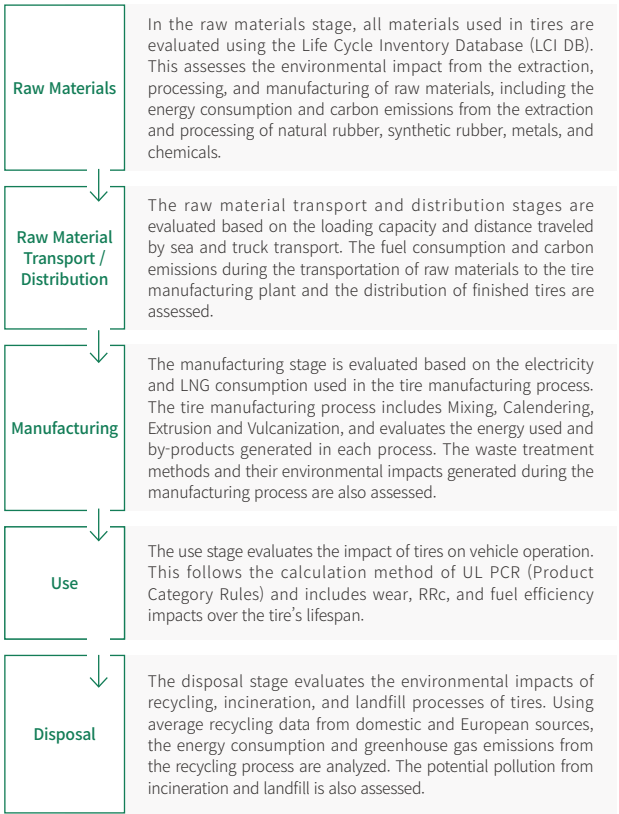
Assessment

Establishment of Life Cycle Assessment (LCA) Process

Kumho Tire has been analyzing the Life Cycle Assessment (LCA) of its products since 2021 as part of its efforts to reduce environmental impact. LCA is an evaluation method from the perspective of the entire product life cycle, from raw material to production, use, and disposal.

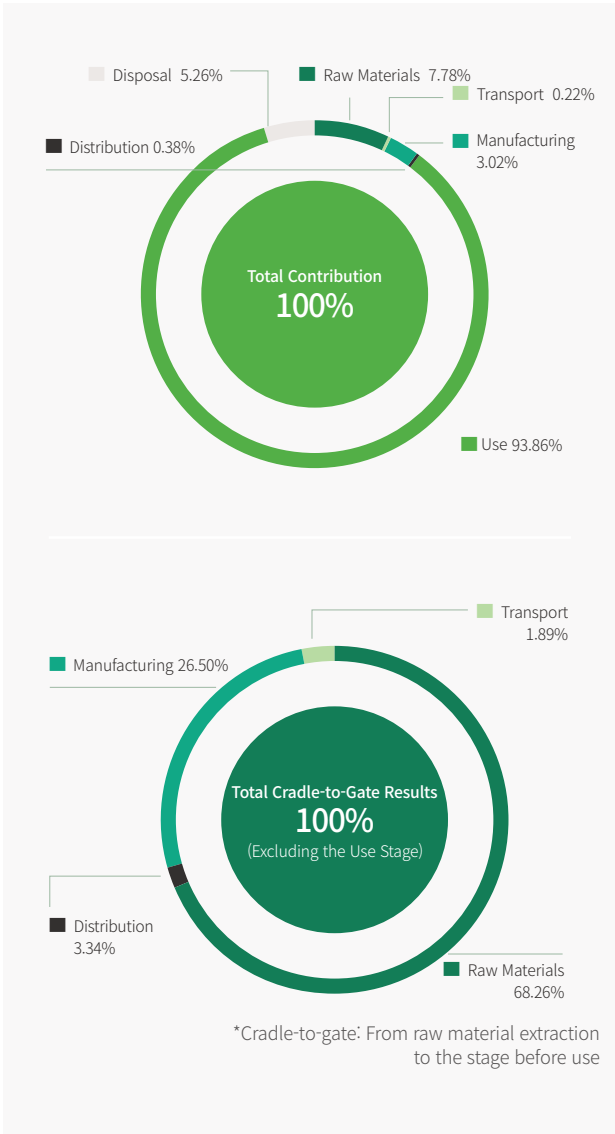
To provide timely LCA results, Kumho Tire completed the development of an LCA Tool in 2023. Based on this tool, we are expanding the range of products subject to LCA, and we plan to continuously expand the categories of environmental impact analysis beyond the climate change items, currently assessed.

Process of Calculating Carbon Emissions by Product



LCA Results

The results of calculating carbon emissions at each stage based on LCA for one tire specification are as follows.



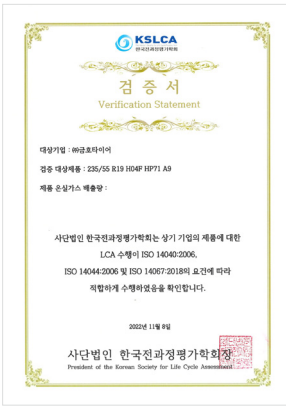
LCA Process Advancement Plan

To improve the accuracy of LCA data, we plan to collect and manage real data from suppliers' cradle-to-gate stages to derive more accurate LCA results. Kumho Tire also plans to manage transportation means, weight, and distance information within SAP to more efficiently handle data in the raw material transport and distribution stages. For the usage stage, we plan to add an automatic calculation function to the K-LCA Tool to reduce the time required for LCA analysis. To enhance the environmental impact analysis of the disposal stage, we aim to establish an ELT (End-of-Life Tire) management and circular economy system through the traceability of our waste tires. Through this, we plan to build a database of the environmental impacts of waste tire recycling, incineration, and landfill methods, establishing a basis for accurately assessing environmental impacts across the entire product lifecycle.

LCA Verification

Kumho Tire received third-party verification for the Life Cycle Assessments conducted in 2022 and 2023. The environmental impact was assessed from the raw material stage to the disposal stage according to international standards for LCA (ISO 14040, 14044, 14067). We plan to continue verification of future LCA products to ensure reliability and enhance the accuracy of product unit carbon emission information.

2022 LCA Verification



2023 LCA Verification



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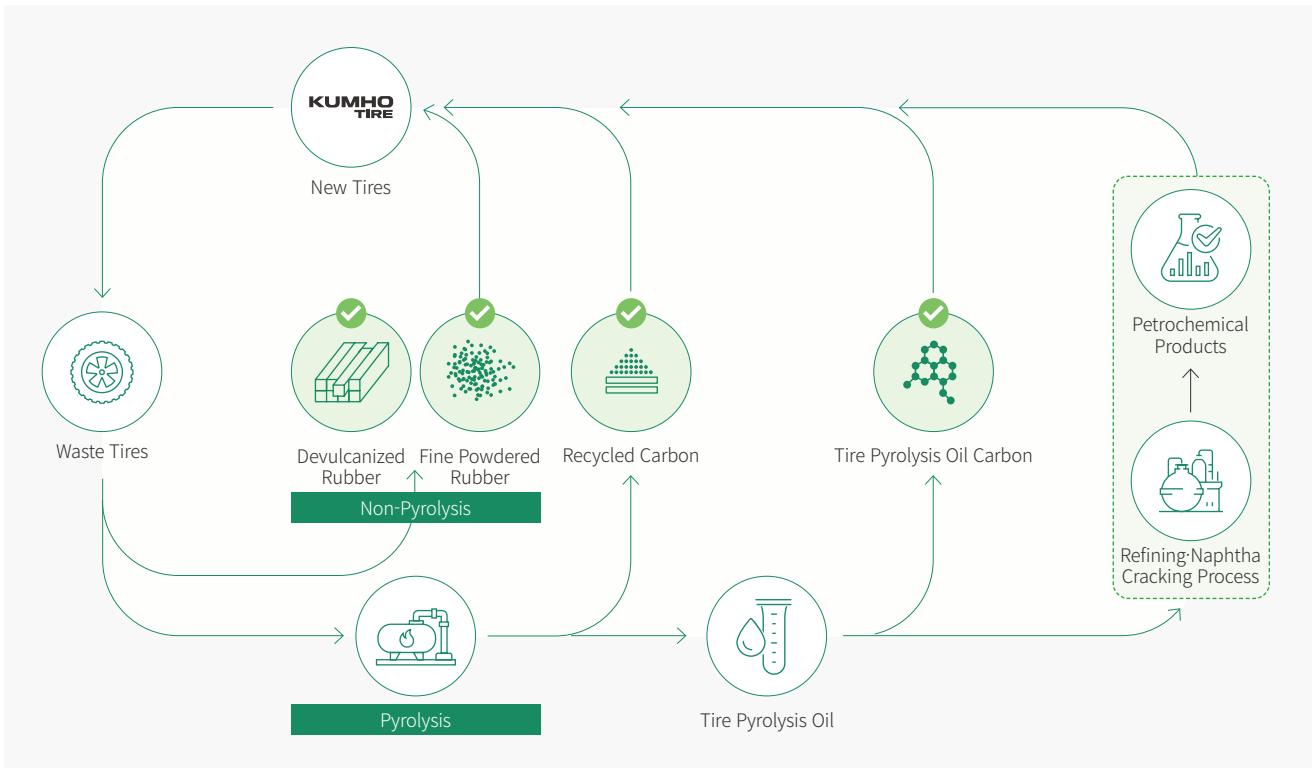
Development of Tire Raw Materials

In 2023, Kumho Tire successfully developed tires using 80% sustainable materials. Kumho Tire successfully expanded the use of renewable materials such as rice husk-based eco-friendly silica, bio-based eco-friendly chemicals and oils using sunflower oil, and recycled materials such as recycled PET from plastic bottles, recycled steel cordrom scrap metal, and etc.

To continuously develop eco-friendly tire raw materials, Kumho Tire signed an MOU (Memorandum of Understanding) with the European petrochemical group Synthos. We are jointly conducting a research and development project on NdBR (ultra-high cis-polybutadiene rubber, material suitable for tires and golf balls with excellent rebound elasticity and wear resistance, and dust reduction) using Bio-BD, eco-friendly gas produced from alcohol, instead of petroleum-based butadiene gas. We plan to expand the use of eco-friendly synthetic rubber in tire manufacturing processes. Additionally, we signed an MOU with Orion Korea, the Korean subsidiary of Orion S.A., a U.S. specialty chemical products manufacturer, to conduct a tire research and development project using carbon black derived from renewable raw materials such as vegetable oil or other bio-oils and pyrolysis oil from waste tires.

Status of Waste Tire Utilization

Evaluations for four raw materials derived from waste tires, including devulcanized rubber, fine powdered rubber, recycled carbon, and tire pyrolysis oil carbon, have been completed, and some materials are being used in tire production. In the future, Kumho Tire plans to review and evaluate the refining of tire pyrolysis oil and its application in products.



Participation in WBCSD-TIP Research Projects

Since 2005, Kumho Tire has been participating in the Tire Industry Project(TIP) under the World Business Council for Sustainable Development(WBCSD), collaborating with global tire manufacturers to address and manage ESG issues across the tire industry and value chain, contributing to a sustainable future. TIP commissions independent research to world-class specialized research institutions, collaborates with external stakeholders to solve issues, and transparently discloses the results. Additionally, to achieve a 40% usage rate of sustainable materials by 2030, Kumho Tire is participating in the Global Platform for Sustainable Natural Rubber(GPSNR) and establishing waste tire management systems, contributing to Net-Zero through annual environmental indicator management.

2023-2024 Research Topics

- Research on Quantification and Toxicity of Tire Wear Particles in the Environment
- Development of a Global Waste Tire Management System
- Management and Transparent Disclosure of Environmental and Sustainable Development Goals Indicators

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Natural Capital Management

Strategy

Kumho Tire recognizes the impact of resource use and environmental pollution in its business operations and aims to reduce pollution and minimize resource use according to its environmental policy. To achieve this, we manage waste according to legal standards through a waste management process, and in response to international plastic regulations, we have established the ‘ZERO Tire Packaging’ plan, aiming to transition to unwrapped products for domestic and international shipments. Additionally, to address water resource risks, we have established a water resource management system and regularly monitor water quality. We also regularly measure and manage air pollutants such as dust, NOx (nitrogen oxides), SOx (sulfur oxides), and odors according to stricter internal standards than legal limits.

Target

To reduce the environmental impact of business activities, Kumho Tire has set and is managing long-term goals related to natural capital, such as increasing waste recycling, improving water use efficiency, and reducing pollutant emissions. We have set a goal to reduce water pollutants by approximately 10% by 2030 compared to 2023 emissions, and to reduce air pollutants such as NOx and dust by approximately 10% of intensity by 2030 compared to 2023 levels.

Category	2023 Goals	2023 Performance	Achievement Rate
Waste Recycling Rate Target	86.4%	86.2%	99.8%
Water Use Intensity Target*	4.378	4.298	101.8%

\*Water ton/Production ton

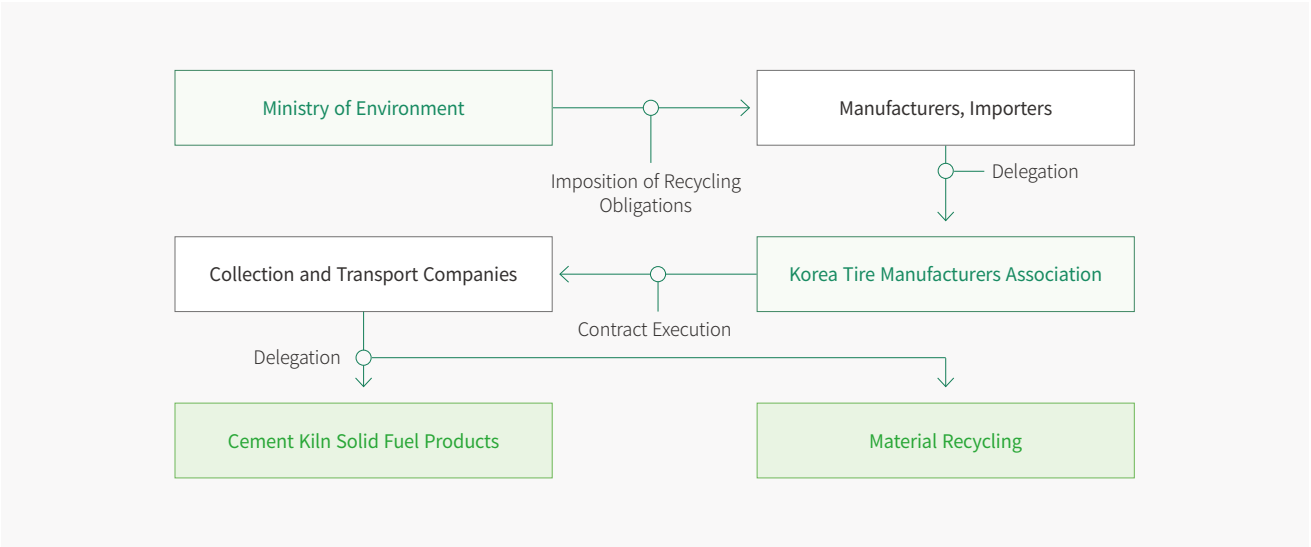
Domestic Waste Tire Collection

Kumho Tire is fulfilling its responsibilities for the collection and recycling of domestic waste tires to meet the recycling obligations announced in the Extended Producer Responsibility(ERP) system. As a member of the Korea Tire Manufacturers Association, we outsource the collection, processing, and cost settlement of waste tires, and manage recycling targets by recording the weight of waste tires collected by designated collection companies and transported to recycling companies. Collected tires are recycled by thermal utilization companies such as cement manufacturers and solid fuel manufacturers or by material recycling companies for products like rubber ropes.

Extended Producer Responsibility (ERP) System

This system imposes recycling obligations on obligated producers for products and packaging distributed domestically. If these obligations are not fulfilled, a recycling fee is charged. This expands the producer’s responsibility beyond production and sales stages to include consumption, disposal, and recycling stages. As an obligated producer, Kumho Tire participates in fulfilling the obligations for product collection and recycling.

\*Obligated Producers: Those who manufacture or import and distribute products or packaging domestically



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Assessment

Water Resource Risk Analysis

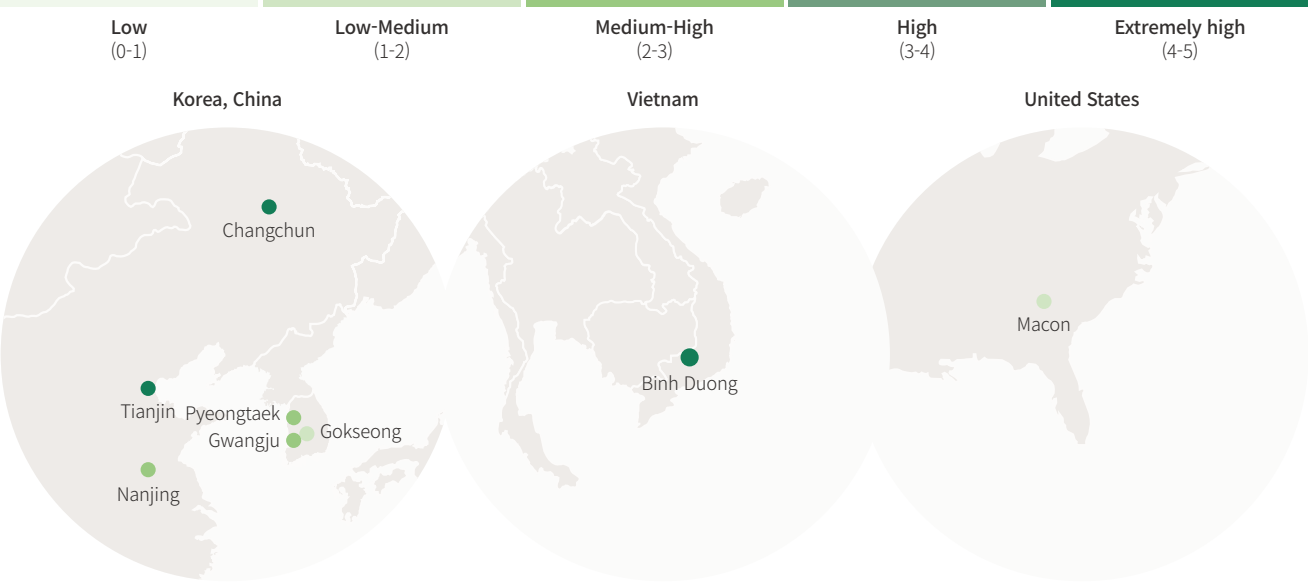
Kumho Tire identified water resource risks for business sites in Korea, China, Vietnam, and the United States using the Aqueduct Water Risk Atlas provided by the World Resources Institute (WRI). We plan to conduct and annually disclose risk assessments on various factors, including water quantity and quality risks due to floods and droughts, the water stress index indicating the ratio of water demand to available resources, and drought risks.

The overall water risk analysis revealed that the water resource risks are generally higher for our plants in China and Vietnam compared to those in Korea and the United States. In Changchun, the water stress index is high, while Tianjin shows high risk in physical water quantity due to river and coastal flood risks. In Korea, overall water resource risk is relatively low; however, the flood risk is high due to the location of plants near rivers and coastlines. The risk impact is expected to increase due to droughts and heatwaves in the Jeonnam region. Accordingly, we will periodically measure the water resource risk status, report it to the management, and establish detailed response plans.

Water Risks by business site

Category	Gwangju	Gokseong	Pyeongtaek	Nanjing	Tianjin	Changchun	Vietnam	Georgia
Total Water Risk	Low-Medium	Low-Medium	Low-Medium	Medium-High	High	High	High	Low-Medium
Physical Water Quantity Risk	High	Medium-High	High	Medium-High	Extremely high	Extremely high	High	Extremely high
Physical Water Quality Risk	Low-Medium	Low-Medium	Low-Medium	High	Medium-High	Medium-High	Extremely high	Low
Regulatory and Reputational Risk	Low	Low	Low	Medium-High	Medium-High	Medium-High	Medium-High	Low-Medium

Risk Quantity



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Waste Management

Kumho Tire operates a waste management process to safely manage waste generated during the production process, from generation and storage to treatment and final disposal of consigned waste. When discharging waste externally, we input it into the Ministry of Environment’s Waste Management System, ‘Allbaro System,’ to enable electronic management. Each site stores and disposes of waste according to legal standards based on the type of waste generated. The Gwangju plant immediately responds to issues requiring action through daily on-site inspections, while the Gokseong and Pyeongtaek plants manage designated and general waste storage areas separately at the outskirts of the sites.

Resource Efficiency Improvement Activities

Waste Recycling

Kumho Tire establishes waste recycling rate improvement targets through the Environmental Management Committee and manages and monitors monthly performance. Additionally, we are promoting activities to reduce the generation of defects and scrap\* to fundamentally minimize the amount of waste generated. Recyclable resources such as rubber scrap generated during the production process and tire testing are recycled through rubber processing companies.

\* Scrap: Materials that are discarded and not used in tire manufacturing due to processing negligence, equipment malfunctions, or raw material defects during the manufacturing process.

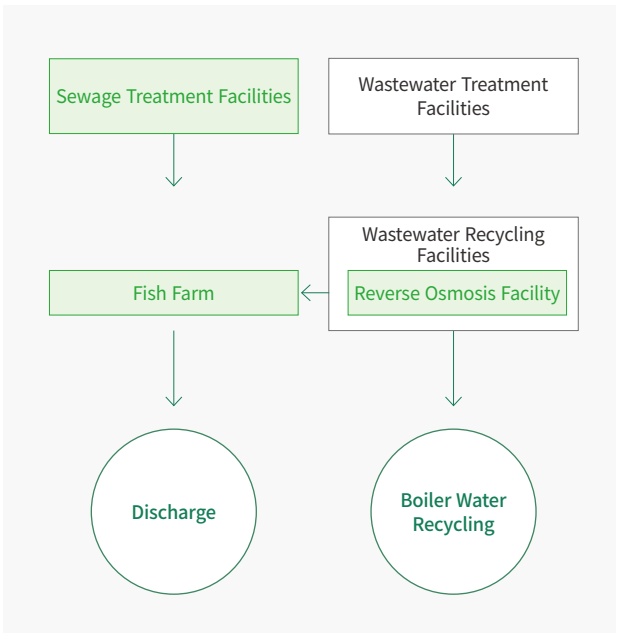
Transition to Package-free

Globally, regulations and international agreements regarding plastics are actively being discussed. In response, we are implementing the ‘ZERO Tire Packaging’ plan for completely unpackaged tires. In 2022, all products shipped to domestic, American, and European markets were transitioned to unpackaged. Starting in 2024, most of the tires shipped to Saudi Arabia are also being transitioned to unpackaged. Through this, we aim to reduce the amount of packaging waste generated during distribution and mitigate the environmental impact caused by plastic waste.

Water Resource Management

Kumho Tire manages water usage, including waterworks and sewage, industrial water, and recycles wastewater for process water to reduce wastewater discharge. The Gokseong plant has adopted advanced treatment methods, such as reverse osmosis, to recycle wastewater for boiler water. The Gwangju plant recycles wastewater treated in sedimentation tanks as washing water for air pollution control facilities within the plant.

Gokseong Plant Wastewater Treatment System



Water Pollutant Management

The Gokseong plant treats wastewater and sewage using physico-chemical and biochemical methods before discharging it into the Seomjin River. Additionally, some boiler-generated water is strictly treated by specialized companies. The Pyeongtaek plant also operates wastewater prevention facilities to comply with legal standards and works to prevent water pollution.

Air Pollutant Management

Kumho Tire operates a Tele-Metering System (TMS) at the Gwangju plant to minimize the environmental impact on the surrounding community. Both the Pyeongtaek and Gwangju plants have installed and operate odor control facilities. The Gwangju plant has improved the performance of its existing odor deodorant spraying facilities to minimize odor complaints from the local community. The Pyeongtaek plant conducts annual monitoring of its vulcanization prevention facilities. Particularly, since Pyeongtaek is designated as an odor management area, the plant has been adding deodorants since 2017 and has set its own measurement cycles for self-monitoring air quality. The concentration of air pollutants such as dust, NOx (nitrogen oxides), and SOx (sulfur oxides) is managed to be below 40% of the legal limit.

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Strengthening Biodiversity Conservation

Strategy

Kumho Tire supports the biodiversity conservation goals of the UN SDGs and participates in global biodiversity efforts by supporting the Convention on Biological Diversity (CBD) and the International Union for Conservation of Nature’s (IUCN) Guidelines for Applying Protected Area Management Categories. Accordingly, we have established a Biodiversity Policy encompassing all domestic and international operations and suppliers, and we aim to promote employee participation in biodiversity conservation. The CEO-led ESG Management Committee oversees the formulation and revision of biodiversity policies, risk assessment, and the establishment of response measures. We also operate a reporting channel for grievances and violations related to biodiversity arising from business operations.

Biodiversity Policy

Biodiversity Principles



- 1. Biodiversity Conservation Define and monitor biodiversity management areas according to the IUCN's protected area categories, including potential and adverse impacts.
- 2. NNL and NPI Strive to achieve No Net Loss (NNL) and Net Positive Impact (NPI) on biodiversity.
- 3. Risk Identification and Action Identify and assess the current status of biodiversity around business sites, and develop measures to identify, improve, and mitigate new biodiversity risks.
- 4. Employee Participation Share biodiversity information with employees and stakeholders, and promote various activities for ecosystem conservation.
- 5. Building Cooperative Systems Actively participate in local, national, and global biodiversity initiatives and establish cooperative systems with local communities and relevant organizations.
- 6. Expanding Supply Chain Ensure that this policy is applied throughout the supply chain and share biodiversity information with suppliers.

Performance

Participation in Biodiversity Activities

In 2023, Kumho Tire participated in the Hwangryong River Jangnok Wetland clean-up activities near the Gwangju plant, in collaboration with local governments and public institutions. Jangnok Wetland is the only urban river wetland, home to various flora and fauna including seaweed, salt marsh plants, and aquatic plants. It is ecologically connected to the Yeongsan River, playing a crucial role in maintaining the ecological balance due to its well-preserved natural state. We continue to participate in litter collection activities to protect the Jangnok Wetland ecosystem and have also participated in flower planting events to improve the ecological environment of the riverside trails. We plan to expand our activities for biodiversity conservation in the future.



Employee Awareness Enhancement Activities

On May 22, 2023, to mark the UN-designated ‘International Day for Biological Diversity,’ we published a company newsletter related to biodiversity. The newsletter aimed to easily convey the definition, importance, and necessity of biodiversity conservation to all domestic employees, highlighting its significance in relation to business activities, such as the supply of natural rubber, a vital natural resource. As a global tire manufacturing company, we recognize our responsibility to protect and enhance biodiversity around our business sites. We plan to develop measures to encourage employee participation through awareness-raising activities and external collaborations.



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KBAs (Key Biodiversity Areas): Geographic areas identified as internationally important for biodiversity conservation, based on globally standardized criteria published by the IUCN, as part of a collaboration between scientists, conservation organizations, and government agencies worldwide.

IUCN Category II (National Park): Large natural or near-natural areas protecting large-scale ecological processes with characteristic species and ecosystems

IUCN Category III (Natural Monument or Feature): Areas set aside to protect a specific natural monument, which can be a landform, sea mount, submarine cavern, geological feature, or even a living feature, of high cultural, historical, or scientific interest.

IUCN Category IV (Habitat / Species Management Area): Areas aimed at protecting particular species or habitats and where management reflects this priority.

IUCN Category V (Protected Landscape / Seascape): Areas where the interaction of people and nature over time has produced an area of distinct character with significant ecological, biological, cultural, and scenic value, and where safeguarding the integrity of this interaction is vital for protecting and sustaining the area and its associated nature conservation and other values.

IUCN Category VI (Protected Area with Sustainable Use of Natural Resources): Areas protected and managed by the state for the sustainable activities of ecosystems

IUCN Category VI: Man and the Biosphere is one of UNESCO's interdisciplinary and capacity-building intergovernmental science programs aimed at improving the relationship between humans and the environment globally

\*\* Critically Endangered (CR): Species with an extremely high risk of extinction in the wild

Endangered (EN): Species with a high risk of extinction in the wild

Vulnerable (VU): Species with a high risk of becoming endangered in the wild



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# Social

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Talent Management

Supply Chain Management

Industrial Safety and Health

Product Responsibility

Information Security

Contribution to Local Communities

Domestic Employee Training Hours

157,671 hours

Number of Serious Accidents occurred

0 cases

Number of Product Recalls

0 cases

First Female Executive  
appointed

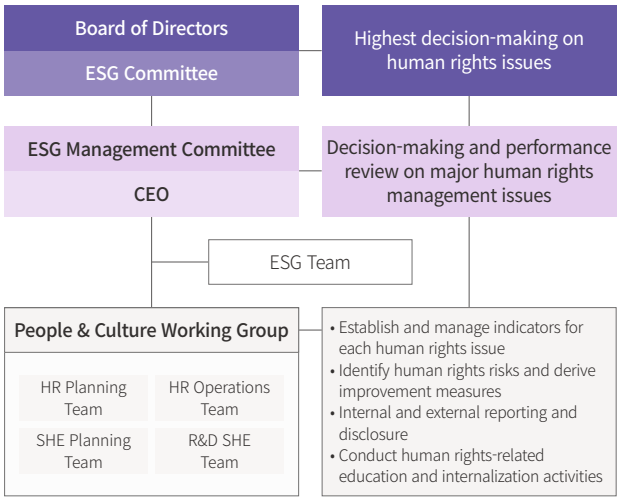


# Respect for Human Rights

## Strategy

Kumho Tire has established a Human Rights Policy in accordance with international organizations’ principles on human rights protection and labor, such as the Universal Declaration of Human Rights, UNGP, and ILO Declaration. Kumho Tire adheres to international standards and guidelines related to human rights and labor, and are actively promoting human rights management. Human Rights Policy is formulated considering stakeholders vulnerable to human rights risks, including women, children, and customers, and it outlines the fundamental principles for promoting human rights management. This policy applies to all employees in domestic and international business sites, and we strive to extend its application to key stakeholders such as suppliers, customers, and local communities. To systematically promote human rights management, we have established a management process to minimize human rights risks for employees and stakeholders and regularly inspect and evaluate these risks. Through this process, we identify and perform improvements on actual and potential human rights risks to minimize negative impacts arising from business operations.

 [Human Rights Policy](#)



## Target

Kumho Tire aims to gradually increase the proportion of business sites subject to human rights impact assessments. In 2023, Kumho Tire conducted human rights impact assessments on 50% of a total of 10 domestic and international business sites. Kumho Tire plans to expand these assessments to all domestic and global business sites by 2025, and aims to maintain 100% of the assessment rate on business sites by 2030.

## Assessment

**Background and Purpose of the Human Rights Impact**  
Global regulations and customer demands regarding corporate human rights issue management, such as the EU Corporate Sustainability Due Diligence Directive (CSDDD) and the U.S. Uyghur Forced Labor Prevention Act, are increasingly being strengthened. In response to these global trends, Kumho Tire recognizes the importance of human rights management and conducts human rights impact assessments, in order to identify and manage potential human rights risks in its business operations. This human rights impact assessment, in particular, adopts global standards and guides to human rights due diligence, such as the UN Guiding Principles on Business and Human Rights and the EU Corporate Sustainability Due Diligence Directive. Kumho Tire plans to extend human rights impact assessments beyond domestic operations to overseas business sites and supply chains, while also monitoring the effectiveness of improvement measures to strengthen human rights risk management.

## Human Rights Impact Assessment Process

Kumho Tire has conducted human rights impact assessments based on indicators designed to identify human rights risks for stakeholders who can possibly be affected by negative impact from human rights risks, including employee, labor unions, suppliers, local residents, and customers, as well as who may be vulnerable to those risks such as children and minorities. This year’s human rights impact assessment was carried out in four major stages: ① Planning the implementation, ② Identifying human rights risks, ③ Improvement activities, and ④ Monitoring and planning. We specifically examined the overall human rights management system, including human rights policies, grievance mechanisms, and monitoring, as well as 12 diagnostic areas derived from key human rights issues in the tire industry and global human rights guidelines.

### Human Rights Impact Assessment Process



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Human Rights Impact Assessment Results

Applying a total of 257 diagnostic items in the human rights impact assessment revealed four areas requiring improvement. The issue with the highest need for improvement was ‘management of business suppliers and supply chains,’ which needs institutional and practical support measures for managing the human rights risks of suppliers’ employees. Although Kumho Tire currently shares the principles of human rights respect through the Supplier Code of Conduct, there is a need for improvements, such as incentives to encourage policy compliance and conducting human rights due diligence. To address this, in 2024, Kumho Tire has established a comprehensive supply chain due diligence system, from risk assessments of key domestic and international suppliers, in order to develop and implement improvement plans with monitoring.

Additionally, based on the previous year’s human rights impact assessment results, Kumho Tire is implementing the improvement activities that were established. To build a substantive organizational structure for human rights management, Kumho Tire has designated the People & Culture Working Group as responsible for revising human rights policies, setting goals, monitoring indicators, and implementing improvements. The ESG Management Committee oversees the reporting, management, and supervision of related activities. Furthermore, to enhance human rights education, which was previously at the level of mandatory legal training, Kumho Tire has integrated human rights education programs into the training courses for organizational leaders and new employees. In this manner, Kumho Tire is implementing improvement measures for the identified areas requiring improvement, and monitoring the effectiveness of the measures to ensure risk mitigation.

2024 Human Rights Impact Assessment Results

Human Rights Issues	Environmental Rights			
	Privacy and Protection of Personal Life			
	Freedom of Thought			
	Prohibition of Harassment and Humane Treatment			
	Non-discrimination			
	Forced Labor and Human Trafficking			
	Freedom of Association and Trade Unions	Community Impact	Management of Business suppliers and Supply Chains	
	Working Conditions and Wages	Child Labor	Health and Safety	
	Risk Levels	Low	Moderate	Slightly High
				High

2024 Key Human Rights Issues and Response Measures

Human Rights Issues	Response Measures	Related Stakeholders
Management of Business suppliers and Supply Chains	<ul style="list-style-type: none"><li>Establish and enhance the due diligence system by expanding the scope of human rights impact assessment to suppliers and the supply chain</li><li>Require high-risk suppliers in need of improvement to submit improvement plans and provide support programs.</li><li>Offer incentives using the win-win cooperation fund to suppliers participating in ESG diagnostic evaluations.</li></ul>	Supplier Employees
Health and Safety	<ul style="list-style-type: none"><li>Although excellent guidelines and procedures are in place, practical measures to prevent major accidents need to be established.</li></ul>	Employees
Community Impact	<ul style="list-style-type: none"><li>Ensure that not only the legal owner is identified during land purchases but also verify the existence of actual right holders according to local laws and customs.</li><li>Review ownership transfer and the protection of displaced persons during the construction of new business sites.</li></ul>	Local Residents
Child Labor	<ul style="list-style-type: none"><li>Although there are no issues of child labor, guidelines to address child labor need to be improved.</li></ul>	Children

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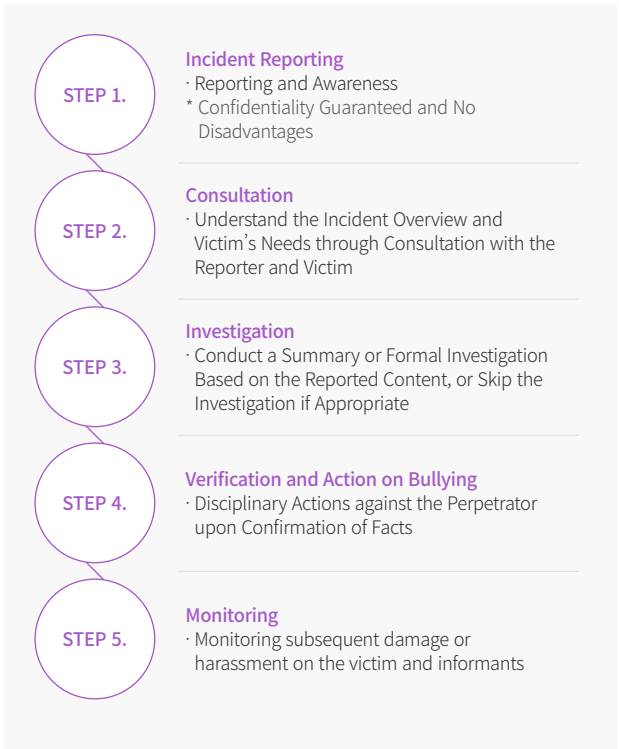
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Internal Grievance Reporting System

Kumho Tire operates an internal grievance reporting system to protect employees in cases of workplace grievances and difficulties, sexual harassment, bullying, and other human rights violations. Reports are handled promptly in accordance with procedures, ensuring anonymity and confidentiality to prevent any disadvantages or discrimination against the reporter.

Grievance Handling Process



Grievance Handling Reporting Targets

Reporting Targets	Details
Employee Grievance Counseling	<ul style="list-style-type: none"><li>Matters related to unreasonable practices in the workplace</li><li>Other workplace grievances requiring company action and improvement</li></ul>
Workplace Bullying	<ul style="list-style-type: none"><li>Acts that use superiority of position or in relationship in the workplace to cause physical or mental distress or to deteriorate the working environment</li></ul>
Workplace Sexual Harassment	<ul style="list-style-type: none"><li>Acts that use workplace authority or are work-related to cause sexual humiliation or discomfort, or to disadvantage employment conditions and employment due to refusal to satisfy with sexual demands</li></ul>

Promotion of Diversity and Inclusion

Efforts to Prevent Discrimination

To create an environment that respects diversity and inclusion, Kumho Tire strives to prevent any form of discrimination in hiring, work opportunities, and working conditions. In addition to providing interviewers with gender equality training in hiring process, all procedures in selection of promotion and training are fairly implemented to prevent discrimination.

First Female Executive Appointment

Kumho Tire appointed its first female executive during the 2023 executive reshuffle. This significant decision enhances corporate diversity and inclusion, recognizing talent and capability regardless of gender. It also demonstrates open opportunities and potential to our female employees, and promotes a positive societal perception of women's career development and leadership.

Human Rights Education

Kumho Tire conducts human rights training for all employees annually, including statutory training such as disability awareness, sexual harassment prevention, and workplace bullying prevention, as well as a training on Human Rights Policy. Additionally, specialized training is provided to employees responsible for tasks requiring special attention to human rights protection or those in positions easily influenced by human rights issues. This includes gender equality education for recruitment interviewers, privacy protection education for employees handling personal data, and additional training for executives and managers to prevent workplace bullying. Starting in 2023, human rights education has been extended to new employees to prevent human rights violations and foster a corporate culture that respects human rights.

Education for All Employees



Disability Awareness Training

Understanding on disability and non-discrimination  
Disability types and workplace awareness improvement



Sexual Harassment Prevention Training

Workplace sexual harassment and cases  
Related laws and response measures



Workplace Bullying Prevention Training

Bullying-related Laws  
Bullying Prevention Guidelines

Specialized Education for Involved Parties



Gender Equality Education for Interviewers



Additional training on prevention of workplace bullying



Privacy Protection Education



Human Rights Education for New Employees

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Talent Management

Strategy

Kumho Tire recognizes that human resources are a key element of corporate competitiveness and strives to enhance its competitiveness through talent management, encompassing recruitment, training, labor relations, and employee benefits. To secure talent, Kumho Tire has established a set of desired employee core talent that align with our vision and operate a dedicated recruitment website. Through a fair personnel evaluation process, we ensure non-discriminatory hiring and appropriate compensation. We also support employee growth by providing tailored training according to job position and functions fostering a culture where employees can develop through their work. Additionally, we create a positive organizational culture by offering various employee benefits. In response to the evolving mobility era, we implement forward-looking labor policies and guidelines for future-oriented labor relations. We maintain active communication through various labor-management consultation channels.

Core Talent

Talent leading the future with Superior Expertise and Competitiveness, fulfilling Roles and Responsibilities

Core Values



Customer First



Perfect Implementation



Creative Innovation



Passion and Commitment

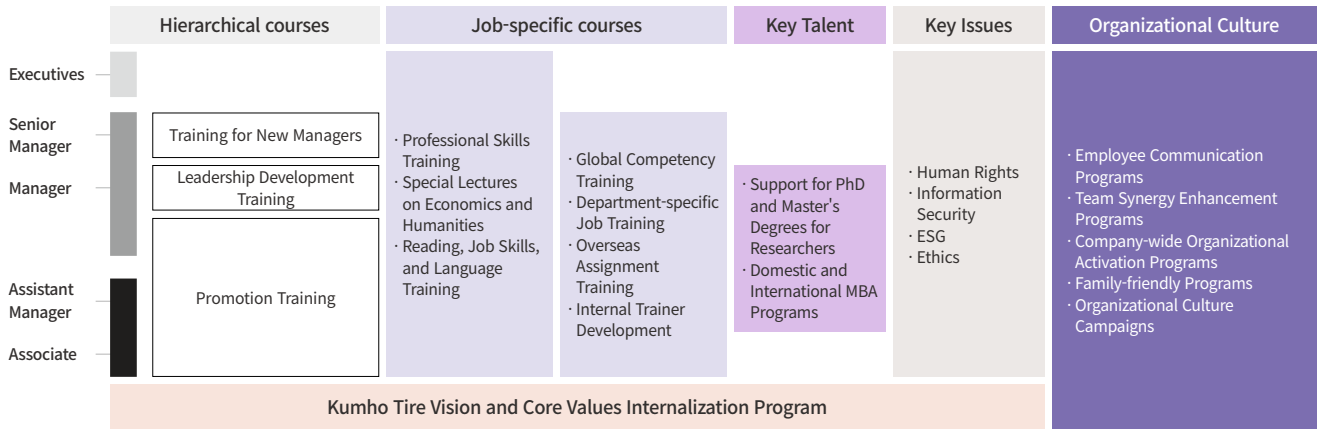


Consideration and Cooperation

Target

Kumho Tire aims to create a better working environment by enhancing employee satisfaction and engagement, and improving organizational culture through activation programs and team workshops. Furthermore, Kumho Tire will continuously strive to prevent talent attrition and increase the number of long-term employees.

Talent Management Program

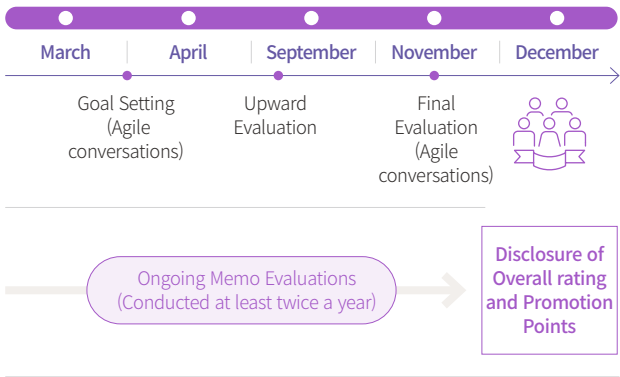


Assessment

Fair HR Assessment

Kumho Tire operates an online evaluation system for systematic performance management, conducting Multidimensional performance appraisal, team-based performance appraisal, and ongoing evaluations. Each year in the first quarter, employees set their own goals and enter them into the system, allowing for real-time management of goals and performance through at least two ongoing memo evaluations throughout the year. For team leaders and senior staff, upward evaluations are conducted to ensure fairness and to enhance managerial leadership through evaluations and feedback. In 2023, Kumho Tire improved the HR evaluation system to contribute to the overall performance of the organization. To secure and retain talent, we increased the proportion of high performers and redefined the evaluation grade system to provide appropriate rewards to employees with high competencies. Additionally, we have raised the scoring for certifications, language proficiency, degrees (Master's and Ph.D.), and research achievements in promotion evaluations to motivate personal skill enhancement.

HR Evaluation Process



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Performance

Talent Recruitment

AI-driven Competency Assessment and Recruitment Platform Enhancement

Kumho Tire has improved its recruitment platform to allow applicants easy access to job postings and related processes. Additionally, by introducing AI-driven competency assessments during the recruitment of new employees, Kumho Tire strives to rationally select the best talent by deeply analyzing applicants’ adaptability to organizational culture and interpersonal skills. Through this, we aim to foster a competency-based recruitment culture that provides fair opportunities to all applicants.

Local Youth Preference

In 2023, Kumho Tire signed a memorandum of understanding with Gokseong-gun, Jeollanam-do, focusing on promoting local youth employment preferences. Through this initiative, we aim to provide job opportunities to local youth, allowing them to utilize their skills and potential, thereby boosting the local economy.

Employee Training

Kumho Tire has established an educational framework to help employees set their growth direction and goals through tailored training program based on their job position and functions.

New Employee Onboarding Program

Kumho Tire has introduced an onboarding process for new hires to help them easily adapt to a company-wide culture. Kumho Tire has set up a website to provide new hires with easily accessible information for their life at work, and extended the training from two nights and three days to four days, including programs such as core values internalization and empathy dialogue. Additionally, Kumho Tire has introduced pre-employment online and offline training, further conducting internal job training, basic accounting, and report writing courses.

Furthermore, Kumho Tire conducts the refresh training for employees in their second year at work. We have introduced the ‘One Team Spirit’ program, meaning one team with one goal, creating an opportunity for open communication with the CEO.

Promotee Training

Each year, Kumho Tire conducts promotee training based on the Standard Leadership Competency (SLC) Top 10, providing leadership training tailored to different job levels. Kumho Tire promotes the internalization of Kumho Tire’s five core values—Customer First, Perfect Execution, Creative Innovation, and One Team Spirit—through various programs. Additionally, the training includes reading assignments, defining work methods, and lectures on business strategy and accounting. After the training, surveys are conducted to assess the work competencies before and after the training to evaluate the effectiveness of the training programs.

(Unit: point)

	2021	2022	2023
Before Training	64.0	62.4	60.8
After Training	84.6	78.2	79.9
Difference Before / After Completion	20.6	15.8	19.1



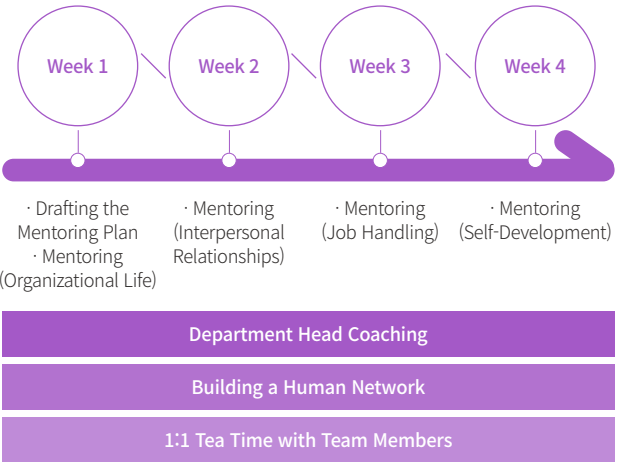
Team leader Training

In 2023, Kumho Tire extended the team leader retreat training from one night and two days to two nights and three days. Through this training, we support the strengthening of leadership and the development of managerial skills by understanding the roles and responsibilities of team leaders. Particularly in 2023, we aimed to strengthen not only the operational capabilities but also the relational capabilities of leaders through a survey of employee and manager perceptions regarding necessary leadership competencies. Additionally, we supported activities such as sharing team management manuals and creating action plans to improve the efficiency of management tasks.

In-House Mentoring Program

Kumho Tire operates an in-house mentoring system to enhance the job competencies of less experienced employees through inter-employee training. This creates a coaching culture where mentors naturally impart their experience and know-how to mentees. Considering the improvement in mentees’ organizational adaptation and job performance through the mentoring system, we extended the mentoring period from one month to three months starting in 2022, and also increased mentoring support funds.

In-House Mentoring Program



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R&D Division CDP Program\*

Kumho Tire operates a self-directed CDP program to enable R&D staff to identify and supplement the competencies they need. Kumho Tire monitors the R&D competency index to evaluate and manage the educational effectiveness of the CDP program for staff who have completed the program.

\* CDP: Career Development Program

Future Planning Support for Retirees

Kumho Tire provides diagnostic services for career and aptitude, future career planning, job placement, re-employment, and entrepreneurship education for employees nearing retirement. This service offers opportunities for life planning post-retirement, alleviating anxieties about retirement and fostering a positive attitude toward the later stages of life. In 2023, Kumho Tire provided future planning service training to 182 prospective retirees, achieving high satisfaction rates.

<div>Pre-Retirement Education</div> <div></div>	Total training hours	5,824 hours
	Participants	182 persons
	Satisfaction	5 points (out of 5)

Management Lectures

Kumho Tire conducts annual management lectures to enhance employees’ understanding of the tire industry and to secure management competencies. Attendance at these lectures is mandatory for executives and managers to strengthen their future capabilities for decision-making and organizational management. In 2023, special lectures were conducted on response strategies for intellectual property management and the use of artificial intelligence.

Shared Growth of Labor-Management

Kumho Tire has established a mid-to-long-term roadmap for shared growth of labor-management, aiming for a future-oriented, virtuous cycle in labor relations. From 2022 to 2024, Kumho Tire has focused on efforts to normalize management and resolves major labor-management disputes, reinforcing trust and cooperation by implementing a special agreement in February 2023. Additionally, in April 2024, the office workers’ union of Kumho Tire became the first in a major manufacturing-based corporation to obtain separate bargaining rights from the technical workers’ union. Consequently, we reached a tentative agreement on wage system restructuring, adjustment of the wage peak system application period and reduction rate, and the implementation of a sustainable development council. Kumho Tire will use this agreement as a foundation to further strengthen the trust relationship between labor and management, and we plan to promote joint development through various communication channels.

Labor-Management Relations Roadmap

	Aspirations	Key Focus Areas
2021	Resolving Labor-Management Risks	· Resolving Litigation Risks · Creating a Rational Workplace Culture Strengthening the Labor-Management Network
2022-2024	Strengthening Trust and Cooperation	· Improving Corporate Culture and Achieving Management Goals · Joint Efforts for Management Normalization – Implementing the Special Agreement of April 2, 2018 · Resolving Major Labor-Management Disputes, Including Ordinary Wage Litigation · Implementing the Special Agreement of February 13, 2023
2025	Establishing Future-Oriented Labor-Management Relations	· Strengthening Labor-Management Cooperation – Establishing a Rational Negotiation Culture · Creating a Future-Oriented Labor Culture with a Virtuous Cycle – Enhancing Competitiveness → Generating Profits → Ensuring Job Security

Collective Bargaining

Kumho Tire ensures the right to collective bargaining, allowing employees to have a voice in management based on trust and mutual prosperity. In 2023, collective bargaining resulted in agreements on job security, base salary increases, and support for bonuses.

Labor-Management Councils

Kumho Tire holds quarterly labor-management council meetings to discuss various issues such as wages, employee welfare improvement, work environment enhancement, and matters related to HR and labor management.

Employment Security-Labor-Management Joint Development Committee

Kumho Tire has established the Employment Security-Labor-Management Joint Development Committee to enhance job security and competitiveness at domestic factories. Each quarter, Kumho Tire identifies issues related to plant facilities and job assignments directly linked to product production and seek solutions to improve the work environment and safety management.

Management Briefings

Kumho Tire holds an annual management briefing session at each business site. Through these sessions, Kumho Tire shares key management performance, future business plans, and mid-to-long-term strategies, enhancing mutual understanding between labor and management and fostering cooperative labor relations.

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Creating a Great Organizational Culture

Kumho Tire operates various systems and support programs to create a favorable work environment and a stable organizational culture. In addition to systems and benefits that ensure work-life balance, we actively introduce measures to boost motivation at both individual and team levels, earning external recognition as a great place to work.

Work & Life Balance

Kumho Tire guarantees flexible and efficient working systems and the free use of vacation time to support compatibility of career and family for its employees. Through this, we aim to improve employees' work engagement and enhance their quality of life.



Flexible Work System

- Flexible commute schedule outside of core hours
- Improves work engagement and ensures work-life balance



PC-OFF System

- Automatic alarm system for beginning and end of the work, and breaks
- Ensuring regular working hours and respect for evening hours



Self Approval of Vacation

- System for employees to self-approving of vacation
- Establishing an autonomous and advanced vacation culture



Leaders' Day

- Regular mandatory day-off for managers on the second week of each month
- Improving engagement during working hours and achieving work-life balance

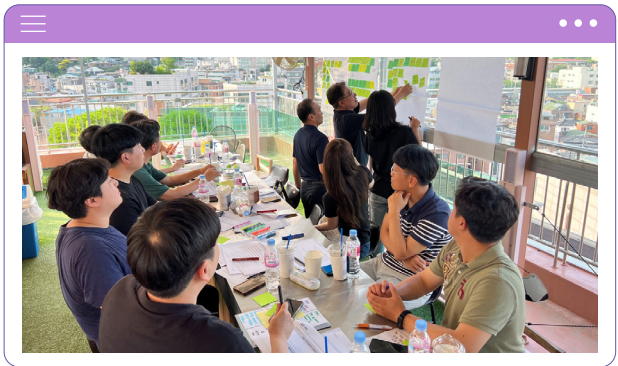


Refresh Leave

- Creating a culture of working efficiently during work hours and taking full rest during breaks

Team Synergy Enhancement Program

Kumho Tire conducts team synergy enhancement programs when there is required stronger bonds among team members, such as a significant changes in team members or creation of new department. This enhances free communication and mutual understanding among team members, improving employees' satisfaction with the organization. In 2023, 22 teams (a total of 204 people) participated, showing a satisfaction score of 4.7 out of 5.



Organizational Activation Program

Kumho Tire operates organizational activation program to enhance the overall organizational atmosphere and strengthen communication among employees. All employees engage in team activities quarterly, building teamwork, enhancing participation and belonging, and fostering a positive organizational culture.

Individual Commendation System

Kumho Tire has implemented an individual commendation system since the first quarter of 2023 to recognize employees who contribute to the company's growth. This promotes employee motivation and creativity and encourages positive competition. In 2023, 5 employees received the CEO Award, and 40 employees received the Division Head Award, with a total of 45 employees receiving benefits such as cash rewards, family travel vouchers, and HR bonus points.

Childcare and Parenting Support

Kumho Tire guarantees reduced working hours during pregnancy and pre- and post-natal leave policies. Kumho Tire also provides childcare subsidies for preschool children and operate in-house daycare centers at Gwangju and Gokseong plants to support employees' childcare needs. Through this, we are creating a family-friendly corporate culture where employees can find the right balance for work and life.

Key Benefits and Welfare

Life & House	<ul style="list-style-type: none"><li>· Living expense support (for sick leave and industrial accident leave)</li><li>· Employee apartments (at plants)</li><li>· Housing rental support (for domestic sales office work), etc.</li></ul>
Health & Family	<ul style="list-style-type: none"><li>· Employee health check-ups</li><li>· Congratulatory and condolence leave and allowances</li><li>· Operation of childcare centers (at plants)</li><li>· Medical expense support (including spouse and children)</li><li>· Children's education expenses (kindergarten to university)</li><li>· Long-term service awards</li></ul>
Culture & Leisure	<ul style="list-style-type: none"><li>· Organization of company clubs</li><li>· Providing tire discount coupons</li><li>· Refresh leave</li><li>· Summer vacation and subsidy, etc.</li></ul>

Selected as a 'Best Place to Work'

The Kumho Tire North America Technical Center has been selected as a Best Place to Work for two consecutive years, 2023 and 2024. Through an evaluation conducted by North American Rubber News, Kumho Tire was chosen as an outstanding company among rubber-related firms in North America based on comprehensive assessments of corporate policies, practices, and employee satisfaction.



# Supply Chain Management

## Strategy

Kumho Tire manages its supply chain with consideration for environmental, social, and economic sustainability. We are fostering a mutually beneficial relationship with our suppliers, by applying supply chain policies that reflect international standards and guidelines, such as the Supplier Code of Conduct, Sustainable Natural Rubber Policy, and Conflict Minerals Policy.

## Supply Chain Sustainability Policy

Kumho Tire has established Supply Chain Sustainability Policy that align with global standards, including the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, to implement responsible supply chain management more systematically. Key supply chain issues are overseen by the ESG Committee and the ESG Management Committee, with the Purchasing Division responsible for policy implementation and performance management. We strive to build a responsible supply chain by proactively managing potential human rights and environmental risks within the supply chain.

 [Supply Chain Sustainability Policy](#)

## Strengthening Supplier Code of Conduct

Kumho Tire and its suppliers are expected to mutually adhere to the Code of Conduct, ensuring responsible business activities and growing together. In 2023, to enhance supply chain ESG management, Kumho Tire revised the Supplier Code of Conduct to include detailed items such as discrimination, women’s rights, climate crisis response, grievance handling, and conflict minerals, obtaining agreements from a total of 163 suppliers.

 [Supplier Code of Conduct](#)

## Target

Kumho Tire aims to advance its supply chain ESG management system by strengthening management indicators and standards. In 2024, we plan to improve various aspects related to supply chain management, including training, evaluation targets, survey content, and monitoring.

Category	2024 Goals
<b>Pre-Education</b> 	- Providing online education on key topics such as greenhouse gases, deforestation, and conflict minerals - Defining additional data collection items - Revising and distributing the Supplier Code of Conduct
<b>Evaluation Target</b> 	- Document Review: Setting management standards for items such as equipment and raw materials - On-Site Evaluation: Conducting due diligence on high-risk suppliers and providing capacity-building consulting for small and medium-sized suppliers
<b>Survey Contents</b> 	- Basic Evaluation: Human rights and labor, environment, ethics and governance, product and service responsibility - Additional Survey: Greenhouse gases, deforestation, human rights risks, conflict minerals, hazardous chemicals, etc.
<b>Improvement Monitoring</b> 	- Monitoring high-risk identified suppliers - Requiring high-risk entities related to human rights and the environment to submit improvement plans - Deriving major improvement tasks and implementation plans for companies subject to on-site consulting

## Assessment

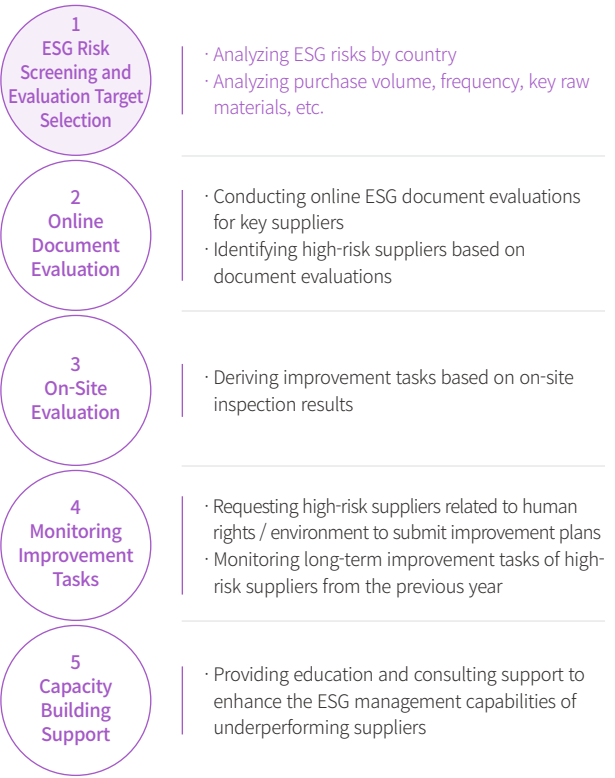
### Supply Chain Assessment

In 2023, Kumho Tire conducted regular assessments for a total of 83 suppliers (44 raw material suppliers, 39 equipment and materials suppliers). Since 2022, ESG items have been added to the regular evaluation criteria to raise awareness and share the need for ESG management among suppliers. Additionally, since 2023, we have been conducting additional supply chain ESG assessments, and in 2024, we are selecting priority suppliers for assessment based on the ESG management pool. The analysis of ESG risks by country revealed that companies in some of the 17 countries where suppliers are located require careful monitoring and attention regarding human rights, ethics, and governance. Going forward, we aim to build mutually beneficial relationships by providing feedback and support for necessary improvements through regular assessments, working together with suppliers to achieve joint growth through ESG risk management.

## ESG Evaluation Process

Our supply chain ESG evaluation is based on international guidelines such as the OECD Guidelines for Multinational Enterprises, ILO Conventions, ISO 26000, TCFD, and SASB, forming indicators to assess risks related to ethics and governance, environment, product and service responsibility, and human rights and labor. Kumho Tire conducts online and on-site evaluations to identify and systematically manages ESG risks within the supply chain. Based on the diagnostic results, we identify high-risk suppliers, establish improvement tasks, and monitor improvements for each supplier.

### ESG Evaluation Process



### Supply Chain ESG Evaluation Results

Kumho Tire conducted ESG evaluations on 202 key domestic and international suppliers, completing evaluations for 159 suppliers. Online document evaluations were conducted on four areas: human rights and labor, environment, ethics and governance, and product and service responsibility. Based on the evaluation results, risks and improvement points for each category were identified. Additionally, among the companies that participated in the document evaluations, 10 that requested consulting and 4 that were deemed to need improvement were selected. On-site inspections were conducted for these 14 companies in collaboration with a third-party agency. In-depth interviews with responsible persons were conducted to understand each company’s ESG management needs. Based on the actual status of internal management system operations, key improvement points were identified and implementation plans were proposed. Most suppliers were found to require proactive improvement and enhancement in the environment sector, and continuous performance management in the human rights, labor, and ethics sectors. To address this, improvement tasks tailored to the status of each company were identified, and support was provided through consulting to help suppliers establish a Code of Conduct and disclose ESG performance externally, thereby practically enhancing their ESG management levels.

#### Supplier ESG Evaluation Metrics

Environment	<div><div></div><div></div></div> <ul style="list-style-type: none"><li>Greenhouse gas emissions and reduction activities (enhanced)</li><li>Environmental management system, environmental risks</li><li>Management of indicators for greenhouse gases, water and wastewater, waste, and air quality</li></ul>
Product and Service Responsibility	<div><div></div><div></div></div> <ul style="list-style-type: none"><li>Conflict minerals management</li><li>Items regulated by the EU Deforestation Regulation, mercury and mercury compounds, persistent organic pollutants, etc. (new)</li></ul>
Ethics and Governance	<div><div></div><div></div></div> <ul style="list-style-type: none"><li>Ethical risks and ethical management</li><li>ESG management and information disclosure</li><li>Governance, etc.</li></ul>
Human Rights and Labor	<div><div></div><div></div></div> <ul style="list-style-type: none"><li>Human rights / labor risks and practices</li><li>Safety and health risks and workplace safety</li><li>Human rights / labor in the supply chain, etc.</li></ul>

#### Improvement Tasks by Supplier Characteristics

Company Characteristics	Improvement Tasks
Large-Scale Companies	<ul style="list-style-type: none"><li>Establish and share a Supplier Code of Conduct based on human rights and labor, and request compliance</li><li>Encourage the CEO or top decision-maker to publicly express commitment to ESG management</li><li>Manage performance on key ESG factors</li><li>Publicly disclose and update ESG management performance annually</li></ul>
Companies Needing Key Supplier ESG Management	<ul style="list-style-type: none"><li>Establish a Supplier Code of Conduct</li><li>Share the Supplier Code of Conduct with suppliers and business suppliers and request compliance</li><li>Incorporate suppliers’ ESG factors in purchasing and procurement decision-making processes</li></ul>
Companies with High ESG Commitment and Needs	<ul style="list-style-type: none"><li>Promote regular discussions of ESG-related risks, opportunities, and performance at the C-level</li><li>Utilize consulting and advisory services from external professional organizations and provide ESG education to employees</li><li>Publicly disclose and update ESG management performance annually</li><li>Obtain third-party verification for disclosed ESG information</li></ul>

#### Supply Chain ESG Management Status

Category	Unit	2023
Total Suppliers	Companies	794
Raw Materials	Companies	115
Equipment	Companies	679
Signed Supplier Code of Conduct	Companies	163
Suppliers Subject to Supply Chain ESG Evaluation	Companies	202
Purchase Amount Ratio of Evaluated Suppliers	%	96
Evaluation completed	Companies (%)	159(79%)
Core Suppliers (Tier 1)	Good	Companies 33
	Risky	Companies 5
	Total	Companies 38
Suppliers (Tier 2)	Good	Companies 104
	Risky	Companies 17
	Total	Companies 121
Percentage of Suppliers with High Sustainability Risk (Tier 1, 2)	Companies (%)	22(13.8%)
Suppliers Undergoing On-Site Evaluation	Companies	14
Suppliers Improved Through Corrective Actions	Companies	14
Suppliers Participating in Training Programs	Companies	81

### Performance

#### Supply Chain Communication and Support

##### Supplier Communication

Kumho Tire operates the supplier portal system (KPOS) to facilitate smooth communication and business coordination with suppliers. Through this system, suppliers receive comprehensive management of the purchasing process, education and guidance on fair trade-related campaigns, ESG, and safety and health management evaluations. In 2024, Kumho Tire initiated face-to-face supplier meetings to strengthen communication with suppliers. A total of 76 companies attended the meetings, where they exchanged information, improved mutual understanding of transactions, and provided feedback on any inconveniences or areas needing improvement in their dealings with us. We plan to select improvement activities as KPIs and actively implement them, while also pursuing ways to gather more feedback and expand exchanges in the future.



##### Support for Supplier ESG Management

Kumho Tire operates various programs to support supplier ESG management. Kumho Tire has introduced ‘ESG Pick,’ a weekly update sharing ESG issues and related materials with suppliers, to regularly share the latest trends. Additionally, Kumho Tire provides ESG management training on topics such as supply chain management, conflict minerals, and Life Cycle Assessment (LCA), and supports greenhouse gas calculations for suppliers participating in LCA.

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Strengthening Dealer Solidarity

In 2023, Kumho Tire hosted the ‘Kumho Members Day’ event at the Daejeon ICC Hotel, inviting dealer owners from across the country. The event, themed ‘One Team Spirit – One Team, One Goal,’ was attended by over 420 Tire Pro and KTS dealers and employees, providing a platform for communication. We shared the 2022 business performance and the 2023 management policy, and presented plaques of appreciation to over 80 dealers who contributed to sales growth.

Support for Enhancing Dealer Capabilities

To build a mutually respectful and growth-oriented partnership with our key suppliers, the nationwide dealers, Kumho Tire provides various training programs for dealer owners and employees. Kumho Tire conducted Sales Force training and special training sessions covering the basics of tires and overall sales techniques.

Performance of Sales Force and Special Training

Training Courses	Unit	2021	2022	2023
Sales Force	Persons	66	107	132
Special Training	Persons	1,914	2,372	2,781
Total	Persons	1,980	2,479	2,913

Responsible Raw Material Management

Sustainable Natural Rubber Policy

Kumho Tire manages the risks within the natural rubber supply chain in accordance with its Sustainable Natural Rubber Policy. This policy reflects the guidelines of the Global Platform for Sustainable Natural Rubber (GPSNR) and applies to all stakeholders in the value chain, from small farms to rubber manufacturing companies. It includes compliance with regional and national laws on human rights, labor, and environment, as well as efforts to conserve ecosystems and minimize environmental impacts. In particular, to recognize and protect the rights of indigenous peoples and local communities in accordance with the UN Declaration on the Rights of Indigenous Peoples (UNDRIP), we follow the FPIC (Free, Prior, and Informed Consent) methodology and GPSNR guidance.

Sustainable Natural Rubber Policy

GPSNR Disclosure Compliance

Kumho Tire is complying with the GPSNR RR (Reporting Requirement) to provide accurate information to stakeholders. Kumho Tire annually discloses our performance in managing ESG risks across the natural rubber supply chain, including human rights, anti-corruption, forest protection, stakeholder engagement, and management system establishment, on the GPSNR website. We will continue to transparently disclose information about our ESG management within the natural rubber supply chain.

GPSNR RR



Conflict Minerals Policy

Kumho Tire is establishing a Conflict Minerals Policy that aligns with international standards such as the OECD Due Diligence Guidance, the EU Conflict Minerals Regulation, and the U.S. Dodd-Frank Act to participate in responsible raw material sourcing. Kumho Tire prohibits the use of minerals unethically mined in conflict areas and strives to prevent human rights abuses and environmental destruction in the raw material procurement process.

Conflict Minerals Policy

Conflict Minerals Management System

Kumho Tire collaborates across relevant departments following the conflict minerals management process. The Purchasing Team leads the establishment and revision of the Conflict Minerals Policy, and checks and manages risks related to conflict minerals with suppliers. They also collaborate with the R&D Center to develop alternative raw materials and review the inclusion of conflict minerals in products. The ESG Team supports conflict minerals management as part of supplier ESG support and company-wide ESG risk management. We require suppliers to submit the CMRT (Conflict Minerals Reporting Template) annually to understand the use of conflict minerals and manage risks proactively. Additionally, Kumho Tire uses the EMRT (Extended Minerals Reporting Template) to manage responsible minerals such as cobalt and natural mica. Through CMRT and EMRT checks, Kumho Tire sources raw materials from smelters that comply with the RMAP.

\* RMAP (Responsible Mineral Assurance Process): A due diligence and assurance program for conflict-free smelters managed by the Responsible Minerals Initiative (RMI).

# Industrial Safety and Health

## Strategy

Kumho Tire has established an Occupational Safety and Health Management Policy based on the principle that the safety and health of all individuals working with are top priorities. This policy is established based on domestic and international safety and health laws and regulations, ISO 45001 standards, and it includes principles of safe workplaces, employee health management, accident prevention and response, as well as governance, education, and performance management frameworks. We will do our utmost to create a safe and healthy workplace by implementing this policy for all employees and stakeholders.

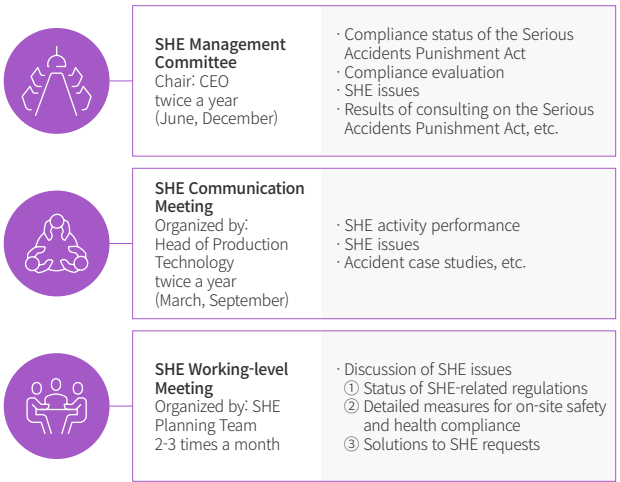
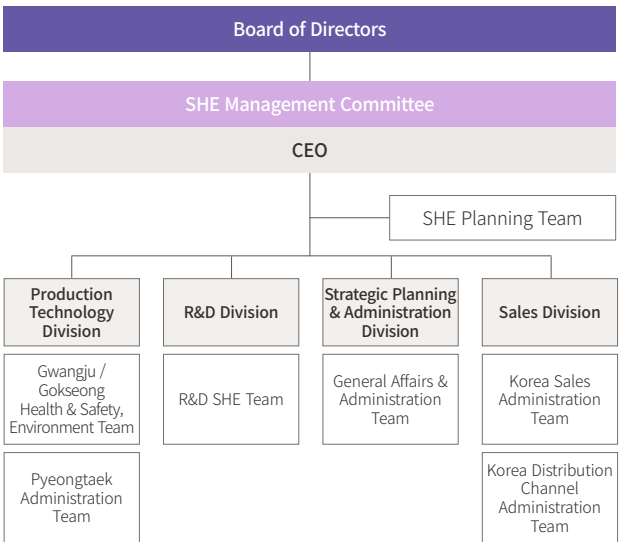
### Safety & Health Management Policy

## Governance

To ensure thorough management of safety and health, the SHE Planning Team, which has been elevated to a department directly under the CEO, acts as the control tower for company-wide safety and health management. Every six months, SHE-related issues, compliance with the Occupational Safety and Health Act at all business sites, and results of the Serious Accidents Punishment Act implementation are reported to the CEO through the SHE Management Committee. Additionally, safety and health matters are reported to and approved by the Board of Directors once a year. Matters reported to the Board of Directors include the performance of safety and health activities, plans for safety and health activities, safety and health management policies, safety and health management systems, and related budgets. Furthermore, the Industrial Safety and Health Committee diagnoses risk factors within the workplace and discusses improvement directions on a quarterly basis.

### Operation of Safety and Health Committees

Kumho Tire’s management and employees regularly share safety and health-related policies and major updates through the operation of safety and health committees, actively communicating to achieve safety and health goals and create safe workplaces. In the 2023 SHE Communication Meeting, we reviewed the progress of risk assessments, safety education, and compliance checks being carried out in response to the Serious Accidents Punishment Act at each business site.



## Target

Kumho Tire aims for zero serious accidents and annually establishes site-specific safety and health prevention activity plans and targets. Activities to achieve these goals are divided into 12 categories, including management inspections, occupational diseases, hazardous risk improvement, and compliance checks. For domestic sites, safety indicator items are set and differentially reflected in the KPIs by department. Additionally, Kumho Tire has set a goal to reduce the use of hazardous chemicals by approximately 12% by 2030 compared to 2023 levels.

## Assessment

### Safety and Health Management System Certification

A total of eight Kumho Tire sites, both domestic and international, have obtained ISO 45001 Safety and Health Management System certification. Certification has been completed for four domestic sites (Gwangju, Gokseong, Pyeongtaek, and Yongin R&D Center) and four international operations, with plans to continuously renew certifications in the future.

## Safety and Health Risk Management

### Workplace Compliance Inspections

Based on Article 5, Paragraph 2 of the Enforcement Decree of the Serious Accidents Punishment Act, Kumho Tire inspects all domestic sites for compliance with the Occupational Safety and Health Act, and relevant laws. Inspection results are reported to the CEO through the biannual SHE Management Committee, and non-compliant issues at each site are improved and continuously monitored for implementation. In 2023, site evaluations and audits were conducted using an updated internal evaluation checklist, and corrective actions were completed in accordance with safety and health-related laws and regulations.

### Compliance Inspection Process



\* Relevant laws: Occupational Safety and Health Act, Fire Services Act, Act on the Safety Control of Hazardous Substances, Nuclear Safety Act, Act on the Safety Control and Maintenance of Establishments, Elevator Safety Management Act, Construction Machinery Management Act

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### Risk Assessment

Kumho Tire annually identifies harmful and hazardous factors across all sites and improves equipment safety and working conditions based on priority. In 2023, Kumho Tire strengthened its risk assessment by conducting it twice a year. In the first half of the year, third party (external experts) were engaged in the assessment to identify and improve risk factors at domestic plants with more objective and professional perspectives. We invested special safety budget to improve equipment safety and working conditions for identified risk factors. In the second half of the year, Kumho Tire monitored the assessment results and actions taken from the first half, and autonomously identified and improved additional risk factors within the workplace.

### Performance Assessment

Kumho Tire conducts performance evaluations for persons in general charge of safety and health and supervisors regarding their safety and health duties. Based on SHE management goals, we conduct monthly evaluations of the achievement rate and substantiality of safety and health activities and biannual evaluations of safety and health incharge and supervisors. Evaluation results are reflected in the KPIs to ensure thorough implementation of safety and health management activities at each site.

### Joint Safety and Health Inspections

Safety managers, department heads, machinery engineers, and the labor union jointly conduct monthly safety inspections of major risk factors in the plant, such as safety devices and equipment. Identified hazards and issues are addressed with improvement plans, and the actions taken are regularly monitored. For risk factors requiring long-term plans, currently available safety measures are implemented, and safety training is conducted before continuing work. In 2023, Kumho Tire focused on inspecting construction works at outskirt of the plants, installing conveyor guards in testing processes, and checking and addressing steam valve indicators on curing machines, aiming to identify and eliminate all safety and health hazards inside and outside of the plant.

### Performance

#### Internalizing Occupational Health and Safety Management Safety and Health Communication

Kumho Tire operates a monthly Safety Day to gather and implement employee feedback on safety hazards within processes, and Kumho Tire conducts internal campaigns and idea contests to enhance and engage all employees in safety and health awareness. Kumho Tire also operates suggestion boxes at our sites to listen to and address safety and health concerns and suggestions from employees, visitors, and supplier companies. In 2023, Kumho Tire painted safety lines on the ground in the product warehouse at the Gwangju plant based on feedback from on-site workers.



### Safety and Health Training

Kumho Tire provides safety and health training to all employees. In 2023, Kumho Tire expanded the training to include general office and branch staff, conducting safety and health training once a month. We strive to raise employee awareness and vigilance regarding safety and health by publishing the SHE Newspaper weekly, producing monthly safety bulletins, and creating accident prevention content. Additionally, Kumho Tire conducts safety commitment meetings attended by all managers at each site to enhance managerial safety awareness.

### Familiarization with Safety Rules Before Work

To prevent all types of accidents that may occur in the workplace or during work, Kumho Tire mandates familiarization with safety rules and the completion of self-inspection checklists. For overseas operations, Kumho Tire shares safety and health procedures in multiple languages to ensure comprehensive safety management. In all domestic sites, we require on-site workers to watch a severe injury prevention video before starting their shifts to prevent safety accidents.



### Safety and Health Management at R&D Centers

Kumho Tire's R&D centers continuously identify potential safety accidents and risk factors in the research process and provide education on serious accidents and hazardous chemicals. Thanks to these efforts, in 2022, Kumho Tire achieved scores of over 80 points in evaluation categories such as laboratory safety environment and system, laboratory safety activity level, and safety awareness of laboratory safety managers, earning the 'Excellent Laboratory Safety Management Certification' from the Ministry of Science and ICT. We will continue to foster a safe research environment through ongoing awareness-raising activities and improvement of risk factors.

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Safety and Health Management for Suppliers

Managing Safety Standards of Suppliers

Kumho Tire conducts daily safety and health inspections at worksites to identify and address potential hazards in advance. Additionally, Kumho Tire conducts joint quarterly inspections with the safety officers of suppliers to create a safe working environment. Furthermore, Kumho Tire conducts safety and health education before commencing work to raise safety awareness among supplier company employees.

Safety and Health Communication Channels for Suppliers

Kumho Tire conducts daily safety training sessions for construction suppliers before work begins and holds safety committees at each site to provide training on accident cases, safety rules, and safety regulation trends. In 2023, 12 committees were held at each of our three domestic sites to cover topics such as the Industrial Safety and Health Act, safe work procedures, MSDS, and case studies of serious accidents. We received 11 suggestions in total, which were incorporated into improving the work environment.

Hazardous Chemical Management

Hazardous Chemical Management System

Kumho Tire manages hazardous chemicals through the use of MSDS (Material Safety Data Sheets). Accordingly, Kumho Tire reorganized the MSDS for raw materials and substances, and rebuilt the MSDS system to manage regulated substances separately. Additionally, departments that use hazardous substances are strictly monitored, and regular inspections are conducted on their management practices. Departments using hazardous chemicals must prepare and submit a hazardous chemicals usage log with a facility and equipment inspection checklist to the responsible department, which retains these records for five years. To ensure there are no issues with this management system, annual inspections are conducted to identify and address improvements related to hazardous chemical management.

Management of Work Environment Measurement

Kumho Tire measures the work environment semi-annually to create a pleasant environment and improve the health and productivity of workers. During work environment measurements, we utilize reputable institutions agreed upon by both labor and management to assess the extent to which workers are exposed to hazardous factors. To continuously improve the work environment, we hold practical meetings between labor and management to address and manage necessary corrections in the work environment. As a result of these efforts, we have been operating our workspaces legally for the past five years, including the first and second halves of 2023.

Hazardous Chemical Training

Kumho Tire’s hazardous chemical handlers, technical personnel, and managers undergo training every two years, with new managers receiving initial training. Training covers topics such as preventing hazardous chemical leaks, accident response, toxic substance storage management, and labeling of toxic substances. In 2023, we provided safety training for employees at domestic plants on handling hazardous chemicals (including zinc oxide), using protective equipment, evacuation procedures, behavior guidelines, and major accident case studies. Kumho Tire plans to continue providing educational programs that incorporate issues related to hazardous chemicals in the future.

Chemical Safety Community Activities

Kumho Tire, as the organizing institution for the Chemical Safety Community involving small and large enterprises, aims to minimize the spread of harm to the local community and respond swiftly in the event of a chemical accident. Through the Sochon-Pyeongdong Industrial Complex Chemical Safety Community, Kumho Tire conducts various activities such as information exchange meetings, workshops, and seminars, and Kumho Tire holds at least one mock drill annually to prepare for chemical accidents.

Employee Health Management

Kumho Tire supports various health programs to help employees maintain a healthy work life. In addition to regular health check-ups and disease prevention programs to promote physical health, Kumho Tire operates a psychological counseling center to support the psychological health of its employees.

Regular Health Check-ups

Kumho Tire conducts regular health check-ups for all employees to diagnose their health status and to prevent and detect diseases early. Additionally, for employees who show symptoms of occupational diseases or who require examination for harmful factors, Kumho Tire conducts periodic special health check-ups.

Category	Number of subjects	Number of Employees Examined	Examination Rate
General Check-up	5,362	5,223	97.4%

Support for Musculoskeletal and Cardiovascular Disease Prevention Programs

Kumho Tire provides various support measures to manage musculoskeletal disorders for technical workers who perform physically demanding tasks. Kumho Tire identifies risk factors on-site and develop countermeasures, conducts preventive education through stretching, and provides consultations twice a month with an industrial health physician specializing in musculoskeletal disorders for symptomatic employees. Kumho Tire also offers programs to manage basic conditions that can lead to cardiovascular diseases such as hypertension, dyslipidemia, and diabetes. Kumho Tire supports the periodic management of high-risk and existing condition employees to minimize health risk factors.

Support for Psychological Counseling Programs

Kumho Tire manages the psychological health of employees through its own psychological counseling program. Each year, Kumho Tire conducts psychological counseling surveys and analyses for all employees, selecting those in need of counseling, and provide interviews and treatment to help restore their mental health.

## Product Responsibility

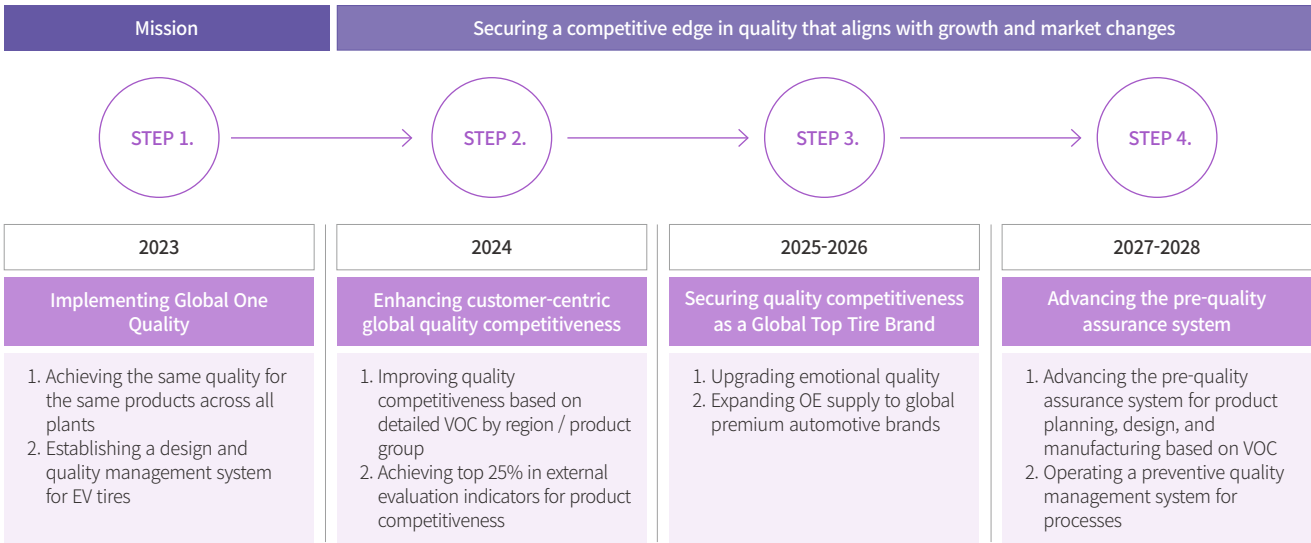
### Strategy

As the market evolves with the expansion of electric vehicles and the application of autonomous driving technology, the safety and technical standards required for tire products are also continuously changing. In response, Kumho Tire aims to secure a competitive edge in quality that aligns with growth and market changes, ensuring responsibility for products. Kumho Tire categorizes processes into development quality (PLM)\*, mass production quality (QMS)\*\*, and market quality (VOC)\*\*\*, establishing a mid to long-term roadmap and applying quality management strategies across the entire product life cycle from production to sales. In 2023, Kumho Tire established a design and manufacturing quality management system for EV tires to ensure stable quality, and expanded the supply of EV tires to global car makers (HKMC, BYD, etc.), actively responding to future market changes. Additionally, we will secure quality competitiveness to ensure consistent quality for the same products, thereby solidifying customer trust.

### Target

Kumho Tire prioritizes customer safety and satisfaction by setting and managing targets for the Customer Satisfaction Index and VOC resolution time reduction index. Customer satisfaction (out of 5 points) with product performance and service is confirmed through Happy Calls. We manage the VOC resolution time reduction index to quickly address major risks impacting consumer rights.

	Unit	2023 Goal	2023 Performance	2024 Goal
Customer Satisfaction	Index	4.87	4.91	4.87
VOC Resolution Time Reduction	Index	37.25	37.41	39.54



\* Development Quality (PLM, Product Lifecycle Management): Robust design for customer required performance

\*\* Mass Production Quality (QMS, Quality Monitoring System): Strengthening the management of manufacturing quality consistency

\*\*\* Market Quality (VOC, Voice of Customer): Rapid customer response and analysis

### Assessment

#### Quality Management System Certification

Kumho Tire has established a system based on IATF 16949: 2016, the quality management system standard for the automotive industry, and ISO 9001 certifications to dedicate itself to quality management activities.

#### IATF 16949: 2016 Certification Status

	Country	Region	Certification Date	Expiry Date
Domestic		Gwangju	Nov. 2023	Nov. 2026
		Gokseong	Nov. 2023	Nov. 2026
		Pyeongtaek	Nov. 2023	Nov. 2026
Overseas	China	Nanjing	Mar. 2024	Feb. 2027
		Changchun	Aug. 2021	Aug. 2024
		Tianjin	Feb. 2024	Feb. 2027
	United States	Georgia	Nov. 2023	Nov. 2026
	Vietnam	Binh Duong	Jan. 2024	Jan. 2027

#### ISO 9001:2015 Certification Status

	Country	Region	Certification Date	Expiry Date
Domestic		Gwangju	Nov. 2023	Nov. 2026
		Gokseong	Nov. 2023	Nov. 2026
		Pyeongtaek	Nov. 2023	Nov. 2026
Overseas	China	Nanjing	Mar. 2024	Feb. 2027
		Changchun	Feb. 2024	Feb. 2027
		Tianjin	Aug. 2021	Aug. 2024
	United States	Georgia	Nov. 2023	Nov. 2026
	Vietnam	Binh Duong	Jan. 2024	Jan. 2027

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Quality Management System Administration

Global Quality System Management

To meet the requirements of car makers and ensure Global One Quality, we are diagnosing the quality management systems of our global plants and suppliers. Additionally, we are conducting diagnoses in line with IATF 16949: 2016 Quality Management Systems to maintain and advance our quality management system. To maintain high customer satisfaction and strengthen reliability with all stakeholders, in 2023, Kumho Tire completed diagnoses of the quality management systems of eight plants in Korea, China, Vietnam, and the United States, as well as across all domestic and international sites. In 2023, Kumho Tire expanded the number of suppliers subject to quality management diagnostics from 91 to 141 and conducted thorough quality assessments. Through these diagnostics, we aim to ensure uniform quality, and manage and improve quality-related risks.

Indicator	Region	Schedule
Global Plants Quality Management	Eight plants in Korea, China, etc.	Jul-Aug 2023
Quality Management System	All Domestic and International Sites	Jan-Dec 2023
Supplier Quality Management	141 companies (33 domestic, 108 overseas)	Apr-Dec 2023

Design Quality Verification (Quality Consensus) System

Kumho Tire operates a quality consensus system for developing and improving products to ensure consumer safety. This system guarantees the quality of products developed and improved by conducting various additional verifications beyond those agreed upon with the R&D Center to enhance product safety.

Indicator	Unit	2021	2022	2023
Number of verified products in development stage	Cases	290	177	209
Ratio of evaluated products	%	100	100	100

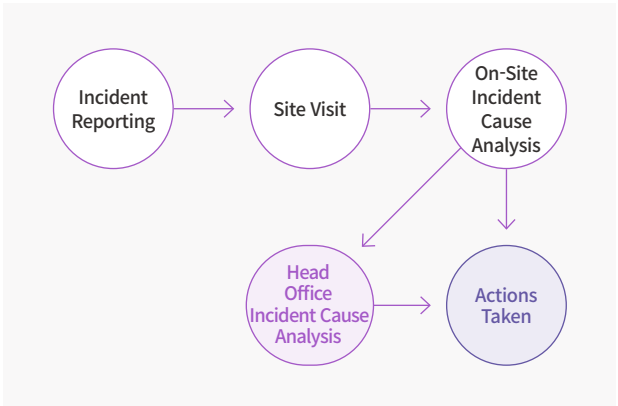
Quality Uniformity Monitoring

Kumho Tire operates a Quality Monitoring System (QMS) to preemptively block factors that may cause quality issues. Using the QMS, Kumho Tire automatically aggregates information on core process quality and key influencing factors, analyzing and managing process capabilities in real time. The system visualizes the monitoring results of over 200 control items, making it easy to identify process issues and improve quality and productivity. Furthermore, during the development and mass production stages of our products, Kumho Tire applies stringent standards to various quality tests, including regulatory durability tests, rolling resistance, wet grip, acceleration noise, and driving stability, to ensure safety and enhance customer satisfaction.

Quality Risk Management Process

Kumho Tire has established a quality risk management process to prepare for safety incidents related to products and services. In the event of a quality-related incident, domestic and international representatives promptly visit the site to analyze the cause and take appropriate actions. If the cause is difficult to determine on-site, the product is transferred to our quality analysis lab for further investigation and action. Additionally, through the NP-3Y (New Product-3 Years) policy, we intensely monitor the market quality of new products to ensure their quality.

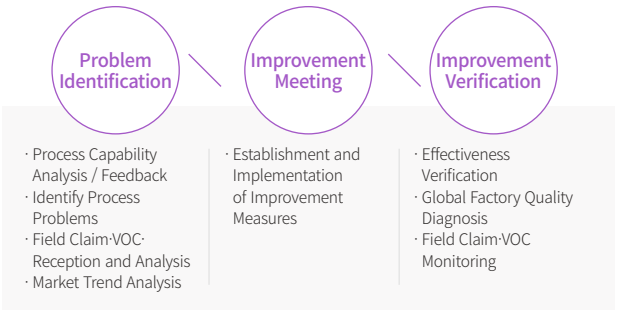
Quality Risk Management Process



Operation of Quality Councils and Meetings

A team-level quality council is held monthly, and a quality meeting led by the management is held every two months. In the quality council, members from research, plants, and sales departments identify improvement tasks concerning VOC, field, and process issue resolution, and preventive quality assurance. The quality meetings manage the implementation of improvement tasks to ensure product reliability.

Quality Improvement Process



Strengthening of Quality Management Capabilities

Kumho Tire has established a Quality Training System for job levels, implementing quality management education and common job training, with regular training for domestic representatives. In 2023, we provided more training than the previous year, focusing on process, quality systems, and certification to enhance quality management capabilities.

Recall System

Kumho Tire implements a recall system, including the collection of defective products, to prevent harm on customers. We monitor product quality and analyze customer claims to identify product defects and risks. Based on the collected information, Kumho Tire conducts product quality verification evaluations to decide whether to implement a recall, setting retrieval and compensation standards according to national regulations. Kumho Tire informs consumers about the recall implementation, takes necessary process actions to prevent recurrence of the same issue, and conducts follow-up management.

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Strengthening Customer Communication

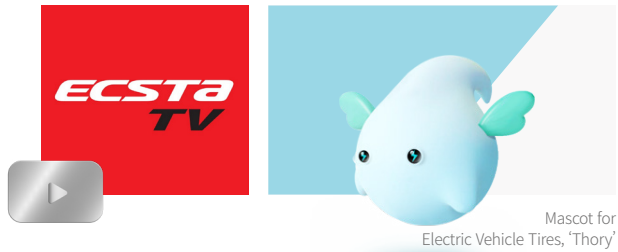
Comprehensive VOC Management System

Kumho Tire has established a comprehensive VOC (Voice of the Customer) management system to swiftly gather and address customer needs and feedback. When VOCs are received, they are registered in the system, monitored for progress, and relayed to relevant departments to ensure prompt follow-up actions. Additionally, thorough analyses are conducted on resolved cases to prevent recurrence of complaints. After receiving and addressing complaints, customer satisfaction is evaluated through surveys, with an annual target of achieving over 4.8 points in customer satisfaction. Furthermore, we have set a target for the 'VOC Resolution Time Reduction Index' to swiftly respond to customer demands and promptly address issues.



Online Customer Communication Channels

To promptly deliver accurate information to customers worldwide, we operate 21 websites across 18 countries and have established official social media channels such as Facebook, Instagram, and YouTube. Our official YouTube channel, 'ECSTA TV,' was the first in the industry to receive the Silver Button (100,000 subscribers) and has approximately 180,000 subscribers as of the first half of 2024. Kumho Tire has also produced Instagram toons featuring its official characters 'Thoro & Roro' and, following the launch of new electric vehicle brand EnnoV, developed the '(Bae)Thory' character inspired by batteries to create a more approachable brand.



Improving Customer Service

In 2023, Kumho Tire implemented a free tire insurance service and refund guarantee policy for German customers. We offer free replacement services for tire damage caused by sharp objects or curbs within six months. For domestic customers, Kumho Tire provides a 'Premium Warranty' for premium tires, offering one-time compensation for complaints that may arise due to customer fault. Kumho Tire will continue to expand various customer satisfaction policies to enhance customer service.

Customer Safety Inspection Campaigns

Kumho Tire continuously conducts customer safety inspection campaigns to ensure that end-users enjoy safe and pleasant driving experiences. In collaboration with experts, service vehicles directly visited public offices and corporations to inspect tire pressure and appearance. During the summer vacation season, Kumho Tire distributed tire inspection and safety guides through a highway safety campaign to encourage safe tire usage. Europe Division launched a traffic safety campaign with the Nienburg police in Germany. The campaign aimed to enhance road safety for local children, youth, and the elderly, focusing on improving road traffic safety awareness through tailored education programs at local kindergartens, schools, and other educational institutions.



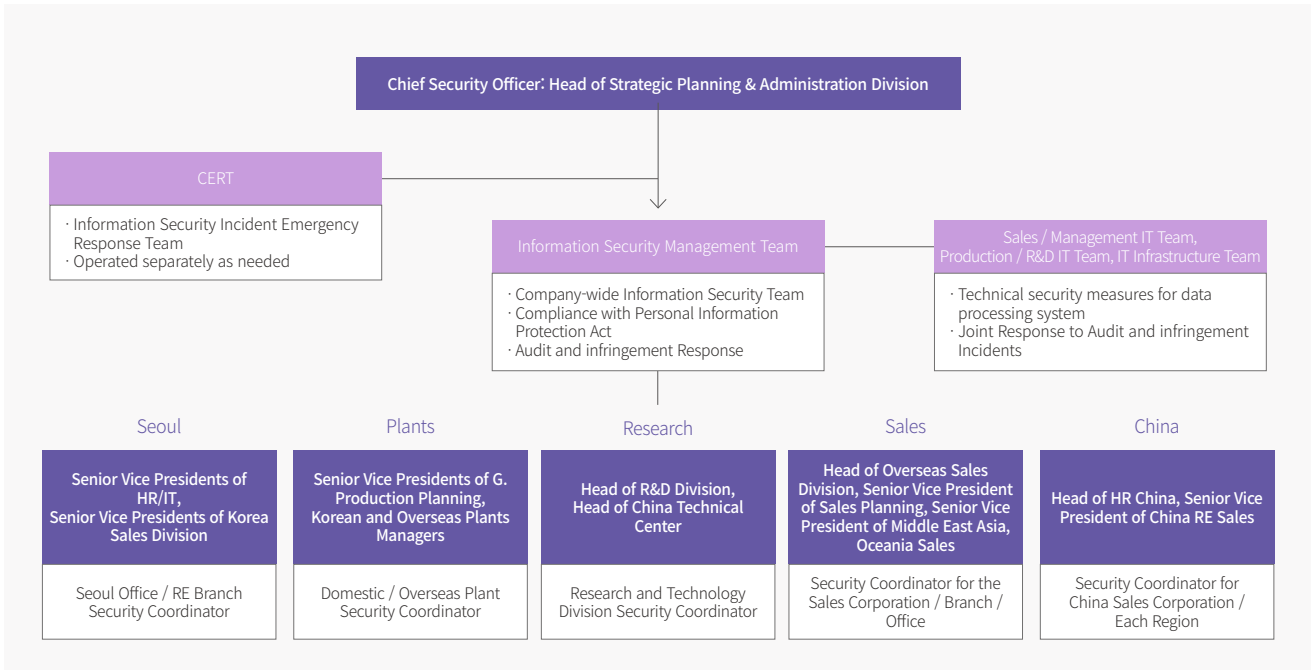
# Information Security

## Strategy

Kumho Tire defines the operational standards and compliance requirements for employees through internal information security policies and standard guidelines within the Information Security Management System (ISMS). This policy applies to all employees, all tangible and intangible assets owned by the company, and within the defined scope of the guidelines, it also covers visitors, contractual suppliers, and other personnel subject to business coordination and control.

## Information Security Governance

The information security operation organization operates under the supervision of the Chief Security Officer, and in 2024, a dedicated team was established to strengthen company-wide information security. Enterprise security and site managers manage information security stably through regular and special information security diagnostics and post-response activities. Additionally, Kumho Tire continuously improves the information security management process to respond swiftly and minimize damage in the event of an information security incident.



## Information Security Management Elements



- |                                |  |
|--------------------------------|--|
| Facility Information Security  | - Access control, inflow / outflow of information assets, etc.   |
| Personnel Information Security | - Management of employees, contractors, retirees, and security training, etc.  |
| Document Information Security  | - Confidential production, labeling, viewing, registration, management, record-keeping, etc.                         |
| IT Information Security        | - IT equipment and network security, transmission / reception of IT data, etc.                                       |
| Information Security Diagnosis | - Verification of compliance with information security for facilities, documents, personnel, and information systems |
|                                | - Confirmation of information security education results   |
|                                | - Review of the appropriateness of information security control activities and processes                             |
|                                | - Verification of compliance with information security laws  |
|                                | - Management of outsourced personnel and contractors   |

## Target

Kumho Tire aims to prevent information security incidents by raising awareness of information security. To achieve this, Kumho Tire has set specific goals to conduct information security training at least once a year and to conduct information security audits at least twice a year. Kumho Tire plans to provide information security training tailored to the roles of information security officers and all employees, and to share clear information security guidelines to enable each business site to conduct information security audits.

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Assessment

TISAX Certification



Kumho Tire is proactively inspecting and improving the enterprise-wide security system to obtain the TISAX certification, which is required by the automotive industry supply chain in Germany, Europe, and globally. Kumho Tire is identifying documentation and IT investment requirements company-wide to drive improvements and new investments. In 2024, Kumho Tire completed TISAX certification for a total of 9 sites, including major sites in Seoul, Gwangju, Gokseong, the European Technical Center (KETC), and the China Research Center (KCTC).

Information Security Audit

Kumho Tire conducts information security audits twice a year, semi-annually, under the supervision of the entire company and each business site. Kumho Tire has established a Security Information and Event Management (SIEM) for use in information protection system audits.

Vulnerability Check and Implementation of Improvements

Kumho Tire conducts regular diagnostic activities (special diagnostics as needed) and vulnerability checks for all sites at least once a year. The information security department implements improvements and preventive measures based on diagnostic results of potential security vulnerabilities and periodically reports the status of these improvements to the management.

Performance

Cybersecurity Investment

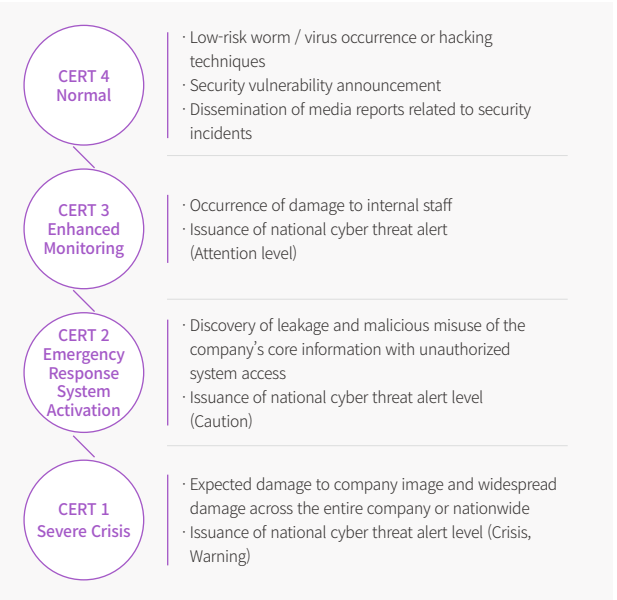
Kumho Tire is expanding its investment in information security systems, including cyber harmful site blocking systems and internet firewalls, to respond to increasingly sophisticated cyber threats. Kumho Tire utilizes the SIEM to collect, analyze, and report data, and has adopted the SOAR (Security Orchestration, Automation, and Response) solution to automatically classify response levels and standardize procedures for various cyber threats. We transparently disclose these investment details and our information security status as required by the information protection disclosure mandate overseen by KISA (Korea Internet & Security Agency).

Information Security Status

Information Security Incident Response System

Kumho Tire classifies information security incident types and levels, and in the event of an incident, takes preliminary actions according to the manual by level, followed by cause investigation, evidence analysis, and response measures to prevent the spread of information security damage. In addition to deploying dedicated personnel, external experts are engaged when necessary to comprehensively assess the causes and issues to prevent recurrence and develop fundamental countermeasures.

Security Incident Grade and Types



System Failure Response System

Kumho Tire established a system failure response system in 2023 to respond quickly and effectively to system and network-related failures. When the IT operations team detects a system failure, they first identify the scope and level of the failure, analyze the cause, and ultimately resolve the issue. At each stage, IT personnel systematically report the situation to relevant teams and management.

Personal Information Management

IT Security Management Team has established and distributed policies and guidelines, managing and inspecting personal information protection. In 2023, Kumho Tire launched an 'Easy-to-Understand Privacy Policy' through summarizing and labeling key contents, achieving zero complaints regarding customer personal information protection violations and losses.

Easy-to-Understand Privacy Policy

Personal Information Protection Compensation Liability Insurance

Kumho Tire is mandatorily subscribed to personal information protection compensation liability insurance. We prepare for the loss, theft, leakage, and damage of core information and personal data, minimizing risks related to information security incidents.

Conducting Cyber Hacking Simulations

Kumho Tire conducts hacking response training at least twice a year. In May 2023, we collaborated with KISA (Korea Internet & Security Agency) to train 357 employees in domestic sites on how to respond to and report hacking incidents. In December, Kumho Tire conducted a simulated malicious email drill for all employees, training them on appropriate response measures when receiving actual malicious emails.

Information Security Training

Employee Training

Kumho Tire conducts mandatory information security training for employees twice a year. The training covers topics such as protecting information assets, raising security awareness, and preventing losses due to information leakage.

Security Officer Training

Kumho Tire provides special training for security officers responsible for information security tasks. In 2024, Kumho Tire conducted training led by a professional IT security company to enhance security awareness and analyze the latest security trends, supporting the capacity building of security officers.

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Contribution to Local Communities

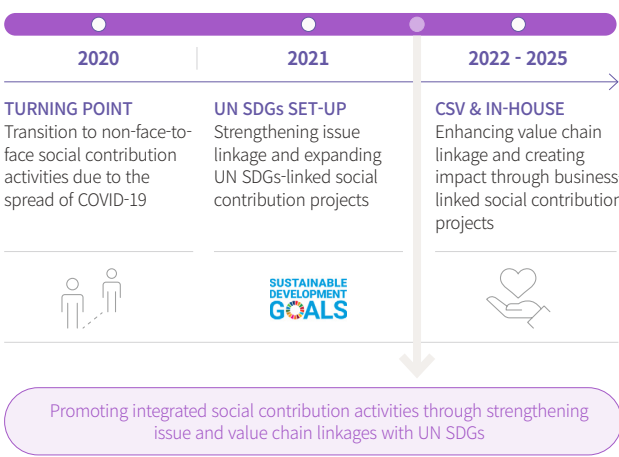
Strategy

Kumho Tire has established a social contribution system linked to the UN SDGs to coexist with community members and fulfill social responsibilities as a trusted supplier. We have set our business areas as neighbors, children and youth, and the environment, focusing on educational donations, support for vulnerable groups, and environmental protection. Additionally, we engage in social contribution activities based on our company’s characteristics, such as education and employment mentoring for children of traffic accident victims. In the future, we aim to ensure the sustainability of existing social contribution programs while expanding the scope of activities to deliver a positive impact on society and contribute to sustainable development.

Target

By 2025, Kumho Tire aims to create impact through business-linked social contribution projects, strengthening the connection with UN SDGs and reinforcing contribution activities within the value chain. We will continue to promote integrated social contribution activities to ensure that our business activities contribute to creating social value.

Mid to Long-Term Roadmap for Social Contribution Activities



Social Contribution System



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Performance

Kumho Tire has established a framework for promoting social contribution activities and strive for continuous contribution. Kumho Tire analyzes the performance of past projects to develop plans, identify areas for improvement, and refine our projects. During this process, Kumho Tire listens to the opinions of beneficiaries to implement activities that genuinely contribute to society.

Supporting Vulnerable Groups



Future Capacity Building Mentoring for Children of Traffic Accident Victims

In collaboration with the Korea Transportation Safety Authority, Kumho Tire conducted one-on-one online mentoring for 46 students from September to December 2023, to help children of traffic accident victims find emotional stability and enhance their learning motivation. Through career mentoring, we helped students create career portfolios and conducted career development tests through academic mentoring, allowing them to explore and consider their future paths. A satisfaction survey conducted among participating students showed that 100% of respondents were satisfied with the program.

Number of Participants

46 students

Satisfaction Survey

100 Points



Neighbor Love Campaign

Kumho Tire continues to run the ‘Neighbor Love Campaign’ and the ‘Sharing Kimchi with Neighbors’ campaign. The Neighbor Love Campaign has been an annual social contribution activity since 2002, aimed at sharing festive occasions with underprivileged neighbors. In 2023, we delivered ritual items and groceries worth KRW 10 million to elderly people living alone and welfare centers near our Gwangju and Gokseong factories. The ‘Sharing Kimchi with Neighbors’ campaign was initiated to support and share warmth with elderly people living alone and marginalized groups in the community during the year-end season. In 2023, we delivered 120 boxes of kimchi through Gwangsan-gu Office and Gokseong-gun Ip-myeon Office, located near our Gwangju and Gokseong factories.



Together GREEN Study Room of Hope

Together GREEN Study Room of Hope is an initiative that supports low-income family youths by improving their learning and living environments. By 2023, 32 study rooms of hope were completed, providing a conducive environment for students to focus on their studies. Following the support of the Study Rooms of hope, satisfaction with the study spaces increased, and study hours also improved.

Study Room of Hope

Total Established: 32 Centers



Kumho Tire Santa Corps

Since 2017, Kumho Tire has been conducting the ‘Santa Corps’ activity, packaging and delivering Christmas gifts and handwritten cards to children from underprivileged families to give them joyful and memorable Christmas experiences. Although the Santa Corps activities were conducted remotely during the COVID-19 pandemic, in 2023, 17 of our employees visited the Salvation Army Seoul Welfare Center in Seodaemun-gu, Seoul, to personally deliver handwritten letters and Christmas gifts to 49 children.

Beneficiary Children

Total: 49 children



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Educational Donations



**Children’s Traffic Safety Education ‘Stop & Go through Arts’**  
Kumho Tire conducts educational activities through play to teach elementary school students essential traffic safety rules. The aim is to enhance children’s awareness of traffic risk situations and improve their ability to respond effectively. In 2023, we provided education to 18 classes at elementary schools in Gangbuk-gu, Seoul, with a total of 450 students participating.

Number of Participants  
**450 students**



**Youth School Violence Prevention Program Drama ‘The Art of Reconciliation’**

Kumho Tire conducts school violence prevention education for youth to raise awareness about school violence and foster a healthy school culture. In 2023, 184 students from one school participated in creating and presenting a drama about school violence, allowing them to understand its seriousness while learning methods of reconciliation and forgiveness.

Number of Participants  
**184 students**



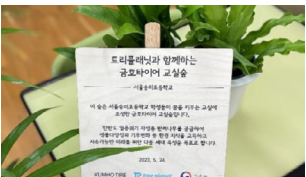
Environmental Protection



**Creating Classroom Forests**

Kumho Tire is implementing a classroom forest program to actively respond to climate change. In 2023, we provided 338 trees (26 large trees and 312 small trees) as part of the ‘Biodiversity Research Kit’ to elementary schools in Seoul. The kit included a pot of ‘Asplenium antiquum Makino,’ a Level 2 endangered wild plant and a natural monument of South Korea. The pots were made from scrap fabric from disposable masks and recycled PET bottles from factories.

Total Trees Donated  
**338 trees**



**Green Campaigner**

Kumho Tire, in collaboration with the ChildFund Korea, conducted ‘Green Campaigner’ education to engage children as proactive responders to climate change. In 2023, a total of 1,377 elementary school students from 12 schools in Seoul and Gyeonggi participated in interactive activities that included practical measures to address climate crisis in daily life and campaign activities, enhancing their understanding of the importance of climate change.

Number of Participants  
**1,377 students**





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# Governance

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Female Directors on the Board of Directors

12.5%

Board of Directors Attendance Rate

95%

Investment in Information Security

KRW 18.1 billion

KCSI Passenger Car Tire Customer Satisfaction

1<sup>st</sup> place for 19 consecutive years



# Board of Directors

## Strategy

Kumho Tire establishes Board of Directors policies to provide guidelines for the independence, diversity, and expertise of the board and its independent directors. We support the board in securing independent decision-making authority, ensuring effective management activities based on checks and balances.

 [Independence, Diversity and Expertise Policy of the Board of Directors](#)

 [Corporate Governance Report](#)

## Board Independence

In accordance with the Commercial Act and our board independence guidelines, Kumho Tire strictly reviews the disqualification and independence requirements of independent directors and conducts the appointment process based on recommendations from the Independent Director Nominating Committee.

### Independence Guidelines For Kumho Tire Independent Director



- 1) Not employed as an executive in the company for the past 3 years.
- 2) No family members received monetary benefits exceeding \$60,000 from the company or its subsidiaries during the relevant fiscal year.
- 3) No family members currently employed by the company or serving as executives in subsidiaries or affiliated companies.
- 4) Not an advisor, consultant, or part of the senior management of the company.
- 5) Not affiliated with major customers or business partners.
- 6) No personal transactions with the company or senior management.
- 7) Not affiliated with non-profit organizations receiving significant contributions.
- 8) Not an external audit partner or employee in the past year.
- 9) No conflicts of interest significant enough to compromise independence.

## Board Diversity and Expertise

Kumho Tire’s board strives to achieve diversity in knowledge, experience, capability, and gender, appointing directors with rich experience and expertise across various fields to ensure rational decision-making. The board members possess professional experience in various fields such as finance, accounting, law, corporate management, and media, including two Chinese nationals and one female director. The board, leveraging this diversity and expertise, supports the activities of its subcommittees.

## Target

### Board Training and Evaluation

Kumho Tire plans to conduct biannual training sessions on overall ESG management for board members starting in 2024 to enhance their understanding and expertise in ESG. Additionally, to improve transparency and efficiency in corporate management and to enhance operations, board evaluations will be conducted. The evaluations will be conducted annually, with board directors performing self-assessments of board operations, and will be expanded to include committee evaluations in the future.

## Performance

### Board Composition

As of March 2024, Kumho Tire’s board consists of eight members: one executive director, two non-executive directors, and five independent directors. To ensure the independence of the board, the majority are independent directors. The board chairman, Chai Yong Sen, who is the chairman of Doublestar Group, the major shareholder of Xingwei Korea (Kumho Tire’s major shareholder), is separate from the CEO. The board subcommittees include the Strategic Steering Committee, Audit Committee, Independent Director Nominating Committee, Compensation Assessment Committee, and ESG Committee. Each committee’s members are selected by suitability and independence for committee activities.

Category	Recommender	Appointment Conditions
Executive Directors	Board of Directors (General Meeting of Shareholders)	① Majority of voting rights of attending shareholders
		② More than one-fourth of the total issued shares
Independent Director	Independent Director Nominating Committee	Unanimous consent of all attending directors

The Independent Director Nominating Committee reviews potential conflicts of interest and verifies whether candidates hold directorships in other companies, allowing concurrent positions in accordance with Article 34, Paragraph 5 of the Commercial Act and the current legal restrictions\* on independent directors. Additionally, under Article 542 of the Commercial Act, when convening or announcing a general meeting of shareholders, the company transparently discloses the activities, remuneration, transactions with major shareholders of independent directors, etc.

\* Current Legal Restrictions: Serving as a director, executive officer, or auditor of more than two other companies besides the listed company (i.e., allowing up to two concurrent positions).

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Board Composition

(As of May 2024)

Name	Category	Field of Activity	Term	Expertise	Major Career and Position
Iltaik Jung	Executive Director (CEO)	Board of Directors, Strategic Steering Committee, Compensation Assessment Committee, ESG Committee	May 7, 2024 – May 6, 2027	Corporate Management	Current: CEO of Kumho Tire
Chai Yong Sen	Non-Executive Director (Chairman)	Board of Directors, strategic steering committee	July 6, 2021 – July 5, 2024	Corporate Management	Current: Chairman of Doublestar Group, Vice General Manager of Haier Group
Zhang Jun Hua	Non-Executive Director	Board of Directors, Independent Director Nominating Committee, strategic steering committee, Compensation Assessment Committee	July 6, 2021 – July 5, 2024	Accounting	Current: CEO of Doublestar Group Former: Chief Financial Officer of Doublestar Group
Jonggil Kim	Independent Director	Board of Directors, Audit Committee, Independent Director Nominating Committee	July 6, 2021 – July 5, 2024	Law	Current: Lawyer at Dongin Law Firm
Hongyup Choi	Independent Director	Board of Directors, Independent Director Nominating Committee	July 6, 2021 – July 5, 2024	Law	Current: Professor at Chosun University, Department of Law
Hansuh Gu	Independent Director	Board of Directors, Compensation Assessment Committee, Audit Committee, strategic steering committee	March 30, 2023 – March 29, 2026	Corporate Management	Former: CEO of Tongyang Life Insurance
Jinyoung Kim	Independent Director	Board of Directors, ESG Committee	July 6, 2021 – July 5, 2024	Management / Finance	Former: CEO and President of Gwangnamilbo
Moonsun Song	Independent Director	Board of Directors, Audit Committee, ESG Committee	March 30, 2022 – March 29, 2025	Finance / Accounting	Former: CEO of Kyunggi South Road Former: Vice President of Korea Development Bank

Board Skills Matrix

Category	Iltaik Jung	Chai Yong Sen	Zhang Jun Hua	Jonggil Kim	Hongyup Choi	Hansuh Gu	Jinyoung Kim	Moonsun Song	Ratio
Management	●	●				●	●		50%
Law				●	●				25%
Finance / Accounting			●			●		●	37.5%
ESG					●				12.5%
R&D	●								12.5%
Media							●		12.5%
Industry-Related Experience	●	●	●						37.5%
Risk Management	●	●	●						37.5%
Sales / Marketing	●					●			25%
Independence				●	●	●	●	●	62.5%
Gender	Male	Male	Female	Male	Male	Male	Male	Male	12.5%
Nationality	Republic of Korea	China	China	Republic of Korea	Republic of Korea	Republic of Korea	Republic of Korea	Republic of Korea	25%

Board of Directors Operations

Kumho Tire deliberates and resolves major management decisions through its board of directors. Board resolutions require the attendance of a majority of the directors and the approval of a majority of the attending directors. Individuals with a special interest in a resolution cannot exercise voting rights. As of 2023, Kumho Tire held a total of nine board meetings to deliberate and resolve various agenda items.

Category	Meetings Held (Times)	Agenda Items (Cases)	Attendance Rate (%)	Major Resolutions
2023 Board of Directors	9	27	95	- Establishment of ESG Committee and Amendment of Board Regulations - Approval of Natural Rubber Purchase Contract - Approval of Independent Director Appointment - 2023 ESG Management Performance

Board Remuneration

The remuneration limit for directors is determined with the approval of the general meeting of shareholders. For registered directors, their remuneration is decided at the general meeting of shareholders and is paid according to the payment regulations established by the Compensation Assessment Committee within the approved limit. The remuneration of directors is discussed at an appropriate level by the board of directors, and it is paid within the remuneration limit approved at the general meeting of shareholders and disclosed through annual report and other documents.

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Committee

Audit Committee

The Audit Committee consists of three independent directors with expertise in accounting and finance, as stipulated by relevant laws and internal regulations. It conducts audits of the organization’s financials, accounting, internal controls, etc. In 2023, the Audit Committee held a total of six meetings, reviewing audit matters from the audit team, quarterly financial results, etc. Additionally, training sessions were conducted for Audit Committee members to enhance their expertise and support their roles.

📄 Annual Report

Audit Committee Composition

Name	Independent Director	Expertise in Accounting / Finance	Attendance Rate
Moonsun Song (Chairman)	●	Experienced in accounting, finance or supervision roles at financial companies, government agencies, etc.	100%(5/5)
Jonggil Kim	●	Experienced in accounting and finance	100%(5/5)
Hansuh Gu	●	Experienced in accounting and finance at listed companies	100%(5/5)

Audit Committee Training Status

Training Date	Training Provider	Participant	Key Training Content
September 1, 2023	KPMG Samjong Accounting Corporation	Moonsun Song	Seminar on Accounting Transparency

Independent Director Nominating Committee

Based on relevant laws, the company’s articles of association, and board regulations, the Independent Director Nominating Committee comprehensively reviews the eligibility of independent director candidates and recommends the final candidates. To maintain independence, the committee is composed of a majority of independent directors.

Strategic Steering Committee

The Strategic Steering Committee reviews major management issues and strategies proposed by the management team and supports decision-making. The committee comprises experts from various fields, including management, finance, and accounting, enabling a multifaceted approach to business strategies.

Compensation Assessment Committee

The Compensation Assessment Committee is responsible for establishing a fair evaluation and compensation system for employees, discussing major HR policies, and deliberating and approving the appointment and dismissal of key executives.

ESG Committee

In 2023, Kumho Tire established and began operating the ESG Committee under the board of directors to address ESG management agendas in depth. The committee consists of three members, with a majority being independent directors to ensure independence.

Training for Independent Directors

Kumho Tire provides training for independent directors to enhance their role efficiency. In the second half of 2023, training sessions were conducted twice, covering the importance of sustainability reports, ESG disclosure issues and trends, the roles and responsibilities of the board, and accounting transparency.

Training Date	Training Provider	Participant	Key Training Content
2023.08	KPMG Samjong Accounting Corporation	Five Independent Directors	1. Importance of Sustainability Reports 2. ESG Disclosure Issues and Trends 3. Roles and Responsibilities of the Board



Training for Independent Directors and Executive Directors

Executive Liability Insurance

Kumho Tire has subscribed to Directors and Officers (D&O) Liability Insurance to strengthen the legal liability and management responsibility of executives for economic damages arising from wrongful acts, negligence, mistakes, etc. committed in the course of performing their duties.

Internal Control over Financial Reporting System

The CEO and the internal accounting manager of Kumho Tire evaluate the operation and results of the Internal Control over Financial Reporting (ICFR) system and report the findings to the Audit Committee, the Board of Directors, and the General Meeting of Shareholders. The company categorizes and manages control types into Entity-Level Controls (ELC), Process-Level Controls (PLC), and Information Technology General Controls (ITGC). These controls are effectively designed and operated according to the ICFR system’s conceptual framework for design and operation. With the implementation of the consolidated ICFR system in 2023, ten overseas subsidiaries (including four in China) have also established and are operating ICFR systems, considering local control environments.

External Auditor Selection Process

In accordance with Article 10 (Appointment of Auditors) of the Act on External Audit of Stock Companies and Article 542-11 (Audit Committee) of the Commercial Act, Kumho Tire, which is required to have an Audit Committee installed, appoints the auditor for the fiscal year before the beginning of each business year, adhering to the relevant laws and regulations. Additionally, as a publicly listed company, the same auditor is appointed for three consecutive fiscal years. For the 21st fiscal year, Han Young Accounting Corporation was appointed as the auditor, and they provided an unqualified opinion on the financial statements and the internal accounting management system.

# Strengthening Shareholder Rights

## Strategy

### Shareholder Return Policy

Kumho Tire is planning a Shareholder Return Policy as part of our efforts to enhance substantive shareholder value. Due to the decline in plant operating rates caused by COVID-19 and the increase in transportation costs due to logistical disruptions, our profits have deteriorated, resulting in negative operating cash flow, which has made it difficult to secure financial resources for shareholder returns. Kumho Tire aims to pursue sustainable growth through plant relocation, and if operational cash flow is generated as a result, Kumho Tire plans to actively implement shareholder returns through dividends. Specifically, within the range of distributable profits, Kumho Tire will determine our mid-to-long-term dividend policy by comprehensively considering the company’s profit scale, investment plans for future growth, and financial structure. Although Kumho Tire plans to maintain a mid-to-long-term dividend payout ratio of over 20%, this may change depending on the internal and external business environment, financial structure, cash flow, and dividend stability. Kumho Tire will strive to enhance shareholder value by continuously expanding the dividend payout ratio through efficient management and profitability-focused business operations.

### Protection of Shareholder Rights

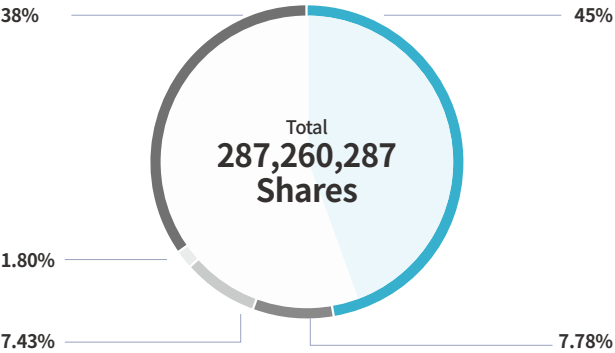
Kumho Tire has implemented an electronic voting system starting in 2024 to ensure that the voting rights and shareholder rights of all shareholders are respected. As a result, shareholders can exercise their voting rights without attending the general meeting in person. Additionally, shareholders are guaranteed the right to exercise their voting rights by proxy if necessary. All regular general meetings of shareholders are held within three months after the end of each fiscal year, and extraordinary general meetings of shareholders are convened as needed. A notice of the meeting is disclosed approximately two weeks prior to the meeting and all matters are made easily accessible to shareholders through the company website and the electronic disclosure system. Important agenda items, such as amendments to the articles of incorporation, are presented separately to ensure that shareholders can exercise their rights according to the importance of the agenda. During the general

meeting of shareholders, shareholders are informed about their right to speak freely and to vote. The results of all general meetings of shareholders are disclosed on the same day as the meeting.

## Performance

### Shareholder Composition

Kumho Tire ensures one vote per share for all shareholders, excluding treasury stocks in accordance with the Commercial Act and the company’s articles of association. As of the end of 2023, the total number of issued shares is 287,260,287, with the largest shareholder, Xingwei Korea Co., Ltd., holding a 45.0% stake (129,267,129 shares).



### Shareholding Status

(As of December 2023)

Shareholder	Shareholding (%)	Number of Shares
Xingwei Korea Co., Ltd.	45.00	129,267,129
Woori Bank	7.78	22,357,561
Korea Development Bank	7.43	21,339,320
Employee Stock Ownership Association	1.80	5,158,070
Minority Shareholders, etc.	38.00	109,138,207
Total	100	287,260,287

## Communication with Shareholders

Kumho Tire actively engages in IR (Investor Relations) and disclosure activities to enhance understanding and trust from shareholders and stakeholders. Throughout 2023, a total of 47 IR meetings were held with domestic and international investors, including security analysts and fund managers from asset management firms. Additionally, 19 reports were issued through seven security firms. We strive to provide timely and fair information to shareholders and stakeholders through regular disclosures, ad-hoc disclosures, and voluntary disclosures.

[IR Disclosures](#)

### IR Meeting Status

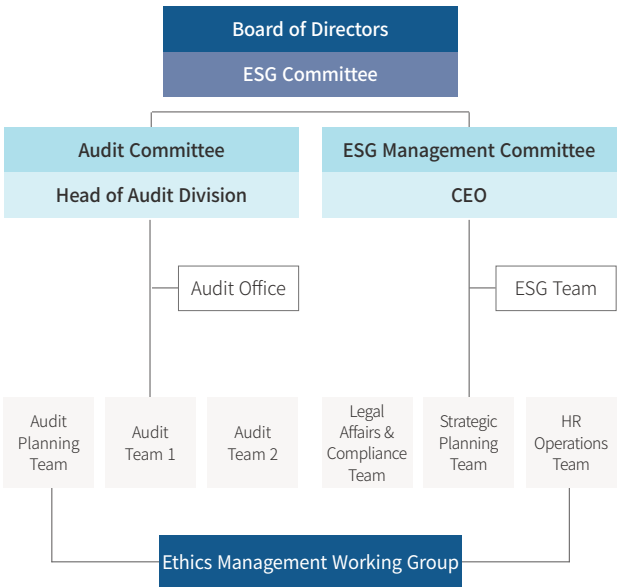
Dates of Meetings	IR Meeting Status	Number of Meetings	
		Institutional Investor	Security firms
2023 Q1	Face-to-Face Meetings	2	1
	Conference Calls	1	0
2023 Q2	Face-to-Face Meetings	4	5
	Conference Calls	5	1
2023 Q3	Face-to-Face Meetings	19	2
	Conference Calls	2	0
2023 Q4	Face-to-Face Meetings	0	2
	Conference Calls	3	0

# Ethics and Compliance

## Strategy

Kumho Tire is committed to managing transparent and efficient ethical management by establishing and maintaining a Code of Ethics and detailed ethical guidelines. The Code of Ethics encompasses attitudes toward customers, the basic ethics of employees, attitudes toward shareholders and investors, competitors, and suppliers. It also includes guidelines for handling improper gains such as gifts, as well as specific principles for consultations and reporting, all aimed at fostering an ethical corporate culture.

[Code of Ethics](#) [Detailed Rules of Ethics](#)



## Fair Trade Policy

As a directive for practicing the Code of Ethics, Kumho Tire has established a Fair Trade Policy, providing standards for employees to comply with fair trade-related laws and regulations. In accordance with this policy, all employees must compete fairly with competitors based on the principles of free competition and strive for mutual growth through fair transactions based on mutual trust and respect. We have established and implemented educational plans to ensure the adoption of fair trade practices and take necessary actions in case of any violations of the Fair Trade Policy.

[Fair Trade Policy](#)

## Anti-Corruption and Compliance Policy

In 2023, Kumho Tire established an Anti-Corruption and Compliance Policy that all employees are required to adhere to and practice. This policy has been distributed and posted across all departments, and has been published on the official website to demonstrate our leadership and commitment to anti-corruption both internally and externally. The Audit Planning Team, Legal Affairs & Compliance Team, HR Operations Team, Strategic Planning Team, and Information Security Management Team are participating in the Ethics Management Working Group, which plans activities to prevent corruption. They strictly manage compliance and code of conduct violations by incorporating them into performance evaluations and applying penalties such as salary deductions.

[Anti-Corruption and Compliance Policy](#)

## Target

Kumho Tire is committed to implementing a 2024 action plan under the strategies of strengthening prevention audits, enhancing internal management audits, and reinforcing operational risk management to ensure transparent and reliable ethical management.

## 2024 Action Plan



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Assessment

ISO 37301 and ISO 37001 Certification

With the enforcement of the Serious Accidents Punishment Act and the strengthening of ESG requirements, the need for a company-wide compliance management system has increased. Consequently, in 2023, we obtained ISO 37301 (Compliance Management System) and ISO 37001 (Anti-Corruption Management System) certifications for all domestic business sites. Kumho Tire is managing potential risk factors regularly at the corporate level by establishing risk assessment tables by departments and writing monitoring reports.

Compliance Management

Self Inspection Activities on Compliance

Kumho Tire conducts its own compliance inspections to prevent risks. Led by a compliance officer appointed by the board of directors, each department regularly carries out voluntary compliance inspections covering 17 areas and 348 clauses across all domestic and international operations. The compliance officer develops corrective action plans for any non-compliance, continuously monitors their resolution and reports the inspection results to the board of directors at least once a year.

Major Self-Inspection Items

Areas	Relevant Laws	Areas	Relevant Laws
Finance	Monopoly Regulation and Fair Trade Act, Foreign Exchange Transactions Act, Capital Market and Financial Investment Services Act, Act on External Audit of Stock Companies, etc.	Environment	Sewerage Act, Clean Air Conservation Act, Waste Management Act, Toxic Chemicals Control Act, Framework Act on Low Carbon, Green Growth, Water Environment Conservation Act, Soil Environment Conservation Act, etc.
Information	Personal Information Protection Act, Act on Promotion of Information and Communications Network Utilization and Information Protection	Purchasing	Act on Fair Transactions in Subcontracting, Monopoly Regulation and Fair Trade Act, etc.
Intellectual Property Rights	Copyright Act, Design Protection Act, Patent Act, Utility Model Act, Invention Promotion Act	Industrial Safety	Occupational Safety and Health Act, Framework Act on Fire Services, Industrial Accident Compensation Insurance Act, Act on the Safety Control of Hazardous Substances, Building Act
Marketing	Trademark Act, Act on Fair Labeling and Advertising	Customer Service	Framework Act on Consumers, Consumer Protection Act, Product Liability Act
Labor	Labor Standards Act, Trade Union and Labor Relations Adjustment Act, Act on the Promotion of Workers' Participation and Cooperation, Minimum Wage Act, Act on Equal Employment and Support for Work-Family Reconciliation, Act on the Protection of Temporary Agency Workers	Export	International Agreements, Foreign Trade Act, Free Trade Agreements (FTA), Customs Act

Internal Diagnostic System

Kumho Tire has established an internal control system by introducing an internal diagnostic system alongside a legal-based internal accounting management system and a compliance officer system. This internal diagnostic system allows each department to check risk items that may arise during approval processes and routine operations, supporting all employees in proactively managing risks.

Compliance and Anti-Corruption Risk Assessment

Kumho Tire established its own risk assessment tables to manage potential risks related to compliance and corruption. Risk elements with concerns for company regulations and law violations are evaluated using a heat map, in terms of inherent and residual risk levels and importance. Appropriate inspection procedures and control measures are established for each risk. Additionally, to raise employee awareness and ensure efficient operation, we have provided integrated auditor and internal auditor training to relevant personnel.

Performance

Implementation of Clean Contract System

Kumho Tire is implementing the Clean Contract System to prevent improper practices throughout the entire process from contracting to purchasing. Contract managers submit pledges to promise fair and transparent performance of their duties and adhere to fairness and transparency during the contract execution process.

Key Contents of the Clean Contract System



Compliance with Kumho Tire's Code of Ethics



Prohibition of requests for and acceptance of gifts and entertainment unrelated to transactions



Sincerity and legal compliance



Enhancing win-win cooperation with suppliers through fair and transparent opportunities



Prohibition of forcing unfair transactions by abusing a superior position during the contract signing and execution process



Promoting ethical management by restricting contracts with unethical suppliers

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Educational Activities

Ethics Training

Kumho Tire conducts annual Code of Ethics training for all office working employees. Through online training, employees learn about the contents of the Code of Ethics the importance of adherence, and how to handle cases and violations of the policies. Subsequently, employees sign a pledge to comply with the code and complete self-assessment forms to evaluate and improve the level of ethical management within the organization.

Compliance Management Education

In addition to training on the policies, Kumho Tire also provides training on compliance management. Custom-tailored training sessions are conducted for employees in safety, HR, and finance-related departments, addressing potential issues related to compliance management. This training aims to prevent illegal activities and enhance employees’ compliance capabilities.

Fair Trade Education

To raise awareness of fair trade and prevent violations, Kumho Tire regularly conducts fair trade law training for sales managers and employees of relevant departments. External legal experts in various fields, including the Fair Trade Act, the Subcontracting Act, transfer pricing regulations, and the Agency Act, are invited to provide training on related laws and updates from the Fair Trade Commission. Additionally, prohibited practices and case studies related to agencies are shared with sales employees, including the Head of Sales, at domestic business sites to emphasize the importance of fair trade.

Ethical Management Campaigns

Kumho Tire encourages employees to practice ethical management through campaigns such as ‘a Clean Holiday Season.’ These campaigns are actively promoted via the groupware, and employees and suppliers who receive gifts, money, or other undue benefits are encouraged to self-report and return them through the gift return center.

Ethical Audits

Kumho Tire emphasizes internal audit activities for proactive risk management. Regular and ad-hoc audits are conducted to diagnose and manage company-wide risks related to ethical management, corruption, and transparency in purchasing. Identified violations and improvement areas from these audits are discussed with each department to strengthen the company-wide risk management system. Through routine audits and internal diagnostic systems, we continuously monitor departmental processes and regulatory compliance. Special and report-triggered audits are conducted as needed to ensure adherence to internal procedures.

Ethical Reporting

Kumho Tire provides various channels for stakeholders, including employees, business suppliers, and customers, to report any unethical behavior. Reports can be made through a Cyber Reporting Center, phone, mail, and email, with anonymity guaranteed for the reporters. We regularly inform stakeholders of the reporting channels and methods every six months through the internal system to encourage reporting. For better accessibility, especially in overseas operations, information is also provided in Chinese and English. To protect whistleblowers and internal informants, the Audit Committee restricts access to internal reports and ensures anonymity in handling reports.

Reporting Channels

Internet	Kumho Tire Cyber Reporting Center Website
Hotline (Phone)	02-733-6566
Postal Address	Audit Division, Kumho Tire, 16th fl. 68 Saemunan-ro, Jongno-gu, Seoul
E-mail	khethics@kumhotire.com

Informants and Whistleblower Protection Principles



1. The Audit Committee must treat informants and whistleblowers anonymously when handling reports and cases
2. If necessary, the case itself must not be disclosed even after the closure.
3. The audit committee shall make every effort to ensure that informants and whistleblowers do not suffer any disadvantages thereafter.

Reward System for Whistleblowers

Kumho Tire operates a reward system for whistleblowers, providing rewards ranging from a minimum of KRW 500,000 to a maximum of KRW 1 billion, based on the recovered amount and the whistleblower’s contribution. The company continuously informs employees about the whistleblower reward system via groupware.

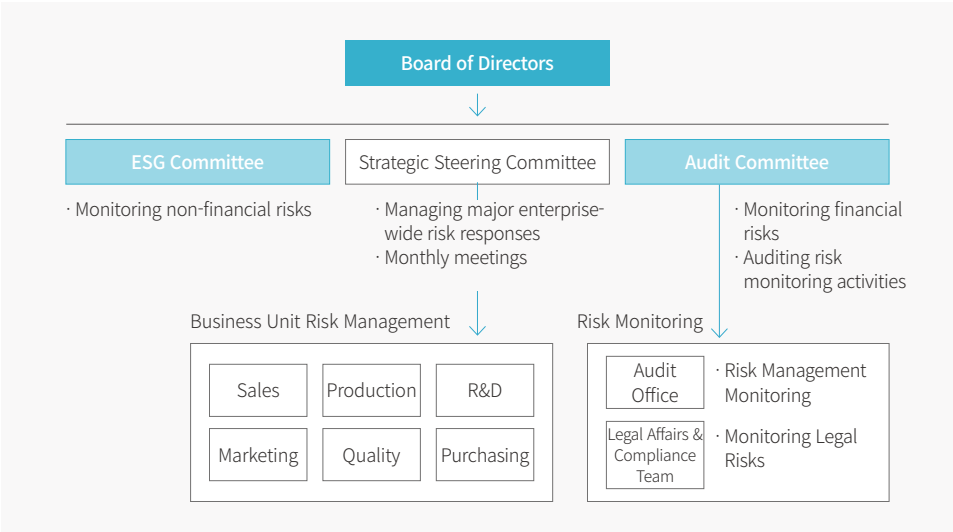
# Risk Management

## Strategy

Kumho Tire classifies risks related to management, environment, and safety, prioritizes them based on their likelihood and impact, and operates dedicated response teams to manage them in detail. We are proactively pursuing strategies to identify and monitor potential risks, ensuring a preemptive response. To better adapt to rapidly changing risks, we share mid-to-long-term strategies and action plans with all employees annually, incorporating risk management objectives into departmental performance goals.

## Governance

Kumho Tire has established an enterprise-wide risk management system that involves the board of directors, committees, management, and dedicated risk response departments. The Strategic Steering Committee, under the Board, meets monthly to report on major business decisions and risks and to develop response plans. Additionally, the Audit Committee periodically monitors and manages the company’s risk management activities. The ESG Committee reports on major ESG legislative trends and the latest issues to the management, supporting decision-making and response strategies to prevent ESG-related risks.



## Integrated Risk Management

Kumho Tire defines risk as any unforeseen event that occurs internally or externally and recognizes that failing to respond appropriately can pose significant threats that could negatively impact the organization, industry, or stakeholders. Kumho Tire categorizes financial and non-financial risks that can impact sustainable business activities into seven major categories and 20 sub-categories. Each risk is analyzed for its likelihood and impact, and risk exposure is managed on a five-level scale.

## Risk Definition

Category	Definition	Risk Content
Market Risk	Risks arising from fluctuations in the tire market	Expansion of imported tire applications, new competitors, intensified competition in the domestic tire market, etc.
Business Risk	Broad risks that can affect business operations.	Technology-related crises, quality assurance, customer-related crises, reputation issues, etc.
Operational Risk	Risks related to production, supply, sales, and other operations.	Crises in production and sales processes, IT system failures, power outages, inspection failures, etc.
Financial Risk	Risks that can impact the financial situation.	Liquidity issues, foreign exchange crises, economic downturns, bad debts, tax-related issues, etc.
Environmental Risk	Risks related to environmental factors.	Natural disasters, environmental pollution, responses to climate change, etc.
Social Risk	Risks related to employees, the country where business operations are based, and societal factors.	Safety accidents, social risks, labor-management negotiation issues, human resource risks, diseases, etc.
Legal Risk	Risks that may arise from regulations and policies.	Global environmental regulations, new regulations, etc.

## Risk Types

	Very Low	Low	Moderate	High	Very High
Market Risk					
Business Risk					
Operational Risk					
Financial Risk					
Environmental Risk					
Social Risk					
Legal Risk					

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Financial Risk

Kumho Tire supports stable and continuous management performance across all business units by managing financial risks, such as market risk, credit risk, and liquidity risk. Kumho Tire establishes financial risk management policies, identify and evaluate risks, and engage in hedging activities from an integrated company-wide perspective.

Exchange Risk

Kumho Tire periodically reviews and monitor foreign exchange risks arising from transactions in 10 global currencies. To mitigate these risks, Kumho Tire utilizes asset-liability matching and natural hedging strategies.

Interest Rate Risk

The interest rate risk of consolidated company primarily relates to floating-rate borrowings, with the associated interest expenses being exposed to interest rate risk. For deposits and borrowings with fixed interest rates, there is no impact on current profits or capital from interest rate fluctuations.

Tax Risk

In transactions with domestic and international related parties, we comply with country-specific tax laws and international standards, including the OECD Transfer Pricing Guidelines and the Arm’s Length Principle. Kumho Tire will continue to fulfill our tax obligations faithfully, demonstrating our commitment to social responsibility.

Tax Policy



Governance

Kumho Tire clearly defines the responsibilities and tasks related to tax reporting and payment, and Kumho Tire ensures strict compliance with tax laws and prevent any legal violations through thorough reviews by the designated department. Kumho Tire supports the tax reporting and payment obligations of overseas related parties, including corporate tax, and meet the documentation requirements of each country to mitigate global tax risks. We strive to minimize these risks through consultation with external experts.

[Audit Report](#)

Non-Financial Risk

Regulatory Risk

To address regulatory risks related to tires, we consider these risks during new product development and invest actively in R&D. Kumho Tire complies with the Tire Energy Efficiency Rating System and continually develop lightweight technologies. In response to new regulations like DPP, Kumho Tire identifies ways to reduce product carbon footprints through LCA. Additionally, we are expanding our ESG management system at overseas business sites to comply with regulations like CSDDD regarding ESG disclosures for our operations and supply chains. Kumho Tire also conducts ESG supply chain evaluations for its suppliers to identify and mitigate risks.

Social Risk

Social risks are risks related to employees, such as safety accidents, labor negotiations, and human risks, therefore workplace safety and health management is especially important to respond to social risks. Since 2023, Kumho Tire has been providing safety and health training to all employees. The SHE Planning Team, responsible for safety and health issues, has integrated these topics into their KPIs, ensuring that related tasks are included in performance evaluations to manage safety and health risks more proactively.

Environmental Risk

Environmental risks, including natural disasters, pollution, and climate change, are closely linked to various stakeholders, such as customer demands and the environment surrounding production plants, due to the nature of the manufacturing industry. These financial impacts are analyzed and monitored through climate change risk assessments. In particular, in response to climate change, Kumho Tire reflects the contributions of employees who help reduce carbon emissions and save energy, in performance evaluations and incentivizes them. This approach motivates departments to generate ideas and internalizes risk mitigation activities.

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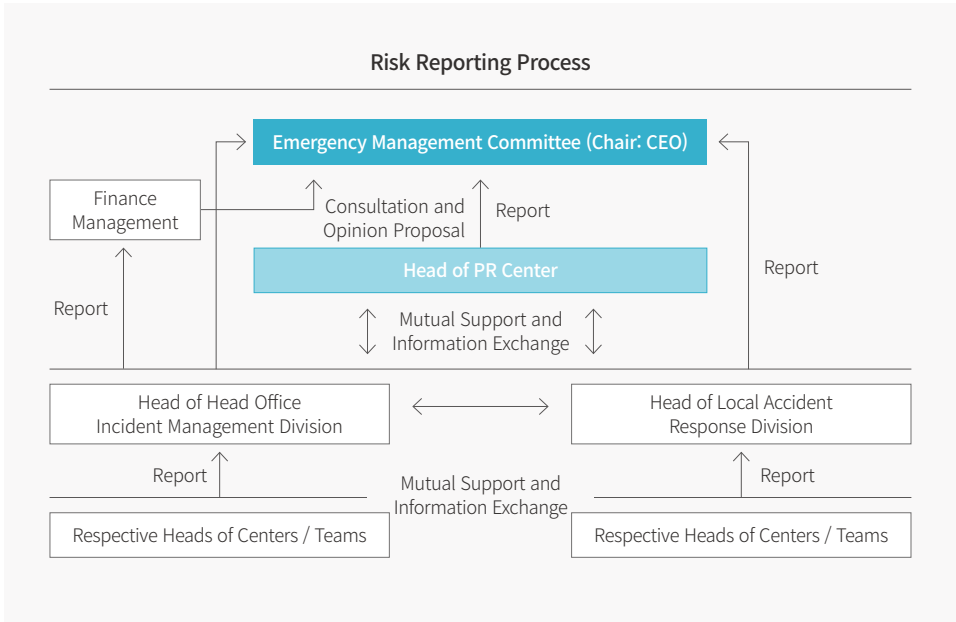
Key Risk Management Activities

Risk Response Process

Kumho Tire operates an Emergency Management Committee composed of the CEO and executives from each division to respond swiftly to risks. The Emergency Management Committee operates initial response centers domestically and internationally and provides guidelines until the Headquarters Countermeasure Headquarters is established. Once the Headquarters and local Countermeasure Headquarters are formed, the Emergency Management Committee communicates with them to share necessary information for incident response, and the Public Relations Center handles external communication during crisis situations.

Strengthening Mock Drills and Training Programs

To respond effectively to crisis situations, Kumho Tire conducts annual mock drills and training for employees. The mock drills are hosted by the management departments of all domestic and global business sites. After the drills, Kumho Tire analyzes areas for improvement based on the planned scenarios and establish follow-up action plans. Additionally, we conduct employee training on various risks that may occur during work and incident cases with response measures.



Emerging risks

Kumho Tire defines the impacts of external environmental and social changes that affect corporate management goals and strategic directions as Emerging Risks. For emerging risks that have a significant impact on business value and the social environment, we analyze the business impacts and respond accordingly to mitigate these risks.

Supply Chain ESG Risk	Concerns about the vulnerability of global supply chains persist due to natural disasters worldwide, pandemics, power struggles, and the Russia-Ukraine war. In particular, Republic of Korea is an export-oriented country, and Kumho Tire as a global manufacturing enterprise, generate about 80% of our sales revenue from exports. In such a situation, supply chain instability can disrupt the procurement of raw materials and the supply of products, directly leading to financial risks.
	<b>Potential Business Impacts</b> The vulnerability of the global supply chain can have several potential business impacts on Kumho Tire. Instability in logistics and transportation may cause increases in raw material prices and surges in maritime freight rates. Labor shortages may lead to production delays and quality control issues. Geopolitical risks may result in increased shipping costs and reduced market accessibility, complicating demand forecasting and inventory management. Additionally, financial risks due to exchange rate fluctuations and declining customer trust due to delivery compliance issues may also arise.
	<b>Risk Response Activities</b> Kumho Tire predicts changes in the supply chain and their impacts, and report corresponding response plans to the Strategic Steering Committee under the Board of Directors on a monthly basis. This ensures that a comprehensive management system for business risks is maintained at the board level. Kumho Tire maintains a constant risk management system for logistics and raw material supply chains. Each month, we monitor fluctuations in the freight rate index and the cargo volume of each shipping company to identify potential future risks. Through this, Kumho Tire continuously reviews response plans to address risks related to securing vessels and rising freight rates. Additionally, for the raw material supply chain, Kumho Tire assesses the impact on profits and losses and the timing of purchases based on raw material price forecasts. Kumho Tire continuously diversifies its suppliers to ensure supply stability.
Regulatory Risks from Circular Economy Establishment	In April 2024, the European Parliament passed the EU Ecodesign Regulation (ESPR), which aims to strengthen sustainability standards for products in the market. ESPR requires all products distributed within the EU to minimize environmental impact throughout their entire lifecycle, covering aspects such as durability, recyclability, reparability, energy efficiency, recycled material content, and carbon footprint. It also mandates the provision of related information. Consumers will be able to access sustainability information about the products they intend to purchase, enabling them to make informed buying decisions.
	<b>Potential Business Impacts</b> The EU has announced the Circular Economy Package and Action Plan aimed at realizing a circular economy, which is being implemented through detailed legislation. These new regulations pose the risk of needing to meet higher sustainability standards for products. However, they can also serve as an incentive for developing products with reduced environmental impact, as consumers increasingly prefer products with lower environmental footprints.
	<b>Risk Response Activities</b> Kumho Tire designs products with the goal of minimizing environmental impact throughout the entire lifecycle of the tire. We are expanding the use of sustainable raw materials and reducing environmental impacts during the raw material and transportation stages by using low-carbon transportation such as electric vehicles and LNG ships. Additionally, we continuously conduct research and development to reduce the carbon footprint during the tire usage stage by improving Rolling Resistance coefficient (RRC), mileage, and weight. Furthermore, Kumho Tire is working to establish a closed-loop system for the entire lifecycle of tires by expanding the scope of End-of-Life Tire (ELT) recycling.



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# Financial Data

Summary Income Statement (Consolidated Basis)

Category	Unit	2021	2022	2023
Sales	KRW Million	2,601,223	3,559,158	4,041,412
Cost of Goods Sold	KRW Million	-2,138,314	-2,954,773	-2,931,341
Gross Profit	KRW Million	462,909	604,384	1,110,070
Selling and Administrative Expenses	KRW Million	-504,427	-581,249	-699,060
Operating Profit (Loss)	KRW Million	-41,518	23,136	411,010
Net Non-operating Expenses	KRW Million	-33,649	-107,179	-183,880
Pre-tax Profit (Loss)	KRW Million	-75,167	-84,044	227,131
Income Tax Benefit (Expense)	KRW Million	3,316	6,574	-55,282
Current Net Profit (Loss)	KRW Million	-71,851	-77,470	171,848

Summary Statement of Financial Position (Consolidated Basis)

Category	Unit	2021	2022	2023
Current Assets	KRW Million	1,553,029	1,764,940	2,002,203
Non-current Assets Held for Sale	KRW Million	13,866	13,474	-
Non-Current Assets	KRW Million	2,775,311	2,916,571	2,828,778
Total Assets	KRW Million	4,342,206	4,694,985	4,830,981
Current Liabilities	KRW Million	1,500,526	2,342,836	1,886,332
Non-Current Liabilities	KRW Million	1,560,112	1,107,594	1,545,592
Total Liabilities	KRW Million	3,060,638	3,450,430	3,431,924
Paid-in Capital	KRW Million	1,436,301	1,436,301	1,436,301
Capital Surplus	KRW Million	224,985	224,985	224,985
Other Capital	KRW Million	-19,538	-19,538	-19,538
Accumulated Other Comprehensive Income	KRW Million	94,526	98,710	99,024
Retained Earnings (Deficit)	KRW Million	-563,269	-614,341	-476,406
Non-Controlling Interests	KRW Million	108,562	118,438	134,690
Total Equity	KRW Million	1,281,568	1,244,556	1,399,057
Total Liabilities and Equity	KRW Million	4,342,206	4,694,985	4,830,981

Manufactured Tires

Category	Unit	2021	2022	2023
Number of Manufactured Tires	Thousands of units	42,609	48,351	55,948

Raw Materials for Tire Manufacturing

Category	Unit	2021	2022	2023
Natural Rubber Weight (Ratio)	ton (%)	121,605(23.1)	137,369 (23.0)	151,679(22.8)
Synthetic Rubber Weight (Ratio)	ton (%)	113,157(21.5)	127,177(21.3)	139,646(21)
CORD Ply Weight (Ratio)	ton (%)	66,253(12.6)	74,437(12.5)	82,795(12.4)
Carbon Black Weight (Ratio)	ton (%)	108,762(20.7)	122,139(20.5)	134,151(20.2)
Bead Wire Weight (Ratio)	ton (%)	21,318(4.1)	24,535(4.1)	27,834(4.2)
Others Weight (Ratio)	ton (%)	94,612(18.0)	110,489(18.5)	129,186(19.4)
Reclaimed Rubber Usage Ratio (Percentage)	%	0.57	0.61	0.65

# ESG Data

## Environment

### Greenhouse Gases

Category		Unit	2021	2022	2023
Scope 1+2	Total Emissions (Scope 1+2)	tCO <sub>2</sub> eq	498,822	528,307	549,977
	Direct Emissions (Scope 1)	tCO <sub>2</sub> eq	140,195	150,145	153,799
	- Gwangju Plant	tCO <sub>2</sub> eq	42,307	43,337	43,124
	- Gokseong Plant	tCO <sub>2</sub> eq	39,431	40,278	37,573
	- Pyeongtaek Plant	tCO <sub>2</sub> eq	4,595	4,786	4,366
	- Nanjing Plant	tCO <sub>2</sub> eq	13,165	15,431	16,628
	- Tianjin Plant	tCO <sub>2</sub> eq	21,414	23,850	27,797
	- Changchun Plant	tCO <sub>2</sub> eq	8,928	10,192	11,716
	- Vietnam Plant	tCO <sub>2</sub> eq	1,154	1,910	2,652
	- Georgia Plant	tCO <sub>2</sub> eq	9,200	10,361	9,943
	Indirect Emission (Scope 2)	tCO <sub>2</sub> eq	358,627	378,162	396,178
	- Gwangju Plant	tCO <sub>2</sub> eq	75,174	77,105	76,142
	- Gokseong Plant	tCO <sub>2</sub> eq	84,870	86,643	84,374
	- Pyeongtaek Plant	tCO <sub>2</sub> eq	7,997	8,450	7,984
	- Nanjing Plant	tCO <sub>2</sub> eq	33,670	36,902	38,555
	- Tianjin Plant	tCO <sub>2</sub> eq	81,563	81,685	76,135
	- Changchun Plant	tCO <sub>2</sub> eq	17,383	19,674	22,934
	- Vietnam Plant	tCO <sub>2</sub> eq	32,219	41,212	61,715
	- Georgia Plant	tCO <sub>2</sub> eq	25,751	26,491	28,338
	Greenhouse Gas Intensity (Scope 1+2)	ton/ton	0.972	0.909	0.846

\* Data for 2021 and 2022 has been revised to reflect changes in the calculation scope of Greenhouse Gas Scope 1 and 2.  
- 2022: Includes all eight global business sites, sales corporations, and research institutes.  
- 2023: Calculated based on eight global business sites, excluding other business sites accounting for less than 5% of total emissions according to SBTi standards.  
\*\* Greenhouse gas emissions increased due to increased production in 2023.

### Greenhouse Gases

Category		Unit	2021	2022	2023
Scope 3	Total Emissions (Scope 3)	tCO <sub>2</sub> eq	6,443,276	6,979,201	7,940,861
	Purchased Goods and Services	tCO <sub>2</sub> eq	815,424	963,007	1,476,420
	Purchased Capital Goods	tCO <sub>2</sub> eq	42,164	157,193	150,909
	Fuel, Energy-related Activities Not Included in Scope 1 & 2	tCO <sub>2</sub> eq	28,178	53,297	53,567
	Upstream Transportation and Distribution	tCO <sub>2</sub> eq	219,568	758,670	388,485
	Waste Generated in Operations	tCO <sub>2</sub> eq	1,987	8,990	4,586
	Employee Commuting	tCO <sub>2</sub> eq	-	1,213	891
	Upstream Leased Assets	tCO <sub>2</sub> eq	-	2,220	2,880
	Downstream Transportation and Distribution	tCO <sub>2</sub> eq	219,568	54	164
	Processing of Sold Products	tCO <sub>2</sub> eq	222,234	65	75
	Use of Sold Products	tCO <sub>2</sub> eq	4,570,584	4,914,880	5,729,567
	End-of-life Treatment of Sold Products	tCO <sub>2</sub> eq	299,478	96,179	109,862
	Franchises	tCO <sub>2</sub> eq	24,091	23,433	23,455

\* Scope 3 has been calculated and managed domestically since 2021, and expanded to overseas business sites from 2022.  
\*\* Third-party verification completed  
- 2022: C1, C2, C3, C4, C11, C12  
- 2023: C1, C2, C3, C4, C9, C12

Energy

Category			Unit	2021	2022	2023
Total Energy (Non-renewable + Renewable)			TJ	7,574.17	10,063.30	10,996.18
Non-renewable Energy	Total Direct Energy Consumption		TJ	2,739.10	2,938.36	2,970.27
	Fuel	Total	TJ	2,739.10	2,938.36	2,970.27
		Gwangju Plant	TJ	837.17	852.93	848.93
		Gokseong Plant	TJ	773.41	790.17	736.72
		Pyeongtaek Plant	TJ	90.58	94.39	86.13
		Nanjing Plant	TJ	253.67	301.98	325.20
		Tianjin Plant	TJ	412.82	461.99	535.06
		Changchun Plant	TJ	174.54	199.48	229.01
		Vietnam Plant	TJ	17.36	34.65	15.45
		Georgia Plant	TJ	179.53	202.77	193.78
	Total Indirect Energy Consumption		TJ	4,834.95	7,124.81	7,995.89
	Electricity	Total	TJ	4,607.21	6,809.64	7,485.92
		Gwangju Plant	TJ	1,570.87	1,611.21	1,591.09
		Gokseong Plant	TJ	1,773.47	1,810.51	1,763.11
		Pyeongtaek Plant	TJ	167.11	176.58	166.83
		Nanjing Plant	TJ	196.80	575.19	617.25
		Tianjin Plant	TJ	332.05	886.77	1,068.19
		Changchun Plant	TJ	101.61	306.65	357.48
		Vietnam Plant	TJ	250.70	853.94	1,292.14
		Georgia Plant	TJ	214.62	588.78	629.83
	Steam	Total	TJ	227.73	315.17	509.97
		Gwangju Plant	TJ	-	-	-
		Gokseong Plant	TJ	-	-	-
		Pyeongtaek Plant	TJ	-	-	-
		Nanjing Plant	TJ	-	-	-
		Tianjin Plant	TJ	-	-	-
		Changchun Plant	TJ	-	-	-
		Vietnam Plant	TJ	227.73	315.17	509.97
		Georgia Plant	TJ	-	-	-
Energy intensity			TJ/ton	0.015	0.017	0.017

\* Data for 2021 and 2022 has been revised to reflect changes in the calculation scope of energy consumption based on the eight global business sites.

Renewable Energy

Category		Unit	2021	2022	2023
Total Renewable Energy Consumption		TJ	0.133	0.130	30.024
Solar Power Supply		TJ	0.133	0.130	30.024
Renewable Energy Ratio		%	0.020	0.019	4.230

\* The data for 2021 and 2022 has been revised to reflect the changes in the calculation scope of renewable energy based on the eight global business sites.

Waste

Category		Unit	2021	2022	2023
Discharge	Total Waste Discharge	ton	20,608	20,995	25,882
	Non-hazardous Waste	ton	16,638	16,814	21,097
	Construction Waste	ton	1,170	779	1,191
	Hazardous Waste	ton	2,801	3,402	3,594
	Waste Intensity	ton/ton	0.040	0.036	0.040
Treatment	Total Waste Treated	ton	5,894	6,390	6,778
	Consigned Shredding / Crushing	ton	1,450	1,250	2,911
	Consigned Landfill	ton	2,128	2,659	1,114
	Consigned Incineration	ton	2,315	2,481	2,753
Recycling	Total Waste Recycled	ton	14,043	17,532	20,276
	Non-hazardous Waste	ton	13,019	16,417	19,061
	Hazardous Waste	ton	1,024	1,115	1,214
	Waste Recycling Rate	%	68	84	78

\* Data for 2021 and 2022 has been revised to correct the waste emissions for NKT, KTC, and KTG.

Pollutants

Category		Unit	2021	2022	2023
Air Pollutant Emissions	NOx Emissions	ton	92.41	130.98	92.55
	SOx Emissions	ton	5.30	12.05	4.97
	PM10 Emissions	ton	35.91	53.08	79.57
Water Pollutant Emissions	TOC Emissions**	ton	0.09	1.57	5.24
	COD Emissions	ton	21.25	17.80	18.23
	BOD Emissions	ton	6.46	17.62	13.91
	SS Emissions	ton	13.15	12.05	15.76

\* Data for 2021 and 2022 has been revised to correct emissions from five overseas business sites.

\*\* Due to amendments in domestic law in 2022, TOC has been newly disclosed for domestic business sites.

Water					
Category		Unit	2021	2022	2023
Water Withdrawal	Total Water Withdrawal				
		ton	2,477,578	2,498,386	2,718,706
		Total	1,166,747	1,093,483	1,138,513
		Gwangju Plant	572,282	546,546	593,923
		Gokseong Plant	594,465	546,937	544,590
		Pyeongtaek Plant	-	-	-
		Nanjing Plant	-	-	-
		Tianjin Plant	-	-	-
		Changchun Plant	-	-	-
	Underground Water	Vietnam Plant	-	-	-
		Georgia Plant	-	-	-
		Total	1,268,859	1,353,358	1,498,887
		Gwangju Plant	180,438	244,856	248,206
		Gokseong Plant	-	-	-
		Pyeongtaek Plant	14,311	12,885	15,292
		Nanjing Plant	210,494	207,263	195,055
		Tianjin Plant	259,740	271,758	308,540
		Changchun Plant	104,370	112,384	125,824
		Vietnam Plant	243,449	320,103	423,659
Water Withdrawal	Waterworks	Georgia Plant	256,057	184,109	182,311
		Total	41,972	51,545	81,306
		Gwangju Plant	-	-	-
		Gokseong Plant	-	-	-
		Pyeongtaek Plant	41,972	51,545	46,886
	Industrial Water	Nanjing Plant	-	-	34,420
		Tianjin Plant	-	-	-
		Changchun Plant	-	-	-
		Vietnam Plant	-	-	-
		Georgia Plant	-	-	-
	Water Withdrawal Intensity		ton/ton	4.829	4.298
	Water Withdrawal in High Water Stress Areas		ton	607,559	704,245
Recycling	Water Recycled		ton	331,435	232,815
	Water Recycling Rate		%	13	9
Discharge		Wastewater Discharge	ton	684,228	718,494

\* Data for wastewater discharge in 2021 and 2022 for NKT, KTC, and KTG has been corrected due to typing errors.

\*\* Data for 2021 and 2022 has been revised to reflect changes in the calculation criteria for water recycling volume, including all recycled water used in processes and environmental facilities.

\*\*\* Includes water withdrawal for KTT, KTC, and KTV, which are in high water stress areas.

Environmental Education					
Category		Unit	2021	2022	2023
Total Participants		Persons	7,917	8,119	9,577
Total Training Hours		Hours	12,542	12,528	16,197
Training Hours per Person		Hours	1.58	1.54	1.69
Completion Rate		%	100	100	100

Zero-Emission Vehicle					
Category		Unit	2021	2022	2023
Total Number of Vehicles		Vehicles	-	-	515
Number of Zero-Emission Vehicles		Vehicles	-	-	350
- Electric Vehicles		Vehicles	-	-	0
- Electric Forklifts		Vehicles	-	-	350
Zero-Emission Vehicle Ratio		%	-	-	68

\* Disclosed for the first time in 2023

\*\* The zero-emission vehicle ratio is calculated as the percentage of electric forklifts and transport vehicles out of the total number of vehicles in the production plants.

Environmental certification					
Category		Unit	2021	2022	2023
ISO 14001		%	100	100	100

\* Number of certified sites: 9 (8 production plants + Yongin Central R&D Center)

Environmental Investment					
Category		Unit	2021	2022	2023
Environmental investment	Energy management	KRW Million	52	337	8,107
	Environmental safety and fire	KRW Million	1,109	1,449	4,380

\* Totals for 2021 and 2022 have been revised due to changes in data aggregation criteria.

Environmental Regulation Violations					
Category		Unit	2021	2022	2023
Number of regulation violations		Cases	3	5	0
Fines for negligence		KRW 1,000	250	5,960	0

\* Disclosing based on the ENV-INFO SYSTEM (domestic sites)

\* Data for 2021 and 2022 revised due to changes in data aggregation criteria

# ESG Data

## Social

### Employees

Category		Unit	2021	2022	2023
Number of Employees:	Domestic and Overseas Employees	Persons	8,583	9,879	10,240
	Domestic Employees	Persons	4,855	5,521	5,615
	Overseas Local Hires	Persons	3,728	4,358	4,625
By Region	Korea	Persons	4,738	5,403	5,474
	China	Persons	2,226	2,226	2,250
	North America	Persons	563	563	655
	Europe	Persons	135	233	170
	APAC & Others (excluding Korea and China)	Persons	921	1,454	1,691
	Total Overseas Employees	Persons	3,845	4,476	4,766
	Number of Expatriates	Persons	117	118	141
	Number of Local Employees	Persons	3,728	4,358	4,625
By Employment Type	Regular Employees	Persons	8,531	9,823	10,174
	Non-regular Employees	Persons	52	56	66
By Gender	Total Male	Persons(%)	8,058(93.9 )	9,336(94.5)	9,677(94.5)
	Total Female	Persons(%)	525(6.1)	543(5.5)	563(5.5)
By Job Function	Office Worker	Persons	1,820	1,843	1,998
	Technical Worker	Persons	6,136	7,406	7,632
	R&D Staff	Persons	627	630	610
	- Domestic R&D Employees	Persons	492	494	466
	- Overseas R&D Employees	Persons	135	136	144

\* Data for all business sites has been revised due to changes in data aggregation criteria for 2021 and 2022.

### Workforce Diversity

Category		Unit	2021	2022	2023
Male	Total Male	Persons	4,642	5,289	5,360
	Full-time Employees	Persons	4,593	5,238	5,304
	Part-time Employees	Persons	49	51	56
	Management Positions	Persons	1,045	1,106	1,118
	- Executives (Top Management)	Persons	43	43	50
	- Senior Management	Persons	462	494	520
	- Junior Management	Persons	540	569	548
	- Revenue-Generating Department Management	Persons	206	203	208
	- STEM Departments	Persons	250	266	258
Female	Non-management Positions	Persons	3,604	4,183	4,242
	Total Female	Persons	213	232	255
	Full-time Employees	Persons	212	231	253
	Part-time Employees	Persons	1	1	2
	Management Positions	Persons	80	76	84
	- Executives (Top Management)	Persons	0	0	1
	- Senior Management	Persons	19	24	29
	- Junior Management	Persons	61	52	54
	- Revenue-Generating Department Management	Persons	6	4	4
Minorities*	- STEM Departments	Persons	33	33	32
	Non-management Positions	Persons	133	156	171
	Disabled	Persons(%)	202(4.2)	199(3.6)	188(3.3)
	- Male	Persons(%)	195(96.5)	193(97)	183 (97.3)
	- Female	Persons(%)	7(3.5)	6(3)	5(2.7)
	National Veterans	Persons(%)	303(6.2)	299(5.4)	287(5.1)

\* Data for domestic business sites has been revised due to changes in data aggregation criteria for 2021 and 2022.

\*\* Revenue-Generating Departments: Sales, Direct Sales-related Departments

\*\*\* STEM Departments: Departments related to Science, Technology, Engineering, and Mathematics

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Recruitment and Length of Service

Category		Unit	2021	2022	2023
New Hires*	Male	Persons(%)	1,003(92.4)	1,916(95.0)	2,132(95.8)
	Female	Persons(%)	82(7.6)	100(5.0)	94(4.2)
Retirements*	Total Retirees	Persons	1,014	1,441	1,920
	– Male	Persons	934	1,347	1,836
	– Female	Persons	80	94	84
	Turnover Rate	%	11.8%	14.6%	18.8%
Voluntary Turnover**	Total Turnover	Persons	128	220	153
	– Male	Persons	114	196	126
	– Female	Persons	14	24	27
	– Under 30	Persons	32	73	49
	– 30 to under 50	Persons	88	140	97
	– 50 and over	Persons	8	7	7
	Voluntary Turnover Rate	%	2.6%	4.0%	2.7%
Length of Service**	Average Length of Service	Years	20.1	18.6	18.3
	– Male	Years	20	19.3	18.5
	– Female	Years	16	14.9	13.2
Retirement Pension*	Retirement Pension Fund	KRW Million	172,753	176,982	201,977

\* Data for all business sites has been revised due to changes in data aggregation criteria for 2021 and 2022.  
\*\* Based on domestic business sites

Remuneration

Category		Unit	2021	2022	2023
Salary*	Average Salary of All Employees	KRW Million	66	70	71
	– Male	KRW Million	67	70	71
	– Female	KRW Million	57	59	61
CEO and Employees Pay Gap	Median Basis	%	15.57	16.2	16.69
	Median Pay Change Rate	%p	0	0.63	0.49

\* The pay gap change rate between the CEO and employees has been calculated and disclosed since 2021, based on domestic business sites.

Female to Male Wage Ratio by Job Position

Category		Unit	2021	2022	2023
Executives** (base salary)	Female to male wage ratio (female/male)	%	-	-	92.85
	Female to male wage ratio for identical job positions (female/male)	%	-	-	96.56
Executives** (base salary+Incentives)	Female to male wage ratio (female/male)	%	-	-	92.85
	Female to male wage ratio for identical job positions (female/male)	%	-	-	96.56
Management (Base Salary)	Female to male wage ratio (female/male)	%	91.32	88.93	91.26
	Female to male wage ratio for identical job positions (female/male)	%	100.05	99.98	99.68
Management (Base Salary + Incentives)	Female to male wage ratio (female/male)	%	94.12	92.37	93.97
	Female to male wage ratio for identical job positions (female/male)	%	-	99.99	99.82
Non-management (Base Salary)	Female to male wage ratio (female/male)	%	83.39	79.10	82.67
	Female to male wage ratio for identical job positions (female/male)	%	98.97	92.58	92.08

\* Entry-level salaries are equal for all genders, with salary adjustments are based on performance evaluations and years of service.  
\*\* Female executives were appointed in the fourth quarter of 2023, and the assessment is based on data from this period.

Human Rights Reporting

Category	Unit	2021	2022	2023
Number of Human Rights Reports	Cases	7	19	24
Number of Human Rights Cases Processed	Cases	7	19	24

\* Based on domestic business sites

Human Rights Impact Assessment

Category		Unit	2021	2022	2023
Assessment Target	Percentage of Assessed Business Sites	%	0	0	50

\* Evaluated business sites: Domestic production sites (Gwangju, Gokseong, Pyeongtaek) and Seoul Office

Human Rights Education

Category		Unit	2021	2022	2023
Training Hours	Training Hours per Employee	Hours	4	4	4
	Employee Completion Rate	%	100	100	100
Sexual Harassment Prevention Training	Training Hours per Employee	Hours	1	1	1
	Employee Completion Rate	%	100	100	100
Workplace Harassment Prevention Training	Training Hours per Employee	Hours	1	1	1
	Employee Completion Rate	%	100	100	100
Disability Awareness Training	Training Hours per Employee	Hours	1	1	1
	Employee Completion Rate	%	100	100	100

\* Based on domestic office workers

Training

Category		Unit	2021	2022	2023
Training Hours	Total Training Hours	Hours	105,184	115,714	157,671
	Training Hours per Employee	Hours	22.7	21.6	29.2
	Office Staff	Hours	49.8	58.3	78.3
	Technical Staff	Hours	16.3	13.4	18
	Research Staff	Hours	13.3	16.7	22.9
Training Costs	Training Costs per Employee	KRW 1,000	253,079	264,785	371,561
	Total Training Costs	KRW 100 Million	11.7	14.2	20
Training Outcomes	HCROI	%	0.91	1.04	1.56

\* Data for domestic business sites has been revised due to changes in data aggregation criteria for 2021 and 2022.

Performance Evaluation

Category		Unit	2021	2022	2023
Competency Development Evaluation System	Application Rate	%	100	100	100
Regular Performance Evaluation	Application Rate	%	100	100	100
MBO	Application Rate	%	100	100	100
360-Degree Feedback	Target Group	Persons	1,023	1,033	1,051
	Number of Participants	Persons(%)	336(32.8)	353(34.2)	381(36.3)
By Gender	Male Employees Participation Rate	%	100	100	100
	Female Employees Participation Rate	%	100	100	100
By Job title	Management Grade Participation Rate	%	100	100	100
	Non-management Grade Participation Rate	%	100	100	100

\* Based on domestic business sites

Satisfaction

Category		Unit	2021	2022	2023
Employee Engagement	All Employees	Points	-	-	3.78
Employee Job and Organizational Satisfaction	All Employees	Points	3.41	-	3.43
	- Assistant	Points	3.65**	-	3.80
	- Assistant Manager	Points	3.04	-	3.64
	- Manager	Points	3.14	-	2.96
	- Senior Manager	Points	3.32	-	3.34

\* Satisfaction surveys were conducted on a 5-point scale in 2021 and a 6-point scale in 2023.

\*\* Based on domestic office workers

Maternity and Parental leave

Category		Unit	2021	2022	2023
Number of Employees on Parental Leave	Total Employees	Persons	53	40	73
	- Male	Persons	38	27	60
	- Female	Persons	15	13	13
Return to Work after Parental Leave	Total Returnees	Persons	49	20	68
	- Male	Persons	35	11	55
	- Female	Persons	14	9	13
	Total Return Rate	%	-	-	100
	- Male	%	-	-	100
	- Female	%	-	-	100

\* Data disclosure includes domestic office and technical workers from 2023 onwards.

Health and Safety Certifications

Category		Unit	2021	2022	2023
ISO 45001		%	88.9	88.9	88.9

\* Number of certified sites: 8 (7 production plants + Yongin Central R&D Center)

Industrial accidents

Category		Unit	2021	2022	2023
Employee	LTIFR	Case/million working hours	6.79	7.69	7.71
	OIFR	Case/million working hours	5.38	6.07	6.08
	Fatalities	Persons	0	0	0
Subcontractors	LTIFR	Case/million working hours	20.13	1.84	1.03
	Fatalities	Persons	0	0	0

\* The increase in the loss-time injury rate at headquarters in 2022 is due to the conversion of internal subcontractor employees to regular employees, resulting in a decrease in the loss-time injury rate of internal subcontractors.

\*\* Subcontractors are based on domestic business sites.

Unionization

Category		Unit	2021	2022	2023
Technical worker		Persons(%)	2867(97.10)	3,561(98.40)	3,713(99.2)
Office worker		Persons(%)	-	361(29.3)	390(30.0)

\* Based on domestic business sites, the labor union for office workers was established in 2022.

Health and Safety Training

Category		Unit	2021	2022	2023
Supervisors	Legal Training	Persons	462	482	504
	Regular Training	Persons	3,224	3,915	3,854
General Staff	Number of Target Participants	Persons	-	-	1,205
	Number of Participants	Persons	-	-	1,205
	Completion Rate	%	-	-	100

\* From 2023 onwards, health and safety training for office worker has been expanded, based on domestic business sites

Chemical Management

Category		Unit	2021	2022	2023
Hazardous Chemical Usage		ton	1,944	2,393	5,238
Completion of Hazardous Chemical Training		Persons	4,426	4,413	4,515
Chemical Emission Levels		ton	0.379	0.421	0.333

\* Based on all business sites

Quality Management

Category		Unit	2021	2022	2023
Training	Total Training Hours	Hours	926	429	2,929
	Quality Management System Training	Persons	20	17	104
	Quality Certification System Training	Persons	30	12	60
	Domestic Employee Training	Persons	23	8	113
Recalls*	Product Recalls	Cases	0	0	0
	Warranty Provisions at the Beginning of the Period	KRW Million	19,649	18,077	16,828
	Warranty Expenditures (Costs) Incurred During the Period	KRW Million	7,502	5,442	4,778
Customer Satisfaction	Number of Complaints Handling**	Cases	22	18	10
	Happy Call Customer Satisfaction Index***	Index	4.88	4.88	4.91

\* Based on the business report disclosure standards

\*\* Based on all business sites

\*\*\* Domestic business sites Happy Call Survey Index

Information Security Investment

Category		Unit	2021	2022	2023
Investment in Information Security	Investment in Information Technology Sector	KRW Million	17,448	16,624	17,062
	Investment in Information Protection Sector	KRW Million	1,407	1,490	1,081

\* Based on domestic business sites, according to information security disclosure data

Number of Information Security Complaints

Category		Unit	2021	2022	2023
Total Number of Complaints Related to Customer Personal Data Protection	Number of Complaints Proven by the Company	Cases	0	0	0
	Number of Complaints Proven by Regulatory Authorities	Cases	0	0	0

\* Based on all business sites

Information Leaks

Category		Unit	2021	2022	2023
Leaks	Total Information Leaks	Cases	0	0	0
	Personal Information Damage Due to Data Leaks	Persons	0	0	0
Legal Violations	Total Information Protection Violations	Cases	0	0	0

\* Based on all business sites

Information Protection Training

Category		Unit	2021	2022	2023
Training Hours		Hours	-	-	1,601
Training Hours per Employee		Hours	-	-	1
Completion Rate		%	-	-	100

\* Based on domestic office worker

Donation Performance

Category		Unit	2021	2022	2023
Donations		KRW Million	155	162	214

\* Charitable activities, community investment, and traffic safety education are included, while donations for political contributions and lobbying purposes are excluded and marked as zero.

# ESG Data

## Governance

### Board Composition

Category		Unit	2021	2022	2023
Independence	Ratio of Independent Directors	%	55.6	55.6	62.5
Diversity	Female Directors	Persons(%)	1(11)	1(11)	1(12.5)
Expertise	Directors with Industry Experience	Persons(%)	4(44.4)	4(44.4)	3(37.5)
	Number of Financial Experts	Persons(%)	3(33.3)	3(33.3)	3(37.5)
	Number of Risk Experts	Persons(%)	3(33.3)	3(33.3)	3(37.5)
Efficiency	Average Tenure	Years	4.33	4.33	4.5
Liability Mitigation	Directors and Officers Liability Insurance Subscription	Y/N	Y	Y	Y

### Board of Directors Operations

Category		Unit	2021	2022	2023
Meetings and Attendance	Number of Meetings Held	Times	9	7	9
	Attendance Rate	%	95	94	95
Opinions on Agenda Items	Reporting and Voting Agenda	Cases	35	18	27
	– Approve	Cases(%)	34(100)	16(100)	26(100)
	– Reject	Cases(%)	0(0)	0(0)	0(0)

\* Based on the Annual Report disclosure standards

### Board of Directors Training

Category		Unit	2021	2022	2023
Director Training	Internal Training Conducted	Y/N	N	N	Y
	Utilization of External Experts Upon Request	Y/N	Y	Y	Y

\* Each committee’s operational regulations specify the possibility of utilizing external experts as needed

### Code of Conduct Violations

Category		Unit	2021	2022	2023
Code of Conduct Violations	Total Number of Violations	Cases	9	19	15
	– Corruption and Bribery	Cases	0	0	0
	– Non-compliance with Ethical Standards	Cases	3	0	0
	– Negligence of Duties	Cases	6	19	15
	– Conflict of Interest	Cases	0	0	0
	– Customer Personal Data	Cases	0	0	0
	– Money Laundering or Insider Trading	Cases	0	0	0
Violations and Actions Taken	Total Number of Actions Taken	Cases	9	19	15
	– Dismissal	Cases	0	2	0
	– Suspension	Cases	3	0	1
	– Pay Cut	Cases	0	10	2
	– Reprimand	Cases	1	3	5
	– Warning	Cases	5	4	7

\* The disclosed data for 2021 and 2022 has been revised due to changes in data aggregation criteria.

### Regulatory Violations

Category	Unit	2021	2022	2023
Violations Related to Product / Service Information and Labeling	Cases	-	-	0
Number of Violations of Internal Transaction Regulations	Cases	-	-	0
Number of Violations of Subcontracting Transaction Regulations	Cases	-	-	0
Number of Lawsuits for Legal and Regulatory Violations	Cases	-	-	2
Number of Monetary Penalties for Legal and Regulatory Violations	Cases	-	-	1
Fines and Settlements for Antitrust and Anti-Competitive Actions	KRW 100 Million	-	-	0
Legal Costs and Fines for Price Fixing	KRW 100 Million	-	-	0
Violations Related to Anti-Corruption and Bribery	Cases	-	-	0
Number of Non-Monetary Penalties for Anti-Corruption Violations	Cases	-	-	0

\* New disclosure starting from 2023, based on domestic business sites

Internalizing Ethical Management

Category		Unit	2021	2022	2023
Code of Ethics Training	Training hours per person	Hours	1	1	1
	Number of Completion	Persons	1,498	1,450	1,601
	Completion rate	%	100	100	100
Code of Ethics Compliance Pledges	Number of Completion	Persons	1,498	1,441	1,601
	Completion rate	%	100	100	100
Code of Ethics Compliance Self-evaluation	Number of Completion	Persons	1,498	1,491	1,601
	Completion rate	%	100	100	100

\* Based on domestic office worker

Audit

Category		Unit	2021	2022	2023
Implementation of Ethical Audits		Cases	29	17	16

Reporting and Actions Taken

Category		Unit	2021	2022	2023
Reports and Consultations (By Stakeholder)	Total	Cases	32	46	31
	Employees	Cases	0	7	6
	Business Suppliers	Cases	1	0	1
	Customers	Cases	25	30	16
	Others	Cases	6	9	8
Actions Taken	Investigations (Audits)	Cases	-	1	2
	Transfer to Relevant Department	Cases	31	43	27
	Others	Cases	1	2	2

\* Audit conducted based on cyber reports  
\*\* Others: Simple vendor promotions and unrelated reports, etc.

# GRI Index

## Universal Standard

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	2-2	Entities included in the organization’s sustainability reporting	12, 106
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	2-16	Communication of critical concerns	29
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	417-2	Incidents of non-compliance concerning product and service information and labeling	No violations
	417-3	Incidents of non-compliance concerning marketing communications	No violations
Manage hazardous materials and environmental contaminants	3-3	Management of material topics	
GRI 305: Emissions	305-6	Emissions of ozone-depleting substances (ODS)	N/A
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GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	58
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	306-5	Waste directed to disposal	44-46, 85
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GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	90
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GRI 304: Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	47-48
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GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	52, 88
GRI 408: Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	No worksite with significant risk
GRI 409: Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	No worksite with significant risk

# TCFD

Kumho Tire is advancing climate change response activities based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to effectively identify and manage financial risks associated with climate change. In accordance with TCFD’s key recommendations on governance, strategy, risk management, and metrics and reduction targets, we transparently disclose climate-related risks to provide essential information to investors and stakeholders.

Topic	TCFD Recommendation	Details	CDP Linked Items	Page
Governance	a) Describe the board’s oversight of climate-related risks and opportunities	· Establishment of the ESG Committee under the Board of Directors-Quarterly ESG Management Committee Meetings	C1.1a, C1.1b	34
	b) Describe management’s role in assessing and managing climate-related risks and opportunities	· Review of ESG-related agenda items and performance	C1.2	34
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	· Acceleration of transition to a Net-Zero society-Domestic and international car makers’ Net-Zero declarations-Increased interest in eco-friendly products	C2.1a, C2.3, C2.3a, C2.4, C2.4a	36-37
	b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning	· Climate change-related risks, opportunities, and response activities-Increased investment costs for facilities aimed at Net-Zero	C2.3a, C2.4a, C3.1, C3.2a, C3.2b, C3.3, C3.4, C-FS3.7, C-FS3.7a	36-37
	c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	· Management strategies reflecting climate change scenarios-Incorporation of climate change-related risks and opportunities within the ESG management system-Scenario-based impact analysis considering changes in heatwave days and precipitation intensity	C3.2, C3.2a, C3.2b	36-37
Risk Management	a) Describe the organization’s processes for identifying and assessing climaterelated risks	· ESG management system-Risk identification and management processes	C2.1, C2.2, C2.2a, C-FS2.2b, C-FS2.2c, C-FS2.2d, C-FS2.2e	23-26, 34-36
	b) Describe the organization’s processes for managing climate-related risks	· ESG management system-Risk identification and management processes	C2.1, C2.2, C-FS2.2d, C-FS2.2e	23-26, 34-36
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management	· Identification and management of significant risks by the ESG Management Committee-Development of implementation tasks by five Working Groups	C2.1, C2.2	23-26, 79-80
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	· Disclosure of energy usage and greenhouse gas emissions at domestic and international business sites	C4.2, C4.2a, C4.2b, C9.1	38-40, 84-85
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	· Disclosure of Scope 1 and 2 emissions-Disclosure of major category Scope 3 emissions	C6.1, C6.3, C6.5, C6.5a, C-FS14.0, C-FS14.1, C-FS14.1a, C-FS14.1b	38-39, 84-85
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	· Declaration of Net-Zero by 2045-Establishment of a Net-Zero roadmap	C4.1, C4.1a, C4.1b, C-FS4.1d, C4.2, C4.2a, C4.2b	38

# TNFD

Kumho Tire is advancing biodiversity conservation activities based on the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD) to effectively identify and manage financial risks associated with natural capital protection and potential nature loss. In accordance with TNFD’s key recommendations on governance, strategy, risk and impact management, and metrics and targets, we transparently disclose natural capital risks to provide essential information to investors and stakeholders.

Topic	Recommended disclosure	Page
Governance	a) Describe the board’s oversight of nature-related dependencies, impacts, risks and opportunities.	32
	b) Describe management’s role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	32
	c) Describe the organisation’s human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation’s assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.	32
Strategy	a) Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.	47
	b) Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation’s business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.	47
	c) Describe the resilience of the organisation’s strategy to nature-related risks and opportunities, taking into consideration different scenarios.	47
	d) Disclose the locations of assets and/or activities in the organisation’s direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.	47
Risk and impact management	a1) Describe the organisation’s processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations.	48
	a2) Describe the organisation’s processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).	48
	b) Describe the organisation’s processes for monitoring nature-related dependencies, impacts, risks and opportunities.	48
	c) Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation’s overall risk management processes.	48
Metrics and targets	a) Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.	47
	b) Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.	47
	c) Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.	47

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SASB

Kumho Tire reports the SASB(Sustainability Accounting Standards Board) framework, a voluntary industry-specific disclosure standard developed for sustainability issues. Based on the Sustainable Industry Classification System, we report information relevant to the Auto Parts industry standards within the Transportation sector to provide various stakeholders with useful information for decision-making.

Topic	Metrics	Unit	Code	Reporting Page	Details
Operational Emissions	Total energy consumed	TJ	TR-AP-130a.1	85	10,996.18
	Percentage grid electricity	%		85	68.08 (Electric Energy Ratio)
	Percentage renewable	%		85	4.23
Operational Emissions	Total amount of waste from manufacturing	ton	TR-AP-150a.1	85	25,882 (Domestic and Overseas)
	Ratio of hazardous waste	%		85	Hazardous waste
	Ratio of recycling	%		85	78 (Domestic and Overseas)
Product Safety	Number of recalls issued, total units recalled	Cases	TR-AP-250a.1	90	None
Design for Fuel Efficiency	Revenue from products designed to increase fuel efficiency and/or reduce emissions	%	TR-AP-410a.1	19, 41	37.4 (Eco-friendly Product Sales Ratio)
Materials Sourcing	Description of the management of risks associated with the use of critical materials	-	TR-AP-440a.1	59	Participation in Global Platform for Sustainable Natural Rubber (GPSNR)
Materials Efficiency	Percentage of products sold that are recyclable	%	TR-AP-440b.1	Refer to Annual Report	99.8 (Tire Sales as a Percentage of Total Consolidated Sales)
	Percentage of input materials from recycled or remanufactured content	%	TR-AP-440b.2	83	0.65 (Proportion of Recycled Rubber Used)
Anti-competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	KRW	TR-AP-520a.1	91	None

Activity Metrics

Topic	Code	Metrics	Unit	Reporting Page	Details
Activity Metrics	TR-AP-000.A	Number of products / parts produced	units	19	55,948 thousand units

# UN Global Compact

UN Global Compact (UNGC) is an initiative that encourages companies to engage in sustainable management based on social responsibility, comprising ten principles across four areas: human rights, labor, environment, and anti-corruption. Kumho Tire supports the ten principles of the UNGC and strives to adhere to these principles throughout all aspects of Kumho Tire’s management.

Category	Principles	Page
Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights;	50-52
	2. make sure that they are not complicit in human rights abuses.	50-52
Labour	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	55
	4. the elimination of all forms of forced and compulsory labour;	50-52
	5. the effective abolition of child labour;	50-52
	6. the elimination of discrimination in respect of employment and occupation.	50-52
Environment	7. Businesses should support a precautionary approach to environmental challenges;	34-40
	8. undertake initiatives to promote greater environmental responsibility;	32-48
	9. encourage the development and diffusion of environmentally friendly technologies.	14-18, 41-43
Anti-corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	76-78

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Theme	Metrics	Details	Page	Remark
Governance				
Governing purpose	Setting purpose	Business purpose related to value creation	12	
Quality of governing body	Governing body composition	Composition of subcommittees under the Board of Directors	72-74	
Stakeholder engagement	Material issues impacting stakeholders	Materiality assessment	27-28	
Ethical behavior	Anti-corruption	Anti-corruption prevention activities (training, etc.)	77-78	
	Protected ethics advice and reporting mechanisms	Internal and external ethics advisory and reporting mechanisms	76-78	
Risk and opportunity oversight	Integrating risk and opportunity into business process	Identification of risks and opportunities and response	79-81	
Planet				
Climate change	Greenhouse gas (GHG) emissions	Greenhouse gas emissions by category	84	
	TCFD implementation	TCFD recommendation index on information disclosure	34-40, 96	
Nature loss	Land use and ecological sensitivity	Business site information related to biodiversity	48	
Freshwater availability	Water consumption and withdrawal in water-stressed areas	Water stress-related workplace information	45	
People				
Dignity and equality	Diversity and inclusion	Staff composition by type	87-88	
	Pay equality	Employee wage by type	88	
	Wage level	Wage rate	88	
	Risk for incidents of child, forced or compulsory labor	Information on worksites with risks	-	No worksite with significant risk
Health and well-being	Health and safety	Safety accident indicators and health services	60-62, 89-90	
Skills for the future	Training provided	Time and cost spent on training	53-54, 89	
Prosperity				
Employment and wealth generation	Absolute number and rate of employment	Recruitment and turnover	88	
	Economic contribution	Creation and distribution of economic value	19	
	Financial investment contribution	Shareholder return	19, 75	
Innovation of better products and services	Total R&D expenses	R&D cost	19	
Community and social vitality	Total tax paid	Tax information	19	

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UN SDGs Contribution

In September 2015, at the 70th UN General Assembly, the Sustainable Development Goals (SDGs) were adopted by consensus of all UN member states, setting 17 goals of all humanity for sustainable development. Kumho Tire is committed to the core principle of the SDGs, ‘Leave No One Behind,’ and aims to contribute to solving universal human issues through sustainable business activities. Aligned with the various goals of the SDGs, Kumho Tire is strategically addressing topics such as climate change, biodiversity protection, and sustainable consumption and production.

Materiality		SDGs	Social Issues (related keyword)	Kumho Tire’s Response
SUSTAINABLE BUSINESS		8.2	Promotion of Sustainable Economic Growth and Decent Work	· Securing New Growth Engines for Future Business Opportunities · Preparing for the Advanced Mobility Era · Sustainable Materials · Win-win Partnerships with Suppliers
		8.3		
		8.4		
		8.5		
		9.4	Innovation and Infrastructure	· Strengthening Global R&D
		9.b		
ENVIRONMENT		3.6	Good Health and Well-Being	· Chemical Management · Customer Safety Inspection Campaigns
		3.9		
		11.6	Sustainable Cities	· Air Pollutant Management · Waste Management
		12.2	Sustainable Consumption and Production	· Global Platform for Sustainable Natural Rubber · Research on Tires with Reduced Environmental Impact Based on LCA (Life Cycle Assessment)
		12.4		
		12.5		
		13.1	Climate Action	· Declaration of Net-Zero by 2045 · Reducing Greenhouse Gas Emissions · Expanding Environmental Impact Reduction Products
		13.2		
		13.3		
		15.2	Preserving Land Ecosystem	· Climate and Environmental Sensitivity Cultivation Programs for Future Generations · Contribution to Biodiversity
		15.4		
SOCIAL		1.2	No Poverty	· Kumho Tire Santa Corps · Neighbor Love Campaign
		1.4		
		4.5	Inclusive and Fair Quality Education	· Climate and Environmental Sensitivity Cultivation Programs for Future Generations · Children’s Traffic Safety Education ‘Stop & Go through Art’ · Musical for Youth School Violence Prevention ‘I AM’ & Together GREEN Study Room of Hope · Mentoring for Children of Traffic Accident Victims
		4.7		
		5.4	Gender Equality	· Creating a Great Place to Work
		5.5		
		10.2	Reduce Inequality Within and Among Countries	· Human Rights Management
GOVERNANCE		16.5	Peace, Justice, and Inclusion	· Advancing Compliance and Ethical Management · Global Initiatives and Achievements

# Domestic Greenhouse Gas Emission Verification Statement

## Verification Introduction

This verification has been conducted by Creative Sustainable Register (hereinafter “CSR”), third-party verification body accredited by ISO and Ministry of Environment, to verify that the Green-house Gas Statement (hereinafter ‘claim’) regarding the greenhouse gas emissions of Kumho Tire Co., Ltd. (hereinafter ‘the client’) has been accurately calculated and reported in accordance with the applicable verification criteria (see section 3). The client is responsible for fairly preparing and submitting the claim in accordance with the applicable verification criteria (see section 3). This responsibility includes designing, implementing, and maintaining data and information management systems related to the fair preparation and submission of a claim that is free from material misstatement.

## Verification Information

CSR entered a legally binding contract with the client for the purpose of this verification (refer to section 1) and agreed upon the following matters.

**Customer:** Kumho Tire Co., Ltd

**Address:** 658, Eodeung-daero, Gwangsan-gu, Gwangju, Korea

**Boundary:** 33 domestic business places

**Period:** 1 year(1st Jan., 2023 ~ 31th Dec., 2023)

**Scope:** 1) Direct emission(Scope1): Stationary combustion, Mobile combustion, Wastewater Treatment and Discharge

2) Indirect emission(Scope2): Use of purchased electricity

**Requirement of Greenhouse gas Programme:**

1) Applied programme: Greenhouse gas ETS of Korea

2) Assurance level: reasonable assurance level 3) Materiality: within +/-5.0%

## Verification Criteria

CSR verified the claim prepared by the client in accordance with the Act on the Allocation and Trading of Greenhouse Gas Emission Permits, Article 13 and its Enforcement Decree, Article 21, and the Guidelines on Reporting and Certification of Emissions for the Emissions Trading System (Ministry of Environment Notice No. 2023-221). This verification was conducted in accordance with the Verification Guidelines for the Operation of the Emissions Trading System (Ministry of Environment Notice No. 2021-112) and our greenhouse gas verification procedures based on the ISO 14064-3.

## Verification Procedure

CSR conducted this verification using an evidence-based approach for the client’s claim based on historical data (refer to section 2.4). Evidence was collected and its suitability assessed according to the activities outlined below. Finally, an independent technical review by personnel not involved in the planning and execution stages of the verification was conducted, leading to the formulation of the verification opinion (refer to section 6).

- Establishing an evidence collection plan through strategic analysis, risk assessment, and evidence gathering activities
- Visiting business sites and facilities and interviewing relevant personnel to collect evidence and resolve issues
- Sampling greenhouse gas data and information that meet the “level of assurance (refer to section 2.6’s 2))”
- Evaluating recalculations of emissions that meet the “materiality threshold (refer to section 3 of 2.6))”

## Verification limits

This verification was conducted by an independent third-party verification body with no conflicts of interest with the client. Although appropriate measures were taken to provide reasonable assurance using a risk-based approach and an evidence-based approach, due to the inherent limitations of the sampling approach, some misstate-ments or non-conformities may remain within the materiality threshold in the client’s claim.

## Verification opinion

CSR conducted verification at a reasonable assurance level in accordance with the greenhouse gas program requirements agreed upon with the client (refer to section 2.6). Through this process, it has been confirmed that the client’s claim is as follows, therefore, we express a “Unqualified” opinion.

- 1) there is sufficient and appropriate evidence to support emissions.
- 2) the verification criteria have been appropriately applied to emissions.
- 3) the effectiveness of controls was evaluated when deemed necessary by the verification audit team.

Accordingly, the confirmed final greenhouse gas emissions information is as follows.

Reporting year	Type	GHG Quantity (unit: tCO <sub>2</sub> eq)
2023	Direct emission	86,594.306 tCO <sub>2</sub> eq
	Indirect emission	170,969.747 tCO <sub>2</sub> eq
	Toal annual emission	257,548.000 tCO <sub>2</sub> eq

June 20, 2024

Creative Sustainable Register Co., Ltd.

Address: #1-611, 775, Gyeongin-ro, Yeongdeungpo-gu, Seoul, Korea

Verifier:  
Seo Jeongmin



CEO:  
Chun-Seong Choi







The responsibility for this verification opinion lies with CSR, which hold the authority over it. Therefore, the client cannot arbitrarily add, delete, or alter this opinion. If the content of this opinion is to be quoted, the client must comply with the CSR’s ‘Guideline for Quoting Verification Statements and Using Verification Body Marks.’

# Overseas Greenhouse Gas Emission Verification Statement

## KUMHO TIRE CO., INC.

The Korea Management Registrar Inc. (hereinafter “KMR”) has conducted the verification on the greenhouse gas (hereinafter “GHG”) emission (Scope 1,2) of KUMHO TIRE CO., INC. overseas business sites(hereinafter “the Company”) from 2023.

## SCOPE

Verification of overseas business sites and emission facilities under the control of the company.

## STANDARDS

- ISO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National GHG Inventories
- Guidelines for Reporting and Certification of Emissions under the GHG Emissions Trading System

## PROCEDURE

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

- Interview with the person in charge of data and record management
- Reviewed data and record-keeping processes
- Reviewed sources and criteria for emission factors and parameters
- Reviewed additional evidence provided by the company

## INDEPENDENT

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

## LIMITATIONS

The verification team verified the related reports, information and data presented by the audited institution by sampling or enumeration methods. As a result, there are inherent limitations, and there may be disagreements in the interpretation of appropriateness.

## OPINION

- The assurance opinion is based on our approach and the professional judgment of the assurance practitioner. Nothing has come to our attention that causes us to believe that we have not complied with all material aspects of the Assurance Standard.
- GHG verification has been performed to meet the limited assurance level according to the verification standards.
- We express that no significant errors were found in the calculation of emissions during the verification process, and that relevant activity data and evidence were appropriately managed and calculated. As a result, we express an “unmodified” opinion.

### ▪ Criticality: meets the criterion, which is less than 5%

Sites	Direct emission (Scope1)	Indirect emission (Scope2)	Total (tCO <sub>2</sub> eq.)	Energy consumption (TJ)
Nanjing Factory	16,628	38,555	55,183	942
Tianjin Factory	27,797	76,135	103,932	1,603
Changchun Factory	11,716	22,934	34,651	586
Vietnam Factory	2,652	61,954	64,367	1,818
Georgia Factory	9,943	28,338	38,281	824
Total	68,736	227,678	296,414	5,773

### ▪ Solar power supply to overseas business sites in 2023

Sites	Facility	Emissions activities	Usage (MWh)
Nanjing Factory	Salor power generation (on-site PPA)	Externally supplied power	4,525
Tianjin Factory	Salor power generation (on-site PPA)	Externally supplied power	943
Vietnam Factory	Salor power generation (on-site PPA)	Externally supplied power	2,834
Total			8,302

### ▪ Green power purchase volume at overseas business sites in 2023

Sites	Facility	Emissions activities	Usage (MWh)	GHG emission (tCO <sub>2</sub> -eq)
Tianjin Factory	Solar power generation	Externally supplied power	24,819	21,948

※ Note : Total and itemized emissions may differ due to rounding

## RESULTS

- Based on the above assurance criteria, we did not identify any inappropriate calculations or errors for the emissions of major emitting facilities.

※ The abovementioned company is responsible for preparing verification data in accordance with the “Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading System (Ministry of Environment Notice No. 2021-278)”, and KMR’s responsibility is limited to the party in the verification contract according to the agreed contract terms. and is not responsible for other decisions, including investment decisions based on this verification statement.

※ The abovementioned company must comply with the use of the certification and logo marks under the contract entered into with KMR.

June 7th, 2024  
Authorized By



E. J. Hwang

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# Scope 3 Greenhouse Gas Emission Verification Statement

KUMHO TIRE CO., INC.

The Korea Management Registrar Inc. (hereinafter “KMR”) has conducted the verification on the greenhouse gas (hereinafter “GHG”) emission (Scope 3) of KUMHO TIRE CO., INC. (hereinafter “the Company”) from 2023.

**SCOPE**

Verification of domestic and overseas business and emission facilities under the control of the company.

- STANDARDS**
- ISO 14064-1:2018, ISO 14064-3:2019
  - IPCC Guidelines for National GHG Inventories
  - Guidelines for Reporting and Certification of Emissions under the GHG Emissions Trading System
  - WRI/WBCSD GHG Protocol
  - Environmental Product Declaration

**PROCEDURE**

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

- Interview with the person in charge of data and record management
- Reviewed data and record-keeping processes
- Reviewed sources and criteria for emission factors and parameters
- Reviewed additional evidence provided by the company

**INDEPENDENT**

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

**LIMITATIONS**

The verification team verified the related reports, information and data presented by the audited institution by sampling or enumeration methods. As a result, there are inherent limitations, and there may be disagreements in the interpretation of appropriateness.

**OPINION**

- The assurance opinion is based on our approach and the professional judgment of the assurance practitioner. Nothing has come to our attention that causes us to believe that we have not complied with all material aspects of the Assurance Standard.
- GHG verification has been performed to meet the limited assurance level according to the verification standards.
- We express that no significant errors were found in the calculation of emissions during the verification process, and that relevant activity data and evidence were appropriately managed and calculated. As a result, we express an “unmodified” opinion.
- Criticality: meets the criterion, which is less than 5%
- Scope 3 emissions

NO.	Category	Scope3 emissions (tCO <sub>2</sub> -eq)
CAT 1	Purchased goods and services	1,476,420
CAT 2	Capital goods	150,909
CAT 3	Fuel and energy related activities	53,567
CAT 4	Upstream transportation and distribution	388,485
CAT 9	Downstream transportation and distribution	164
CAT 12	End-of-life treatment of sold products	109,862
Total		2,179,407

※ Note : Total and itemized emissions may differ due to rounding

**RESULTS**

- Based on the above assurance criteria, we did not identify any inappropriate calculations or errors for the emissions of major emitting facilities.

※ The abovementioned company is responsible for preparing verification data in accordance with the “Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading System (Ministry of Environment Notice No. 2021-278)”, and KMR’s responsibility is limited to the party in the verification contract according to the agreed contract terms. and is not responsible for other decisions, including investment decisions based on this verification statement.

※ The abovementioned company must comply with the use of the certification and logo marks under the contract entered into with KMR.



June 7th, 2024  
Authorized By  
E. J. Hwang

# Independent Assurance Statement

To readers of Kumho Tire 2024 Sustainability Report

## Introduction

Korea Management Registrar (KMR) was commissioned by Kumho Tire to conduct an independent assurance of its 2024 Sustainability Report (the “Report”). The data and its presentation in the Report is the sole responsibility of the management of Kumho Tire. KMR’s responsibility is to perform an assurance engagement as agreed upon in our agreement with Kumho Tire and issue an assurance statement.

## Scope and Standards

Kumho Tire described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR’s assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

Confirmation that the Report was prepared in accordance with GRI standards 2021 was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process.

- GRI Sustainability Reporting Standards 2021
- Universal standards
- Topic specific standards

- |   |  |
|---|--|
| - GRI 205 : Anti-corruption                   | - GRI 404 : Training and Education                           |
| - GRI 206 : Anti-competitive Behavior         | - GRI 405 : Diversity and Equal Opportunity                  |
| - GRI 301 : Materials                         | - GRI 406 : Non-discrimination                               |
| - GRI 302 : Energy                            | - GRI 407 : Freedom of Association and Collective Bargaining |
| - GRI 303 : Water and Effluents               | - GRI 408 : Child Labor                                      |
| - GRI 304 : Biodiversity                      | - GRI 409 : Forced or Compulsory Labor                       |
| - GRI 305 : Emissions                         | - GRI 414 : Supplier Social Assessment                       |
| - GRI 306 : Waste                             | - GRI 417 : Marketing and Labeling                           |
| - GRI 308 : Supplier Environmental Assessment | - GRI 418 : Customer Privacy                                 |
| - GRI 401 : Employment                        |  |
| - GRI 403 : Occupational Health and Safety    |  |

As for the reporting boundary, the engagement excludes the data and information of Kumho Tire’s partners, suppliers and any third parties.

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KMR’s Approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the engagement:

- reviewed the overall Report;
- reviewed materiality assessment methodology and the assessment report;
- evaluated sustainability strategies, performance data management system, and processes;
- interviewed people in charge of preparing the Report;
- reviewed the reliability of the Report’s performance data and conducted data sampling;
- assessed the reliability of information using independent external sources such as Financial Supervisory Service’s DART and public databases.

Limitations and Recommendations

KMR’s assurance engagement is based on the assumption that the data and information provided by Kumho Tire to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with Kumho Tire on the revision of the Report. We reviewed the Report’s final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the GRI Standards. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

Inclusivity

Kumho Tire has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.

Materiality

Kumho Tire has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.

Responsiveness

Kumho Tire prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of Kumho Tire’s actions.

Impact

Kumho Tire identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

Reliability of Specific Sustainability Performance Information

In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of economic, environmental, and social performance data related to sustainability performance. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

Competence and Independence

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021:2015 - Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with Kumho Tire and did not provide any services to Kumho Tire that could compromise the independence of our work.

June 2024 Seoul, Korea

E. J Hwang

SUSTAINABLE VALUE STORY

ABOUT KUMHO TIRE

ESG MANAGEMENT

ESG FACTBOOK

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ESG Data

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TNFD

SASB

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WEF IBC Stakeholder Capitalism

UN SDGs Contribution

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Emission Verification Statement

Overseas Greenhouse Gas  
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Scope 3 Greenhouse Gas  
Emission Verification Statement

Independent Assurance  
Statement

Participating Associations and  
Awards

About This Report

# Participating Associations and Awards

Kumho Tire is a member of relevant associations such as the Korea Tire Manufacturers Association to contribute to industrial development and the promotion of sustainability. We actively support sustainability initiatives such as the UNGC and GPSNR. In accordance with domestic Political Funds Act and the Anti-Graft Act, Kumho Tire strictly prohibits donations or sponsorships for political purposes. Kumho Tire has been recognized for its value by receiving design awards and sustainability index awards from prestigious domestic and international institutions for its excellent design and ESG management practices.

## Participating Associations

Associations	Associations
Korea Tire Manufacturers Association, KOTMA	Korea Listed Company Audit Association
Korean (Seoul) Chamber of Commerce and Industry	Korea Investor Relations Service, KIRS
Korea Listed Companies Association, KLCA	Korea Automobile Manufacturers Association, KAMA
Korea Exchange, KPX	Korea Automobile Importers & Distributors Association, KAIDA
Korea Industrial Technology Association, KOITA	Korea Rubber Industry Association, KRISA
Korea International Trade Association, KITA	Korea TCFD Alliance

## Major Institutions and Association Fees

(Unit: KRW)

Associations	2023 Performance
Korea Tire Manufacturers Association, KOTMA	240,120,000
World Business Council for Sustainable Development, WBCSD	122,419,000
Gwangju Chamber of Commerce and Industry	100,000,000

## Major Awards

Category	Awarded by	Award Title	Category
2024	Germany International Forum Design	Germany iF Design Award	PS71 EV
	Germany North Rhine-Westphalia Design Center	Germany Red Dot Design Award	Wintercraft WP52 EV
2023	Germany Red Dot / Xiamen Wenguang Media Group	China Red Dot (CGD)	PS71 EV
	Korean Standards Association	2023 Korea Sustainability Conference	Korea Sustainability Index, Tire Category
	Japan Industrial Design Promotion Organization (JIDPO)	Japan Good Design Award	CX11
	Germany North Rhine-Westphalia Design Center	Germany Red Dot Design Award	Road Venture AT52
	Germany International Forum Design	Germany iF Design Award	Concept Category Airborne

## Sustainability Initiatives

Initiatives
UN Global Compact
CDP (Carbon Disclosure Project)
SBTi (Science Based Targets initiative)
WBCSD-TIP (World Business Council for Sustainable Development - Tire Industry Project)
GPSNR (Global Platform for Sustainable Natural Rubber)

# About This Report

## Report Overview

Kumho Tire publishes a sustainability report to transparently disclose financial and non-financial performance and management activities to various stakeholders. This 12th sustainability report was published in Aug 2024.

## Reporting Standards

This report was prepared based on the GRI Standards 2021, a guideline for sustainability management reporting as the core criteria. Additionally, it incorporates global reporting standards such as the SASB (Sustainability Accounting Standards Board), TCFD (Task Force on Climate-related Financial Disclosures), WEF (World Economic Forum), UN Global Compact, and UN SDGs. Financial information is presented according to the consolidated standards of the Korea International Financial Reporting Standards (K-IFRS).

## Reporting Period

This report covers the sustainability management performance from January 1, 2023, to December 31, 2023, including significant activities from the first half of 2024. To provide insights into the continuity and sustainability of performance, data and target achievement rates for the last three years (2021-2023) were also reported.

## Reporting Cycle

The report is published annually, and this is the 12th edition.

## Reporting Scope and Boundaries

The reporting scope includes Kumho Tire’s Seoul office and domestic and overseas business sites. If necessary, specific clarifications were made regarding the reporting scope.

## Report Verification

To ensure the reliability of the reported information, this report was verified by Korea Management Registrar (KMR), the third-party verification agency. The third-party agency verified the data according to the international verification standard AA1000AS v3. The verification results are included on pages 105-106 of this report.

### Report Inquiries

Department	Kumho Tire ESG Team	Website	www.kumhotire.com
Phone	+82-2-6303-8337	Head Office	658, Eodeung-daero, Gwangsan-gu, Gwangju
E-mail	sustainable@kumhotire.com	Seoul Office	68, Saemunan-ro, Jongno-gu, Seoul



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