

Welcome to your CDP Water Security Questionnaire 2023

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Since it started to manufacture its first tires in 1960, Kumho Tire has continued to explore new markets and is now producing world-class tires across 8 plants, located in both Korea and abroad. As of December 2022, Kumho Tire, headquartered in Gwangju, Korea, has 9,879 employees globally. Kumho Tire has built an expansive network throughout more than 180 countries, including the Seoul office, 8 plants, 9 overseas sales corporations, and 13 branches and offices. With the opening of a branch office in Warsaw, Poland in November 2021, Kumho Tire has successfully established a launch pad for expansion of sales into Eastern and Central Europe, as well as upgraded tire storage facilities and logistics systems. As of 2022, Kumho Tire recorded sales of KRW 3,560 trillion at home and abroad, approximately 37% up from the previous year.

With the view that the accelerated transition to a carbon-neutral society is an opportunity for value creation, Kumho Tire has adopted various strategies to respond to climate change, such as its 2045 net-zero roadmap and expansion of eco-friendly tire products. In addition, recognizing the importance of water resources and the grave implications of global water shortage, we have identified risks associated with water resources through the status analysis of water-related issues and regulatory trends. In response to the identified risks, we have established plans to replace facilities and invest in wastewater recycling facilities. In Korea, the Gwangju Plant and Gokseong Plant use groundwater, and the remainder of the business sites use water from third-party sources. The Gokseong Plant also recycles waste water with reverse osmosis facilities.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	1월 1, 2022	12월 31, 2022

W0.3

(W0.3) Select the countries/areas in which you operate.

Austria
Brazil
Canada
China
Egypt
France
Germany
Italy
Japan
Mexico
Panama
Poland
Republic of Korea
Russian Federation
Saudi Arabia
Spain
Thailand
Turkey
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America
Viet Nam

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

KRW

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
non-manufacturing facilities	Our non-manufacturing facilities (e.g., offices, distribution centers and warehouses) which do not include manufacturing plants and R&D centers consume water mostly for toilets and other such purposes. In the future, we plan to also collect water usage data for the offices and warehouses in our control.
merger & acquisition.	No mergers or acquisitions during the reporting year.

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	KR7073240004

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Important	Plants use freshwater and groundwater to cool intermediate products or to produce steam from boilers. Although water consumption is relatively small compared to that of other industries, water is an indispensable resource for business continuity. We are planning to identify high-risk areas and to increase the use of recycled water while reducing the use of freshwater. In addition, water is essential throughout our supply chain to produce various raw materials and components such as natural rubber, synthetic rubber and steel cords. Therefore, water is important for the ongoing operation of our business and value chain.

Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	Recycled water is used to cool intermediate products or for pollution prevention facilities at the plants. In the value chain, some suppliers use recycled water in various ways and use 100% recycled water 100% through the zero liquid discharge system. Therefore, recycled water is important for the ongoing operation of our business and value chain.
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W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	100%	Monthly	We monitor water withdrawal volumes on a monthly basis. The monitoring is conducted based on water meters and bills.	We collect data monthly to monitor water withdrawal volumes
Water withdrawals – volumes by source	100%	Monthly	We monitor water withdrawal volumes by source on a monthly basis. The monitoring is conducted based on water meters and bills.	We collect data monthly to monitor water withdrawal volumes
Water withdrawals quality	100%	Monthly	We monitor the water withdrawal quality on a monthly and yearly basis.	We collect data monthly to monitor compliance with regulations and company bylaws.
Water discharges – total volumes	100%	Monthly	We monitor water discharge volumes on a monthly basis. The monitoring is	We collect data monthly to monitor water

			conducted based on water meters.	discharge volumes
Water discharges – volumes by destination	100%	Monthly	We monitor water discharge volumes by destination on a monthly basis. The monitoring is conducted based on water meters.	We collect data monthly to monitor water discharge volumes
Water discharges – volumes by treatment method	100%	Monthly	We monitor water discharge volumes by treatment method on a monthly basis. The monitoring is conducted based on water meters.	We collect data monthly for water discharge volumes monitoring and external disclosure.
Water discharge quality – by standard effluent parameters	100%	Monthly	We monitor standard effluent parameters on a monthly basis. The water discharge quality is monitored in accordance with the methods prescribed by laws of each jurisdiction.	We collect data monthly to monitor compliance with regulations and company bylaws.
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	Not relevant			Nitrate and phosphate are not the subjects of monitoring.
Water discharge quality – temperature	Not relevant			Temperature is not the subject of monitoring.
Water consumption – total volume	100%	Quarterly	We monitor water consumption on a monthly basis. The monitoring is	We collect data monthly to monitor water consumption

			conducted based on water meters.	
Water recycled/reused	100%	Monthly	We monitor reused water volumes on a monthly basis. The monitoring is conducted based on water meters.	We collect data monthly to monitor reused water volumes.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Monthly	The items analyzed and frequency vary depending on national regulations. When we use internally pumped water, independent institutions conduct the water quality analysis.	We provide clean water to all employees at all of our production facilities. Most business sites receive clean water from public institutions.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	2,533	Lower	Increase/decrease in business activity	Higher	Facility expansion	In 2022, total water withdrawals decreased as our production volume increased. However, water withdrawals are expected to increase

						due to factory expansions and the like in the future.
Total discharges	683	Higher	Increase/decrease in business activity	Higher	Facility expansion	In 2022, total water discharge volumes increased as our production volume increased. Water withdrawals are expected to increase due to factory extensions expansions and the like in the future. However, we intend to reduce water discharge volumes by implementing various tasks to improve water recycling.
Total consumption	1,884	Lower	Increase/decrease in business activity	Higher	Facility expansion	Total consumption increased compared to 2021.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	1-10	Higher	Increase/decrease in business activity	About the same	Increase/decrease in business activity	WRI Aqueduct	We used WRI Aqueduct to evaluate water stress. Out of 8 plants and 4 R&D centers, one plant in China and one R&D center in Europe are located in areas with "Extremely High" water stress.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant				Not relevant
Brackish surface water/Seawater	Not relevant				Not relevant
Groundwater – renewable	Relevant	1,093	Lower		We only use renewable ground water and water from third party sources
Groundwater – non-renewable	Not relevant				Not relevant
Produced/Entrained water	Not relevant				Not relevant
Third party sources	Relevant	1,440	Higher	Increase/decrease in business activity	We only use renewable ground water and water from third party sources

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
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Fresh surface water	Relevant	26	Lower	Increase/decrease in efficiency	The Gokseong Plant treats water in the wastewater treatment facilities and then discharges the treated water into the river in accordance with strict standards.
Brackish surface water/seawater	Not relevant				It doesn't apply to us.
Groundwater	Not relevant				It doesn't apply to us.
Third-party destinations	Relevant	657	Higher	Increase/decrease in business activity	Excluding the Gokseong Plant, all facilities internally treat water and discharge the treated water into the treatment facilities operated by local governments.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous	Primary reason for comparison with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
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			reporting year			
Tertiary treatment	Relevant	456	Higher	Increase/decrease in business activity	61-70	In case of tertiary treatment , we discharge water in accordance with treatment standards which are stricter than legal regulations.
Secondary treatment	Not relevant					Secondary treatment is not applicable to us.
Primary treatment only	Relevant	227	Higher	Increase/decrease in business activity	31-40	In case of primary treatment , we discharge water into public treatment facilities in accordance with treatment standards which are stricter

						than legal regulations.
Discharge to the natural environment without treatment	Not relevant					It doesn't apply to us.
Discharge to a third party without treatment	Not relevant					It doesn't apply to us.
Other	Not relevant					It doesn't apply to us.

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	3,559,158,000,000	2,533	1,405,115,673.11488	Kumho Tire is making various efforts to reduce water withdrawals and increase water recycling.

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
Row 1	No	

W1.5

(W1.5) Do you engage with your value chain on water-related issues?

	Engagement	Primary reason for no engagement	Please explain
Suppliers	Yes		
Other value chain partners (e.g., customers)	No	We are planning to do so within the next two years	We plan to review engagement activities on the value chain.

W1.5a

(W1.5a) Do you assess your suppliers according to their impact on water security?

Row 1

Assessment of supplier impact

Yes, we assess the impact of our suppliers

Considered in assessment

Other, please specify

Water usage, wastewater emissions and water/water waste management activities

Number of suppliers identified as having a substantive impact

29

% of total suppliers identified as having a substantive impact

1-25

Please explain

Kumho Tire obtains data from suppliers through the supply chain ESG assessment platform. Suppliers must report environmental (water quality, waste and air) data indicators.

Of the 159 partners who participated in the recent ESG evaluation, 29 have established specific quantitative targets for water use or wastewater emissions.

W1.5b

(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization's purchasing process?

	Suppliers have to meet specific water-related requirements	Comment
Row 1	No, but we plan to introduce water-related requirements within the next two years	

W1.5d

(W1.5d) Provide details of any other water-related supplier engagement activity.

Type of engagement

Other

Details of engagement

Other, please specify
Supplier Code of Conduct

% of suppliers by number

76-99

% of suppliers with a substantive impact

76-99

Rationale for your engagement

Kumho Tire conducted ESG risk diagnoses for 202 major partners covering about 90% of the transaction amount in the first half of 2023. As a result, 163 out of 202 partners signed the Code of Conduct.

Impact of the engagement and measures of success

It is expected that Kumho Tire and its partners will be able to carry out responsible management activities by complying with this Code of Conduct through mutual efforts. The Code of Conduct recommends that all activities concerning solid waste, wastewater, and air and water pollutants comply with relevant laws, and that signatories use best efforts in environmental pollution prevention and reducing resource use. It recommends that signatories recognize the importance of ecosystem restoration and biodiversity protection and to that end make efforts to prevent the destruction of biodiversity and the negative impacts on the community environment through preservation of environmental resources – for example, through protecting forests, soil conservation, preventing soil contamination and strengthening management of pollution sources

Comment

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Comment
Row 1	No	

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

	Identification and classification of potential water pollutants	Please explain
Row 1	No, we do not identify and classify our potential water pollutants	We do not currently identify and classify potential water pollutants.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed as a standalone issue

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market

Tools and methods used

WRI Aqueduct

WWF Water Risk Filter

Contextual issues considered

Water availability at a basin/catchment level
Water quality at a basin/catchment level
Water regulatory frameworks

Stakeholders considered

Employees
Local communities

Comment

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Water risks are assessed as a standalone issue

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market

Tools and methods used

WRI Aqueduct
WWF Water Risk Filter

Contextual issues considered

Water availability at a basin/catchment level
Water quality at a basin/catchment level
Water regulatory frameworks

Stakeholders considered

Local communities
Suppliers

Comment

W3.3b

(W3.3b) Describe your organization’s process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	WRI Aqueduct and WWF Water Risk Filter are two of the most widely used tools to assess water-related risks in the world and are considered to provide very reliable results.	We identify risks within our direct operations. With regard to domestic plants, because they use groundwater in some processes, we identify risks arising from droughts and other such risk factors.. We also assessed potential risks related to the operation of suppliers that could affect our production. We used WRI Aqueduct and WWF Water Risk Filter to identify risks of countries and regions that supply key raw materials.	Stable water supply is essential for stable business operations. Safe water affects not only the health and safety of employees but also that of local residents in the communities near our business sites	We participate in WRI's Aqueduct (http://www.wri.org/our-work/project/aqueduct) and assess annual water stress using the web-based water risk analysis program developed by the WRI Aqueduct tool. This tool combines business site data with physical, regulatory, and reputational elements of the relevant area to analyze risks. We intend to enhance monitoring of water quantity and quality for factories in the high-risk areas identified in this process. In addition, with regard to the supply chain, through ESG self-diagnosis, we identify whether specific quantitative targets for water withdrawals/consumption or waste water discharges have been determined and whether any legal sanctions were imposed due to violations of water-related environmental laws within the past year.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, only within our direct operations

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

We defined and identified significant financial and strategic impacts as follows during the risk management process, subject to change in the future: 1) companywide costs due to environmental regulations (e.g., operating costs for water quality control), 2) water depletion due to climate change, and 3) disruption in plant operations due to flood damage caused by typhoons and other weather conditions.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	4	1-25	Out of 8 plants and 4 R&D centers, 3 plants and 1 R&D center were determined to have high risks (physical risks, both in quality and quantity) in the evaluation using the WRI tool.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

China
Yongding He

Number of facilities exposed to water risk

2

% company-wide facilities this represents

1-25

% company's total global revenue that could be affected

11-20

Comment

Tianjin Plant, China R&D Center

Country/Area & River basin

China

Other, please specify

Yitong

Number of facilities exposed to water risk

1

% company-wide facilities this represents

1-25

% company's total global revenue that could be affected

1-10

Comment

Country/Area & River basin

Viet Nam

Other, please specify

Đồng Nai

Number of facilities exposed to water risk

1

% company-wide facilities this represents

1-25

% company's total global revenue that could be affected

11-20

Comment

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

China

Yongding He

Type of risk & Primary risk driver

Acute physical
Flood (coastal, fluvial, pluvial, groundwater)

Primary potential impact

Increased cost of capital

Company-specific description

Analysis using the WRI tool shows that Tianjin Plant and China R&D Center are located near the coast and river, so there is a high risk of flooding.

Timeframe

More than 6 years

Magnitude of potential impact

Medium-high

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

7,400,000,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

We suffered damage due to the flooding of the Gokseong Plant in 2020. Therefore, the financial impact was calculated based on actual loss.

Primary response to risk

Develop flood emergency plans

Description of response

We plan to establish an emergency plan and inspect facilities to prepare for floods.

Cost of response

0

Explanation of cost of response

We will follow up with the expected cost of response at a later time.

Country/Area & River basin

China
Other, please specify
Yitong

Type of risk & Primary risk driver

Acute physical
Drought

Primary potential impact

Increased operating costs

Company-specific description

As a result of the analysis using the WRI tool, it was confirmed that the Changchun factory has high water stress.

Timeframe

More than 6 years

Magnitude of potential impact

Medium-high

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1,700,000,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

Calculation of financial impact was based on the estimated loss incurred when the factory is not operating due to lack of water.

Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

Description of response

We plan to reduce the overall water usage by expanding water reuse and introducing water-saving facilities.

Cost of response

0

Explanation of cost of response

We will follow up with the expected cost of response at a later time.

Country/Area & River basin

Viet Nam

Other, please specify

Đồng Nai

Type of risk & Primary risk driver

Acute physical

Flood (coastal, fluvial, pluvial, groundwater)

Primary potential impact

Increased operating costs

Company-specific description

Analysis using the WRI tool shows that the Vietnam Plant is located near the coast and river, so there is a high risk of flooding.

Timeframe

More than 6 years

Magnitude of potential impact

Medium-high

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1,000,000,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

We suffered damage due to the flooding of the Gokseong Plant in 2020. Therefore, the financial impact was calculated based on actual loss.

Primary response to risk

Develop flood emergency plans

Description of response

We plan to establish an emergency plan to prepare for floods and inspect facilities to prepare for floods.

Cost of response

0

Explanation of cost of response

We will follow up with the expected cost of response at a later time.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Not yet evaluated	We are conducting ESG evaluations of our partners, including water-related items, but we have not evaluated whether they are exposed to water risks that could have significant financial or strategic impacts related to water. In future ESG evaluations, we plan to determine exposure to water risk.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Efficiency

Primary water-related opportunity

Cost savings

Company-specific description & strategy to realize opportunity

All plants recycle wastewater to minimize water use. Some are used in wet dust collectors or recycled as process water.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

100,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

In order to minimize consumption of water resources consumption, we reuse the waste water treated in the waste water treatment facilities of the plants for environmental equipment (wet-type dust collectors) and as process water. We recycle 10% of the total water used 100% and thereby save costs for water resources.

The financial impact cost calculation standard is set at about 10% of the water supply purchase cost.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number

Facility 1

Facility name (optional)

Tianjin Plant

Country/Area & River basin

China

Yongding He

Latitude

39.067762

Longitude

117.534106

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

269

Comparison of total withdrawals with previous reporting year

Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

269

Total water discharges at this facility (megaliters/year)

161

Comparison of total discharges with previous reporting year

Higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

161

Total water consumption at this facility (megaliters/year)

108

Comparison of total consumption with previous reporting year

About the same

Please explain

The amount of water withdrawal and discharge increased due to the increase in production.

Facility reference number

Facility 3

Facility name (optional)

Changchun Plant

Country/Area & River basin

China

Other, please specify

Yitong

Latitude

39.067762

Longitude

125.247671

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

113

Comparison of total withdrawals with previous reporting year

Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

113

Total water discharges at this facility (megaliters/year)

35

Comparison of total discharges with previous reporting year

Lower

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

35

Total water consumption at this facility (megaliters/year)

78

Comparison of total consumption with previous reporting year

Higher

Please explain

The amount of water withdrawal increased due to the increase in production.

Facility reference number

Facility 4

Facility name (optional)

Vietnam Plant

Country/Area & River basin

Viet Nam

Other, please specify

Đồng Nai river

Latitude

11.098698

Longitude

106.652336

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

314

Comparison of total withdrawals with previous reporting year

Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

314

Total water discharges at this facility (megaliters/year)

62

Comparison of total discharges with previous reporting year

Higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

252

Comparison of total consumption with previous reporting year

Higher

Please explain

The amount of water withdrawal and discharge increased due to the increase in production.

Facility reference number

Facility 2

Facility name (optional)

China R&D center

Country/Area & River basin

China

Yongding He

Latitude

39.08777

Longitude

117.546784

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

4

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

4

Total water discharges at this facility (megaliters/year)

0

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0

Total water consumption at this facility (megaliters/year)

4

Comparison of total consumption with previous reporting year

About the same

Please explain

The facility is a R&D center, so there is no significant change in water withdrawal and consumption.

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

% verified

76-100

Verification standard used

AA1000AS

Water withdrawals – volume by source

% verified

76-100

Verification standard used

AA1000AS

Water withdrawals – quality by standard water quality parameters

% verified

Not relevant

Please explain

not applicable

Water discharges – total volumes

% verified

76-100

Verification standard used

AA1000AS

Water discharges – volume by destination

% verified

76-100

Verification standard used

AA1000AS

Water discharges – volume by final treatment level

% verified

Not relevant

Please explain

not applicable

Water discharges – quality by standard water quality parameters

% verified

76-100

Verification standard used

AA1000AS

Water consumption – total volume

% verified

Not relevant

Please explain

not applicable

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1		<p>Description of the scope (including value chain stages) covered by the policy</p> <p>Description of business dependency on water</p> <p>Description of business impact on water</p> <p>Commitment to align with international frameworks, standards, and widely-recognized water initiatives</p> <p>Commitment to prevent, minimize, and control pollution</p> <p>Commitment to reduce or phase-out hazardous substances</p> <p>Commitment to reduce water withdrawal and/or consumption volumes in direct operations</p> <p>Commitment to reduce water withdrawal and/or consumption volumes in supply chain</p> <p>Commitment to the conservation of freshwater ecosystems</p> <p>Commitments beyond regulatory compliance</p> <p>Reference to company water-related targets</p> <p>Recognition of environmental linkages,</p>	<p>Water is an essential resource for our business because it is necessary to cultivate natural rubber, an essential raw material for tires, and also required in the process of making steam during the tire manufacturing process.</p> <p>However, due to the recent effects of climate change, the number of drought days has increased, making it difficult to access water. In response, Kumho Tire has revised its environmental management policy to add water-related goals, and has made the policy applicable to not only all domestic and overseas business sites but also the entire value chain. This policy has established the goal of reducing water consumption and water reuse while minimizing the discharge of harmful substances and improving the environmental impact on nearby rivers through strict management of water pollution prevention facilities (please refer to the environmental management policy attached to W-FI).</p> <p>Further, in order to implement the environmental management policy, we have set a target of reducing water consumption (Lpcd) by 10% from 2021 to 2030, and disclosed this target in our sustainability reports. In addition, we apply internal wastewater discharge standards that are stricter than legal regulations. Also, we partake in biodiversity conservation activities and have been conducting conservation activities for the Jangrok Wetland near the Gwangju Plant in Korea to restore aquatic ecosystems. In the future, we will use best efforts to comply with the UN SDGs and other international guidelines and fulfill our social responsibility concerning sustainable use of water resources.</p>

		for example, due to climate change	
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W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual or committee	Responsibilities for water-related issues
Director on board	The Board of Directors (BOD) bears the ultimate responsibility for sustainable management strategies and policies including water-related issues and oversees companywide managerial activities. In addition, the BOD is responsible for supervising business plans and strategies and corporate management. In April 2022, Kumho Tire approved the launch of the ESG Management Committee, which is led by the CEO and composed of the heads of all business divisions. The ESG Management Committee identifies significant financial and non-financial risks to discuss preemptive measures, and makes final decisions from the ESG perspective through the review of major business opportunities and monitoring of related performance. This Committee has recently approved a water-related target in 2022 that Kumho Tire would reduce water intensity by 10 %in 2030 compared to 2021.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	Overseeing major capital expenditures Overseeing the setting of corporate targets Reviewing and guiding corporate	In April 2022, Kumho Tire launched the ESG Management Committee under the BOD to manage ESG as a new business norm linked to the companywide management strategy. The ESG Management Committee holds a meeting on a quarterly basis at which it identifies significant financial and non-financial risks to discuss preemptive measures and makes final decisions from the ESG perspective through the review of major

		<p>responsibility strategy</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding strategy</p> <p>Setting performance objectives</p>	<p>business opportunities and monitoring of related performance. In order to promote and operate ESG implementation tasks, the Committee has organized and operated five working groups around environmental management, “People & Culture”, responsible supply chain, ethical management and governance.</p> <p>In 2022, the BOD, as the top decision-making body, discussed the agenda of establishing quantifiable targets, including water consumption targets, in order to enable Kumho Tire to systematically pursue sustainable management. In 2023, Kumho Tire established an ESG Committee under the BOD to systematically control ESG management at the Board level and reflect the ESG philosophy in the process of making important decisions. The ESG Committee, consisting of three directors (one inside director and two independent directors), holds a meeting on a semiannual basis or from time to time as necessary. The ESG Committee aims to strategically and systematically manage the environment, social, and governance sectors so that Kumho Tire can enhance sound management based on transparent governance and achieve sustainable growth in the long term by analyzing the company’s impact on the environment and society. In addition, the ESG Committee identifies various topics and issues related to ESG management, examines the company’s sustainable management strategy and direction, and continuously self-evaluates and reviews ESG-related performance and challenges.</p>
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W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues
Row 1	Yes	One of the Board members is a co-chairperson of a foundation established to respond to environmental pollution, and has served as chairperson of the New and Renewable Energy Power Generation Cooperative which works to reduce carbon emissions and respond to the climate crisis.

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Other committee, please specify
ESG Committee

Water-related responsibilities of this position

Setting water-related corporate targets
Integrating water-related issues into business strategy
Managing major capital and/or operational expenditures related to low water impact products or services (including R&D)

Frequency of reporting to the board on water-related issues

Half-yearly

Please explain

Kumho Tire has established an ESG committee under its Board of Directors to systematically manage ESG management at the Board level and reflect ESG philosophy in important decision-making processes.

Based on transparent governance, the ESG Committee seeks to strategically and systematically manage the environment sector to enhance sound management and analyze the impact of the company on the environment to achieve sustainable growth over the long term. In addition, we discover and identify various topics and issues related to our ESG operations, check the company's sustainable management strategy and direction, and continuously self-evaluate and review ESG-related performance and challenges. In addition, the Committee will deliberate and decide on ESG management strategies, including presentation of ESG management strategy directions, management and supervision of ESG management initiatives, and non-financial risk management.

Name of the position(s) and/or committee(s)

Other committee, please specify
ESG Management Committee

Water-related responsibilities of this position

Setting water-related corporate targets
Integrating water-related issues into business strategy
Managing major capital and/or operational expenditures related to low water impact products or services (including R&D)

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

Kumho Tire has launched the ESG Management Committee to manage ESG as a new business norm linked to the company's management strategy. All heads of headquarters are participating as members with the CEO at the center as chairman. The ESG Management Committee identifies significant financial and non-financial risks, discusses proactive responses, reviews key business opportunities, and monitors ESG-related performance to make final decisions from an ESG perspective.

Name of the position(s) and/or committee(s)

Environmental, health, and safety manager

Water-related responsibilities of this position

Setting water-related corporate targets
Integrating water-related issues into business strategy
Managing major capital and/or operational expenditures related to low water impact products or services (including R&D)

Frequency of reporting to the board on water-related issues

As important matters arise

Please explain

The SHE(Safety, Health & Environment) Planning Team oversees the companywide environmental management, establishes safety and environmental strategies for plants, and conducts environmental response activities such as wastewater management. In addition, in order to connect, expand and internalize ESG elements to each department's functions, we have established working groups and implementation tasks centering on 5 core ESG issues (environmental management, People & Culture, responsible supply chain, ethical management, and governance). In environmental management, one of the five core areas, we clarify R&Rs by implementation task and establish and implement detailed plans through communications among our departments. Each department's water-related operations and progress as well as major issues are reported to the CEO for decision-making.

Name of the position(s) and/or committee(s)

Chief Executive Officer (CEO)

Water-related responsibilities of this position

Setting water-related corporate targets
Integrating water-related issues into business strategy
Managing major capital and/or operational expenditures related to low water impact products or services (including R&D)

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

Kumho Tire has built an environmental governance system in which the CEO bears the ultimate responsibility for climate-related management activities and risk management. The CEO reviews and approves ESG environmental matters through the ESG Management Committee. The ESG Management Committee is a CEO-led decision-making organization in which the CEO serves as chairperson, and the heads of major business divisions participate as members, leading ESG management including response to climate change as a new business norm linked to the companywide management strategy. The ESG Management Committee establishes ESG strategies including climate change issues, reviews ESG-related agenda that require Board approval, examines major businesses and monitors performance from the ESG perspective, identifies significant financial and non-financial risks, discusses preemptive measures, and reports important issues to the ESG Committee.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	No, not currently but we plan to introduce them in the next two years	We plan to provide incentives if we achieve positive results in our work regarding water-related issues.

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, direct engagement with policy makers

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

Domestic plants in Korea prevent environmental hazards caused by water pollution and manage and preserve the water environment of public water systems such as rivers, pursuant to the Water Environment Conservation Act. In connection with such water environment regulations, Kumho Tire communicates with government officials in charge of policies through policy hearings and various events held by the Ministry of Environment. We also provide necessary information when requested so that government actors can make more accurate determinations of policy operation and the water security situation. We will continue to monitor in order to comply with the government's water environment regulations and to prevent any conflicts with these regulations.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

No, but we plan to do so in the next two years

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Please explain
Long-term business objectives	No, water-related issues not yet reviewed, but there are plans to do so in the next two years	We plan to set key performance indicators and global targets for water recovery and water recycling rates.
Strategy for achieving long-term objectives	No, water-related issues not yet reviewed, but there are plans to do so in the next two years	We plan to establish initiatives to achieve the targets based on the performance indicators we have set, and to track performance every year.
Financial planning	No, water-related issues not yet reviewed, but there are plans to do so in the next two years	We will form a water-related financial plan.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

0

Anticipated forward trend for CAPEX (+/- % change)

0

Water-related OPEX (+/- % change)

0

Anticipated forward trend for OPEX (+/- % change)

0

Please explain

Water-related CAPEX and OPEX account for a very small part of our operations. The main water-related expenditure is the cost related to water consumption. In the future, we plan to expand our investment in water-saving methods such as through building facilities to use recycled water.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	No, but we anticipate doing so within the next two years	

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

Please explain

We are not currently using internal prices for water, but we will apply the internal price starting with the areas with high water stress, as we expect rising prices due to water shortages in the future.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, but we plan to address this within the next two years	Important but not an immediate business priority	When producing tires, water is used primarily for cooling and supplying steam for boilers. However, some manufacturing plants are located and produce tires in areas that potentially have high water stress. Therefore, we will continuously strive to reduce water use.

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?

Yes

W8.1a

(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	No, but we plan to within the next two years	We plan to set a goal within two years.
Water withdrawals	Yes	
Water, Sanitation, and Hygiene (WASH) services	No, but we plan to within the next two years	We plan to set a goal within two years.
Other	No, but we plan to within the next two years	We plan to set a goal within two years.

W8.1b

(W8.1b) Provide details of your water-related targets and the progress made.

Target reference number

Target 1

Category of target

Water withdrawals

Target coverage

Company-wide (direct operations only)

Quantitative metric

Reduction in total water withdrawals

Year target was set

2022

Base year

2021

Base year figure

4.72

Target year

2030

Target year figure

4.25

Reporting year figure

4.3

% of target achieved relative to base year

89.3617021277

Target status in reporting year

Underway

Please explain

Kumho Tire set a water withdrawal intensity reduction target and disclosed it in its Sustainability Report.

The goal is to reduce our water withdrawal intensity by 10% by 2030, with 2021 as the base year. We have already reduced it by 8.8% as of 2022.

We plan to take various steps toward reducing our total water withdrawal volume in the coming years.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

Yes

W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	Water usage, recycling, reuse, consumption figures and goals, etc	AA1000AS	Our 2022 data were verified by the Korea Management Registrar Inc. in accordance with sustainability reporting standards, ISAE 3000 / AA1000AS. The third-party assurance statement is contained in our Sustainability Report.
W8 Targets	Water usage, recycling, reuse,	AA1000AS	Our 2022 data were verified by the Korea Management Registrar Inc. in accordance with

	consumption figures and goals, etc		sustainability reporting standards, ISAE 3000 / AA1000AS. The third-party assurance statement is contained in our Sustainability Report.
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W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

	Plastics mapping	Please explain
Row 1	Not mapped – but we plan to within the next two years	we plan to within the next two years

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

	Impact assessment	Please explain
Row 1	Not assessed – but we plan to within the next two years	we plan to within the next two years

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Please explain
Row 1	Not assessed – but we plan to within the next two years	we plan to within the next two years

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

	Targets in place	Please explain
Row 1	No – but we plan to within the next two years	we plan to within the next two years

W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	No	

Production of durable plastic components	No	
Production / commercialization of durable plastic goods (including mixed materials)	No	
Production / commercialization of plastic packaging	No	
Production of goods packaged in plastics	No	
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	No	

W11. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

- p16. Improving water withdrawals intensity(compared to 2021)
- p37. Water Resource Risk Analysis
- p38. Water Resource Management System

 2023 Kumho Tire Sustainability Report.pdf

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	CEO	Chief Executive Officer (CEO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Yes, CDP may share our Main User contact details with the Pacific Institute

Please confirm below

I have read and accept the applicable Terms