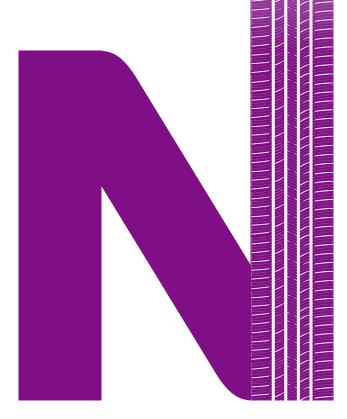
# 2024/25 NEXEN TIRE Sustainability Report



WE: reBORN

#### **Cautionary Statement regarding** forward-looking statement

This report may contain forward-looking statements that refer not only to current or historical facts but also to future expectations. Such statements typically include terms such as "plan," "expect," "intend," "anticipate," "forecast," "target," or "strategy." In particular, they may relate to NEXEN TIRE's business strategies, environmental goals—including greenhouse gas emissions and energy consumption—and external ESG commitments and operational strategies. Examples of forward-looking statements may include expectations regarding NEXEN TIRE's financial condition, operating results, and business performance. These statements are based on current expectations and assumptions. However, they are subject to significant internal and external risks and uncertainties, including natural disasters, changes in economic conditions, regulatory developments, and market fluctuations—factors beyond the control of NEXEN TIRE. These statements are intended to help stakeholders understand the company's approach, strategies, and initiatives across key ESG areas, as well as the anticipated operating environment. They may not be suitable for other purposes, such as investment decision-making. Accordingly, investors are advised not to place undue reliance on these forward-looking statements. Unless required by law or regulation, NEXEN TIRE undertakes no obligation to update any forward-looking statements in light of new information, future events, or other outcomes.

Responsible Department: NEXEN TIRE ESG Team E-mail: sustainability@nexentire.com Date of Publication: May 30, 2025



NEXEN TIRE supports the Ten Principles of the United Nations Global Compact and is committed to upholding these principles across all areas of its business operations as it strives to become a global leader in sustainability management.

# **About this Report**

#### **Report Overview**

NEXEN TIRE publishes its Sustainability Report annually to share the company's performance in the areas of environment, social, governance, and overall sustainability management to its stakeholders. This marks the sixth Sustainability Report since the first edition was released in 2020. The report presents NEXEN TIRE's efforts to analyze the interconnection between ESG issues and its business activities, identify related risks and opportunities, and establish effective response strategies. NEXEN TIRE will continue to enhance its mid- to long-term strategies and goals for sustainability management and strive to grow together with its stakeholders through transparent communication.

#### **Reporting Period**

This report covers the period from January 1 to December 31, 2024. Some performance data also includes information from the first half of 2025. For quantitative data, figures from 2022 to 2024 are provided to allow readers to identify relevant trends over a three-year period.

#### **Reporting Standards**

This report was prepared in accordance with the GRI (Global Reporting Initiative) Standards 2021, a global standard for sustainability reporting. It also refers to ISO 26000, the Ten Principles of the UN Global Compact, the <IR> Framework, SASB (Sustainability Accounting Standards Board) disclosure standards, ESRS (European Sustainability Reporting Standards), ISSB (International Sustainability Standards Board), and the TCFD (Task Force on Climate-related Financial Disclosures) recommendations. Unless otherwise noted, financial data is presented based on the consolidated financial statements under Korean International Financial Reporting Standards (K-IFRS).

#### **Report Assurance**

To enhance the internal and external credibility of this report, NEXEN TIRE commissioned the British Standards Institution (BSI), an independent third-party assurance provider. BSI verified the report preparation process, the standards and methodologies used for data calculation, and the reliability and fairness of the disclosed data. The assurance statement can be found in Appendix P.131 of this report.

#### Reporting Scope

The scope of this report is as follows:

In cases where there are physical limitations in collecting data from overseas subsidiaries and business sites, reporting boundaries are noted in footnotes under each relevant data section.

	Manufacturing Sites			R&D C	enters	
NEXENTIRE Corporation (Yangsan Plant, Changnyeong Plant)	Qingdao NEXEN TIRE Corporation (Qingdao Plant)	NEXEN TIRE Europe s.r.o. (Europe Plant)	Magok R&D Center (The NEXEN univerCITY, Korea)	NATC (USA)	NCTC (China)	NETC (Europe)

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# **BUSINESS OVERVIEW**

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# **CEO Message**

#### Dear Valued Stakeholders,

It is my pleasure to present to you the sixth edition of NEXEN TIRE's Sustainability Report.

I would like to express my sincere gratitude to all our stakeholders shareholders, customers, employees, suppliers, and local communities—for your continued trust and support.

In 2024, NEXEN TIRE faced significant challenges amid geopolitical tensions and economic uncertainties. Despite these headwinds, we remained steadfast in our efforts and achieved record-high sales by expanding customer touchpoints in the global market through bold execution and growth initiatives. Driven by our commitment to delivering premium products to more customers and enhancing our brand value, we achieved several meaningful milestones:

- Strengthened EV partnerships with global OEMs
- Selected as an excellent company in product quality competitiveness for four consecutive years
- Awarded the Gold rating by global ESG rating agency EcoVadis



- Named tire manufacturer champion in the Superrace series for two consecutive years
- Supplied OE tires for Level 4 autonomous robotaxis

The automotive industry is undergoing rapid transformation in pursuit of carbon neutrality. Today, key trends such as electrification, digital and Al-driven technologies, and sustainability are redefining the industry paradigm. Vehicles are evolving beyond mere transportation tools to embody both technological innovation and sustainable value. To meet the demands of our time and secure longterm growth momentum, companies must continuously rise to the challenge by implementing sustainability management practices and fulfilling their environmental and social responsibilities across the value chain.

In 2025, we anticipate continued challenges stemming from tightening regulations, growing protectionism, and rising tariff barriers surrounding the automotive industry. Nevertheless, NEXEN TIRE will remain resilient amid these external uncertainties and stay committed to achieving sustainable growth.

To this end, we pledge that NEXEN TIRE will continue to pursue the following three key efforts for our stakeholders.

### First, we will secure growth engines to advance as a sustainable company.

We will strengthen our core business competitiveness by enhancing production capacity and key technologies to expand our market share, thereby solidifying the foundation for sustainable growth. In addition, we will explore future growth drivers by continuously investing in new businesses and product development aligned with future mobility trends, while further enhancing our technological capabilities.

### Second, we will reinforce our risk management capabilities by embedding ESG management into our operations.

ESG regulations—including mandatory disclosures, supply chain due diligence, and climate-related reporting—are tightening, especially in the United States and Europe. In response, we will enhance stakeholder engagement for ESG risk management and link our ESG risk management strategies with our overall business strategy through IRO (Impact, Risk, and Opportunity) analysis of material ESG issues relevant to NEXEN TIRE.

### Third, we will expand company-wide management strategies such as building sustainable business sites—to proactively respond to the climate crisis.

NEXEN TIRE recognizes achieving carbon neutrality by 2045 as a top priority among its company-wide ESG goals, establishing and implementing key initiatives. To that end, we are in the process of joining the Science Based Targets initiative (SBTi) and developing specific greenhouse gas (GHG) reduction strategies. We aim to reduce GHG emissions across the entire product manufacturing process.

In particular, this year's Sustainability Report incorporates a LEAP analysis aligned with the Taskforce on Nature-related Financial Disclosures (TNFD). Based on this, NEXEN TIRE is working to establish company-wide strategies for biodiversity conservation and forest protection. Beyond operating low-emission manufacturing sites, we are committed to fulfilling our social and environmental responsibilities by expanding the use of sustainable raw materials and advancing product and technology development. We also plan to broaden the scope of management and accountability across the entire value chain to achieve comprehensive greenhouse gas (GHG) emission reductions.

In 2025, all employees of NEXEN TIRE will reaffirm our identity— "Moving Forward for Our Next Century"—and do their utmost to shape a more sustainable future.

We sincerely ask for your continued interest and support. Thank you.

**Hyeon Suk Kim** 

CEO, NEXEN TIRE Corporation

# **Company Overview**

### **Management Philosophy**

Since its founding in 1942, NEXEN TIRE has grown into a global tire company, redefining the future of mobility through innovative technology and leading the era of sustainable mobility. Guided by our 2025 management theme, WE: reBorn, we continue to pursue challenges and growth, aiming to enhance our brand value in the global market and deliver the highest value to our customers.



### **NEXEN UNIVERSE**

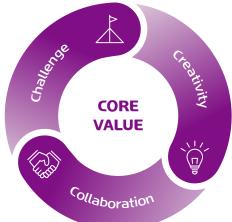
#### MISSION

Creating value for tomorrow, every step of the way

#### VISION

Next Level Mobility for All

Achieving outstanding results through our passion and confidence to take on bold challenges and never be afraid of failure



Never settling with the present, imaging new and original ideas, steering for change, and preparing for the future



**Humanity Principle:** 

**Action Principle:** 

**Employee Principle:** 

**Product Principle:** 

Boosting collaborations between people and between organizations with a positive attitude to deliver the best results

Cooperation:

Code of Conduct We aim to benefit humanity and contribute to the betterment of the world. We constantly explore, collaborate, and strive for a We take pride in our competitiveness and ability to benefit the world by enhancing people's life.

We build trust in our products through our leading

technological innovation that puts life first.

Entrepreneurship (Strongly in our own way) We make it happen even if others Perseverance: (Firm with confidence) We are determined to create a better Center: (Upright for the benefit of all) We can bring change with the Sincerity: sincerity of hard work. (Cherishing each other) We pursue long-term mutual growth

rather than short-term profit.

# **Company Overview**

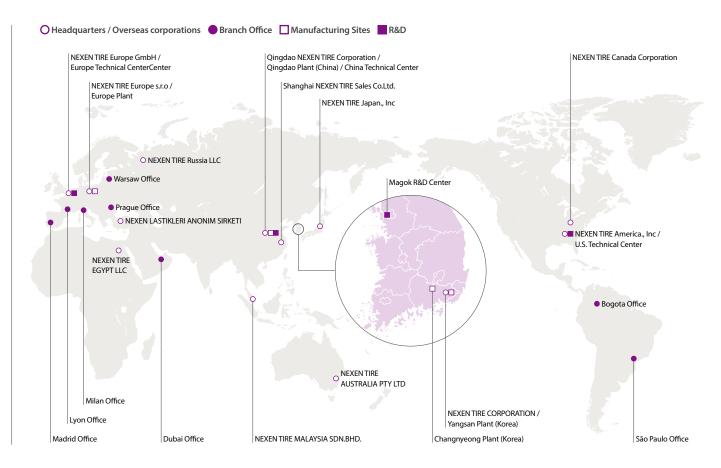
### **Global Network**

#### **Global Market Outlook**

In 2024, NEXEN TIRE achieved total sales of KRW 2.8479 trillion. We have established a foundation for sustainable growth by strengthening production capabilities and expanding our presence in global markets. Profitability has also improved through an increased share of premium product sales and enhancements in cost structure. Looking ahead to 2025, we anticipate growing demand for EV-exclusive tires and products incorporating sustainable materials, driven by the expansion of the electric vehicle market and the global shift toward sustainable mobility. NEXEN TIRE will continue to strengthen partnerships with leading global OEMs to further reinforce its market competitiveness.

#### **Global Sales Network**

With its headquarters in Korea, NEXEN TIRE has built a global sales network across China, the United States, Europe, Southeast Asia, and other key regions, delivering reliable and high-quality products to customers worldwide. In 2024, we completed the expansion of our European manufacturing facility, significantly enhancing production capacity. Leveraging advanced manufacturing processes and strong quality competitiveness, we have solidified our position in the global market. At the same time, we are expanding our global marketing efforts to maximize brand value and increasing OE (original equipment) tire supply targeting the global electric vehicle market, thereby securing differentiated competitiveness in the future mobility market.



Headquarters	Overseas corporations		
	Shanghai NEXEN TIRE Sales Co., Ltd. (China Sales Corporation – Shanghai)	NEXEN TIRE Europe s.r.o. (Europe Corporation – Czech Republic)	
	Qingdao NEXEN TIRE Corporation (Qingdao Corporation)	NEXEN TIRE MALAYSIA SDN. BHD. (Malaysia Sales Corporation)	
NEXEN TIRE CORPORATION	NEXENTIRE America, Inc. (U.S. Sales Corporation)	NEXEN LASTIKLERI ANONIM SIRKETI (Türkiye Sales Corporation)	
NEXEN TIRE CORPORATION	NEXENTIRE Europe GmbH (Germany Sales Corporation)	NEXEN TIRE AUSTRALIA PTY LTD (Australia Sales Corporation)	
	NEXENTIRE Russia LLC (Russia Sales Corporation)	NEXEN TIRE Canada Corporation (Canada Sales Corporation)	
	NEXENTIRE Japan, Inc. (Japan Sales Corporation)	NEXEN TIRE EGYPT LLC (Egypt Sales Corporation)	

Branch Offices	
Bogota Office	Warsaw Office
São Paulo Office	Prague Office
Dubai Office	
Milan Office	
Lyon Office	
Madrid Office	

Manufacturing Sites	
Yangsan Plant (Korea)	Qingdao Plant (China)
Changnyeong Plant (Korea)	Europe Plant
R&D	
Magok R&D Center	Europe Technical Center
China Technical Center	U.S. Technical Center

<sup>\*</sup> Please note that the structure and operational status of certain entities may be subject to change. For the most up-to-date information, refer to NEXEN TIRE's periodic annual reports.

### **Business Model**

### **NEXEN TIRE: Delivering Differentiated Brand Value**

NEXEN TIRE's brand slogan, We Got You, reflects our promise to be a trusted partner by ensuring optimal convenience across diverse driving environments. As a leader in innovation in the era of digital convergence, we strive to make every moment of mobility more comfortable and satisfying for our customers. We will continue to deliver the highest quality and service so that more customers around the world can experience the value of NEXEN TIRE's premium products.

#### **EV Tire Technology**

NEXEN TIRE delivers optimal energy efficiency and stable driving performance tailored for electric vehicles by applying advanced design optimization and wear pattern retention technology. In addition, our proprietary 4D durability compound and Noise Reduction System (NRS)\* enhance durability and ride comfort, supporting the transition to a more sustainable mobility environment.

\* NRS: Noise Reduction System







**EV Tire Supply Performance** (Up 7% year-over-year)

560,000 units

Number of EV Tire Models Supplied Domestically

#### **Original Equipment (OE) Tires**

NEXEN TIRE supplies OE tires to a wide range of premium automotive brands, maximizing driving performance, efficiency, and safety through precision research and rigorous testing. By collaborating with global automakers, we have earned recognition for our quality and technological capabilities and continue to lead the development of tires optimized for the future mobility environment.







Number of OE supply models (as of the end of December 2024)  $120_{\text{models}}$ 

\* NEXEN TIRE Product Introduction Page (For detailed product performance and applied technologies, please refer to the product introduction page on the official NEXENTIRE

# we got you

#### **Passenger Car and SUV Tires**

NEXEN TIRE's passenger car tires deliver balanced performance and fuel efficiency optimized for both urban and highway driving. They offer a comfortable driving experience through noise reduction technology and stable handling. Our SUV and crossover tires are engineered for enhanced traction and durability across various road conditions. Their robust structure supports heavy loads, maximizing safety and reliability.



Milecap 2 <sup>E</sup>√



NFERA



N'FERA

#### Winter Tires

NEXEN TIRE's winter tires utilize specialized silica compounds and optimized tread patterns to ensure excellent grip and braking performance on snow and ice. A multi-groove design also provides stability on wet roads, offering safe driving even in harsh winter conditions.



### **Advancing R&D for Sustainable Products**

In response to tightening environmental regulations and rapid changes in the mobility industry, NEXEN TIRE is strategically promoting the development of sustainable products. Through continuous innovation in sustainable technologies, we are conducting research and development to reduce greenhouse gas (GHG) emissions and maximize driving efficiency by offering low rolling resistance, low-noise, and highly durable tires. We are focused on technological innovation to minimize environmental impact and are making ongoing efforts to reduce both GHG emissions and tire wear particles. These efforts reflect our commitment to leading the future of sustainable mobility.

NEXENTIRE has established internal criteria for sustainable products based on performance, materials, and durability. We will continue to refine these criteria in line with evolving technologies and global guidelines.

#### **Definition of Sustainable Products**

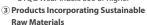
1) Products Designed for Energy Efficiency and Noise Reduction

Tires designed to maximize vehicle range through low rolling resistance and to minimize noise pollution through low-noise engineering.

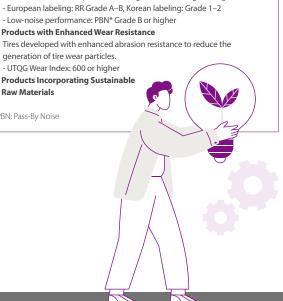
- European labeling: RR Grade A-B, Korean labeling: Grade 1-2
- Low-noise performance: PBN\* Grade B or higher
- 2 Products with Enhanced Wear Resistance

Tires developed with enhanced abrasion resistance to reduce the

generation of tire wear particles.







#### **Efforts to Develop Low-Noise Products**

NEXEN TIRE is applying a predictive system to product development that achieves a 15% improvement in accuracy over existing models through advanced noise reduction technology research. In addition, we have integrated our noise analysis efforts with performance prediction simulation programs, enabling us to reduce vehicle noise levels for major OEMs and secure OE approvals. Based on simulation results, we are further enhancing low-noise design through optimized tread pattern arrangements.



Indoor PBN (Pass-By Noise) Performance Test

#### Efforts to Develop Tires with Enhanced Wear Performance

The European market is preparing new abrasion regulations under EURO 7, based on the UNECE framework. In response, NEXEN TIRE has developed tires with class-leading wear performance by applying silica compounds incorporating high-abrasion-resistant polymers. We also utilize FEM\* analysis to improve abrasion resistance and prevent irregular wear. Since April 2022, NEXEN TIRE has participated as a member of the ETRTO Working Group to support the development of testing methods in preparation for regulatory changes. ETRTO is currently conducting market evaluations to determine regulatory thresholds, and our tires are included in parts of this assessment. In addition, we are actively engaged in UNECE Working Groups such as TATF\*\* and TAPP\*\*\*, contributing to regulatory monitoring and improvement activities for internal application.

#### 2024 Sales Performance of Sustainable Products

NEXEN TIRE is contributing to sustainable mobility by expanding its portfolio of products that deliver both performance and sustainability. In 2024, tires with a European labeling grade of B or higher and a UTQG\* wear index of 600 or higher recorded sales of KRW 950.7billion, accounting for approximately 33% of total revenue.

\* UTQG (Uniform Tire Quality Grading): A tire quality grading system established by the U.S. National Highway Traffic Safety Administration (NHTSA)



<sup>\*</sup> FEM: Finite Element Method

<sup>\*\*</sup> TATF (Tire Abrasion Task Force): Focused on regulatory methods and intergovernmental/

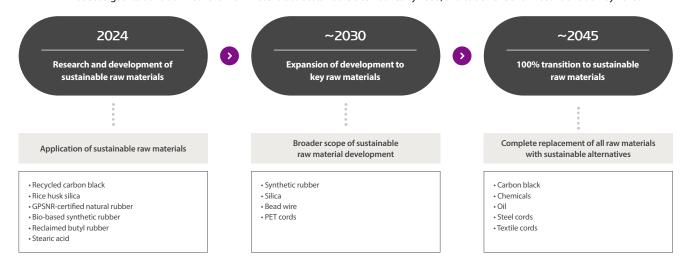
<sup>\*\*\*</sup> TAPP (Tire Abrasion Post Processing): Focused on evaluating regulatory thresholds

# Strengthening R&D for Sustainable Raw Materials

NEXENTIRE is actively developing tires using sustainable raw materials. To this end, we have established internal criteria for sustainable raw materials and apply these standards as key factors in supplier selection. This approach supports the circular economy and strengthens our social responsibility, while also enhancing supply chain stability. As a result, we expect to achieve long-term cost savings and improve our brand value. Going forward, we will continue to gradually increase the proportion of sustainable raw materials used and gradually increase their usage ratio. Through these efforts, NEXEN TIRE aims to reinforce sustainability management practices that contribute positively to resource circulation and the circular economy.

#### **Sustainable Raw Materials Development**

NEXEN TIRE has set a goal to transition 40% of all raw materials to sustainable alternatives by 2030, and to achieve a full 100% transition by 2045.



### 2024 Sustainable Raw Material Development Initiatives

- Conducted risk analysis associated with the development of sustainable raw materials
- Reported resource circulation and circular economy-related risks to the ESG Strategy Committee and established response strategies
- Completed preliminary tire development using up to 70% sustainable raw materials

#### 2024 Performance in Sustainable Raw Materials

Share of Sustainable Raw Materials in Total Raw Material Usage 27%

Recycled/Renewable Materials Identified 10 Categories 23ea

Accelerating Development of Tires Using Sustainable Raw Materials

Technology Developed for 70% Application

of Sustainable Raw Materials



#### What Are Sustainable Raw Materials?

Sustainable raw materials refer to materials that can be used without depleting non-renewable resources or causing environmental degradation, taking into account their impact across the entire lifecycle—from production to disposal—and their environmental, economic, and social implications. They are generally categorized into two types: renewable raw materials, derived from sources that are naturally replenished; and recycled raw materials, produced from recovered inputs extracted from end-of-life products.



# **Advancing R&D for Virtual Tire Development**

To reduce material consumption and waste generated from prototype tire production and disposal, NEXEN TIRE has adopted a Virtual Tire development process. By leveraging tire performance prediction programs and driving simulators, we minimize the need for repeated physical testing. This approach shortens development lead time while enabling optimal performance verification.

#### **Operation of Tire Performance Prediction Simulation Programs**

We have enhanced our tire performance prediction process by integrating evaluation-based formulas into simulations. This enables detailed performance validation prior to production and reduces raw material and energy consumption. Additionally, we aim to further advance our predictive models through continuous learning based on accumulated test data.

Tire Models Developed Using Simulation

 $7_{\text{types}}$ 

Driving Simulator Outcomes
Approximately 25% reduction in total energy usage compared to conventional methods

CEO Message Company Overview Business Model Advancing R&D



### **Virtual Tire Development Roadmap**

#### Before 2024

• Simulation program reliability: 60%



Simulation

- Conducted research and case studies to assess feasibility of adopting a Driving Simulator
- Signed MOU with Korea Expressway Corporation Research Institute

 Simulation program reliability improved to 75%

2024

- First in the domestic automotive industry to adopt a VR-based High Dynamic Driving Simulator
- Designed test facilities for optimized simulator performance
- Introduced energy-efficient HVAC and renewable power systems
- Developed in-house simulator experts

### 2025

 Advancement of simulation programs

 Driving Simulator fully built and pilot-operated

#### Replacing all tests with simulations enabled by commercialized technology

Mid-to-Long-Term Goals

- Replace all physical vehicle tests with the Driving Simulator
- Minimize unnecessary resource consumption
- Reduce tire development costs

#### **Driving Simulator**

NEXEN TIRE's Driving Simulator enables in-lab performance evaluation of tires and vehicles, replicating the functions of a real-world proving ground. By conducting controlled indoor tests, it minimizes the influence of external environmental variables, allowing for more accurate evaluations. We aim to enhance the development applicability of the Driving Simulator through advanced tire-vehicle modeling techniques. This supports the evolution of a simulation-based product performance validation system.



#### Case Study

#### Adoption of a Driving Simulator: Enhancing R&D with VR and Al Technologies

NEXEN TIRE became the first in the domestic tire industry to adopt a high-dynamic driving simulator. By integrating virtual reality (VR) and artificial intelligence (Al) technologies, we are advancing our R&D capabilities. The application of VR and Al allows for reduced reliance on physical testing and proteype production, leading to lower carbon emissions in the development process. This reflects our commitment to technology innovation aligned with sustainability principles.



### **Global R&D Network**

#### **Tire Technology Development System**

To secure sustainable growth drivers, NEXEN TIRE has established a global R&D center network to develop region-specific tire solutions. With R&D hubs located in the United States, China, and Germany, we are well-positioned to respond swiftly to rapidly evolving market dynamics while focusing on the development of high-performance, high-quality products recognized worldwide. In line with emerging mobility trends, we are enhancing the core performance requirements of our tires. Our product development efforts are supported by Al-based tread pattern design and big data-powered wear prediction technologies, placing us at the forefront of future tire innovation. Leveraging our technology roadmap, we continue to reinforce collaboration among our global research teams. Our mid-to-long-term focus areas include electric vehicle (EV) tires, sustainable products, and the development of eco-friendly materials.



#### Mid- to Long-Term Roadmap for Tire Technology Development

Category	Short-Term	Mid-to-Long-Term (Post-2030)
Enhancing Competitiveness in Future Mobility  - Establish clear vision and strategic goals - Develop innovative products based on custome needs		Continuously adapt to evolving R&D trends and market shifts     Lead in tire technology for EVs and autonomous vehicles
Advancing Innovation and Research Efficiency	Build collaboration framework between future strategy team and R&D centers     Begin early-stage adoption of Al-driven design automation	Rapidly translate research outcomes into product development     Operate high-performance anechoic chambers
Integrating Sustainability Management and Strengthening ESG Practices	Incorporate sustainability management principles into corporate management     Initiate greenhouse gas emissions reduction measures	• Expand use of sustainable raw materials • Scale up sustainable production processes
Global Collaboration and Market-Specific Product Development	Strengthen cooperation with R&D centers in the U.S., Germany, and China     Initiate region-specific product development	Enhance global R&D network     Deliver tailored solutions for each regional market
Talent Development and Knowledge Sharing  • Launch R&D Academy • Implement training programs to strengthen technical expertise		Expand internal seminars and training programs     Promote global knowledge exchange and collaboration

#### Case Study

#### Sustainable Office: The NEXEN univerCITY

The NEXEN univerCITY serves as the R&D control tower that oversees technical research centers in the United States, China, and Germany, and acts as a global research and development hub leading the technological innovation of the NEXEN Group. It maximizes research capabilities in product design, Al technology, virtual tire development, and tire-vehicle performance matching. In addition, it implements a sustainable office environment through sustainable design features such as solar power generation, geothermal heating and cooling, and rooftop greenery, putting sustainability management into practice.



### R&D Overview

#### Strengthening R&D Capabilities

NEXEN TIRE operates a structured R&D training and competency development program to strengthen the expertise and technological competitiveness of its research personnel, thereby driving future growth. The curriculum focuses on sharing the latest technological trends and practical know-how across key areas such as tire design, materials, and performance evaluation. Practical seminars based on real-world case studies, expert lectures, and planned training sessions are held regularly throughout the year. NEXEN TIRE is committed to supporting its researchers so they can lead technological innovation and deliver advanced research outcomes.

#### 2024 R&D Training and Seminar Activities

Program Frequency Training Topics		Training Topics
R&D Academy	1 session	<ul> <li>Analysis of tire pattern/design</li> <li>Tire design optimized for EV characteristics</li> <li>Types and characteristics of natural rubber</li> </ul>
Technical Exchange Seminar	3 sessions	Utilization of the Driving Simulator Study on 3D sipe mechanism and performance Analysis of EV OEM tires Trends in virtual development in the automotive industry
Professional Technical Seminar	18 sessions	<ul> <li>Prototype uniformity improvement activities and sharing correlation factor analysis</li> <li>Case studies on quality issues and improvement in current tires</li> <li>Al-based tire development research and reviews from overseas trips, such as to Spain's IDIADA</li> </ul>

#### **Expansion of Sustainable R&D and Patent Applications**

In 2024, NEXEN TIRE filed a total of 27 new intellectual property rights. The company continues to expand R&D investment to support the development of sustainable technologies and products. In 2025, 32% of the total R&D budget will be allocated to securing sustainable technologies. Looking ahead, NEXEN TIRE aims to increase the share of sustainable R&D investment to over 40% by 2035.

# **Mobility and Innovation Technology Investment**

#### **Future Industry Innovation Framework**

To proactively respond to the future mobility market, NEXEN TIRE has established the Future Strategy Team to develop and execute strategic initiatives. The company aims to diversify its business in alignment with changes in the mobility industry, identifying and evaluating investment opportunities across the entire value chain—including sustainable raw materials, manufacturing, distribution, and recycling.

#### Strategic Approach to the Mobility Market

- · Analyze trends in the tire and mobility industries
- · Identify promising future mobility business areas and new
- Develop commercialization strategies for core items
- Assess changes in the mobility ecosystem and define required competencies

#### Strategic Investment Execution for **New Business Development**

- · Identify target companies in each new business segment and assess investment feasibility
- Explore various investment approaches from a strategic investor
- · Conduct business model and feasibility reviews, followed by board approval and disclosure

#### **Next Century Ventures**

Established in March 2021 by NEXEN TIRE, Next Century Ventures is a corporate venture capital (CVC) entity that focuses on innovative technologies and business models within the mobility sector. Aligned with NEXEN TIRE's mission—"Creating value for tomorrow, every step of the way"—Next Century Ventures is committed to identifying and investing in technologies that offer practical value in everyday life. The companies NEXEN TIRE has discovered, invested in, and continues to support are listed below.

#### Investment Portfolio as of 2024

#### ANRA Technologies: Advancing UTM Technology and Expanding Global Partnerships

ANRA Technologies is a startup specializing in Unmanned Aircraft System Traffic Management (UTM) technology. The company is expanding its business through collaborative projects with major aviation authorities such as NASA, the U.S. Federal Aviation Administration (FAA), and the European Union Aviation Safety Agency (EASA), as well as strategic partnerships with firms like Flyby Guys and Matternet. In January 2025, ANRA Technologies signed a collaboration agreement with Future Flight Global to develop a digital backbone for Advanced Air Mobility (AAM). Through this initiative, the company plans to implement pilot projects and advance the development of an integrated ecosystem.

#### May Mobility: Expanding Global Autonomous Public Transit Services

May Mobility is a U.S.-based startup that provides autonomous public transportation and shuttle services, with a mission to support mobility for underserved populations. The company currently operates autonomous shuttle services in eight U.S. states through a partnership with Lyft, and in Nagoya, Japan through collaboration with NTT. In 2025, May Mobility announced a multi-year strategic partnership with Uber to commercialize autonomous vehicle services in the U.S., with operations scheduled to launch in Texas by the end of the year.

#### Automotus: Expanding Al-Based Curbside Traffic Management Solutions

Automotus is a startup offering curbside traffic congestion mitigation and emissions reduction solutions using camera-based Al technology. The company is expanding its presence in major U.S. cities including Boston, Pittsburgh, Lincoln, and Nashville. It is also working with city governments across the U.S. to implement smart loading zones.



2024/25 NEXEN TIRE Sustainability Report 014

# **SUSTAINABILITY VISION**

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# **ESG Management System**

### **ESG Decision-Making Framework**

**ESG Management Governance System** 

NEXEN TIRE implements its corporate social responsibilities and responds strategically to risks based on a sustainability management framework. To this end, the ESG Management Committee, established under the Board of Directors in 2023, plays a central role in establishing a clear and effective decision-making structure. The committee reviews and determines key ESG-related management strategies and policies. In addition, the company is strengthening its ESG implementation system by ensuring close coordination among the Board of Directors, executive leadership, and working-level teams. This integrated implementation framework for ESG management empowers each organizational unit to actively engage in ESG initiatives and continuously expands the integration of ESG principles into business operations

### **Board of Directors ESG Management Committee** Report on implementation outcomes Coordination / **Execution approval ESG Strategy Committee ESG Operational Committee (13 Subcommittees) Environment** Social Governance Management • Human & Labor · Information Security Climate Change Safety and Health BoD Operation Strategy/Support Sustainable Production Supply Chain Management • Ethics Management Product Compliance Green Product Social Contribution Customer Satisfaction

Category	Composition	Frequency	Key Roles and Responsibilities
ESG Management Committee	Two Independent Directors One Executive Director (Chair: Independent Director Kag-Gyu Hwang)	At least 4 times per year	Final decision-making authority on ESG management and related issues     Management of material ESG issues and risks linked to business sustainability
ESG Strategy Committee	• CEO • Chiefs of Business Groups	Once per quarter	Regular review of ESG status and emerging issues     Establishment of response strategies for key material risks     Oversight of ESG implementation progress by task and business group
ESG Operational Committee	Functional Managers     Working-level Staff (One subcommittee chair per business unit)	Once per month	Analyze and share global ESG trends     Identify, implement, and monitor ESG improvement initiatives     Manage ESG data and performance     Develop response strategies for ESG-related risks

<sup>\*</sup> As of the end of December 2024

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# **ESG Management System**

#### **ESG Management Committee Members**

(As of the end of March 2025)

Category	Name	Gender	Position	Area of Expertise	Term
	Hyeon Suk Kim	Male	CEO	General Corporate Management	Mar 28, 2025 – Mar 27, 2028
ESG Management Committee*	Kag-Gyu Hwang**	Male	Independent Director	General Corporate Management	Mar 28, 2025 – Mar 27, 2028
Committee	Yong-Taek Hong	Male	Independent Director	Materials Technology	Mar 28, 2025 – Mar 27, 2028

<sup>\*</sup>The term of the ESG Management Committee is three years.

#### **ESG Management Committee - Agenda Review Summary**

Category	Date	Agenda	Attendance Rate
	Jan 19, 2024	• Report on 2024 ESG key tasks and implementation plan	100%
	Feb 1, 2024	Presentation of 2023/24 ESG Report key content and materiality assessment results	100%
ESG Management Committee	May 9, 2024	Report on renewable energy usage status and review of new facility installation plans at domestic plants     Update on EUDR* progress	100%
	Jul 25, 2024	Mid-year review of ESG management activities and plans for the second half of 2024	100%
	Sep 24, 2024	2025 investment and operating expense plan for ESG management activities	100%

<sup>\*</sup> EUDR: European Union Deforestation-Free Products Regulation

#### **ESG Performance Management**

NEXEN TIRE has established a performance management system to internalize sustainability management and enhance its effectiveness in order to generate corporate value. ESG performance KPIs are defined with a focus on key areas such as environment and occupational health and safety, and are reflected in executive performance evaluations. Moving forward, NEXEN TIRE will continue to identify ESG-related risks and strengthen its organizational performance evaluation framework to fulfill its commitment to responsible ESG management.

### **Raising Awareness of Sustainability Management**

To internalize sustainability management, NEXEN TIRE provides ESG education programs for employees and plans to expand the target audience to include board members and independent directors. The company also distributes a monthly ESG newsletter to raise employee awareness and deepen understanding of the company's ESG strategy. In 2024, a total of 10 issues were published. These initiatives encourage active participation across the organization and strengthen ESG capabilities at all business sites, ultimately contributing to broadening awareness and embedding a culture of sustainability throughout the organization.

#### 2024 ESG Training For Employees

Date	Target Audience	Key Training Topics
Feb 2, 2024	Executives	Latest ESG Regulatory Trends and Response Tasks
Mar 25 – Apr 19, 2024	All employees	[How to ESG] A Committed Journey Toward Sustainability Management
Sep 25, 2024	Person in charge of supply chain	Understanding ESG in the Supply Chain





ESG Newsletter

Supply Chain ESG Training for Employees

<sup>\*\*</sup> Kag-Gyu Hwang serves as Chair of the ESG Management Committee.

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# **ESG Strategic Framework**

NEXEN TIRE has reinterpreted its corporate philosophy, NEXEN UNIVERSE, in the context of sustainability management and established six strategic objectives under its three guiding principles: Challenge, Creativity, and Collaboration. The company remains committed to advancing sustainability management built on stakeholder satisfaction and trust.



#### Six Strategic Objectives of NEXEN TIRE

**Expanding Sustainable** 

**Technology Innovation** 

#### **Advancing Environmental** Management

- Expand renewable energy transition to
- achieve carbon neutrality • Increase the use of recycled and

**Establishing a Sustainable** 

**Supply Chain** 

· Build a system to manage ESG risks in

• Expand win-win cooperation programs

 Raise awareness of sustainability management across the value chain

the supply chain

with suppliers

 Minimize negative environmental impact from plant operations

# sustainable raw materials

- Expand the development of sustainable products and materials Increase product development considering
- Product Carbon Footprint (PCF)
- · Expand AI and smart technology-based product development

### **Reinforcing Compliance and Ethical Management**

- Strengthen the independence and responsibility of the Board of Directors
- · Establish board evaluation and compensation standards
- Foster a transparent corporate culture

#### Strengthening Safety and **Human Rights Management**

- Conduct human rights impact assessments and expand stakeholder coverage
- Support employee capability development and improve organizational culture
- Achieve zero serious workplace accidents

#### **Fulfilling Social Responsibility**

- · Establish a social contribution framework based on the 3H values (Humanity, Happiness, Harmony)
- Operate participatory programs
- · Create social value

#### **Sustainability Management Implementation Plan**

NEXEN TIRE has established a management roadmap based on an integrated control system at all business sites to expand the value of sustainability management throughout its value chain and to enhance its implementation. Through continuous engagement with key stakeholders, the company identifies risks in each business area and develops appropriate countermeasures. It is also committed to progressively advancing the level of implementation. With the goal of fully embedding sustainability management by 2030, NEXEN TIRE has established execution strategies by management topic and will strive to achieve its targets.

	Process Reinforcement (2025–2026)	Strategic Integration (~2027)	ESG Maturity (~2030)
Phase	Strengthening ESG Execution	Expansion within the Value Chain	ESG Internalization & Leadership
Environment	Finalize roadmap for carbon neutrality (consolidated scope) Obtain SBTi approval Revise environmental policies (environmental & biodiversity policies)	Introduce internal carbon pricing system     Establish biodiversity targets     Expand adoption of renewable energy	Manage product lifecycle     Systematize carbon/energy measurement and reduction     Stabilize and expand use of renewable energy     Expand LCA product coverage     Increase use of sustainable ray materials
Social	Revise human rights policy and declaration Update supply chain policies (e.g., supplier code of conduct, natural rubber policy) Provide ESG awareness training for suppliers	Advance human rights impact assessment processes     Expand assessments to overseas operations	Apply human rights impact assessment to supply chain     Advance Al-based smart HSE management system
Governance	Restructure ESG management system (clarify roles/ responsibilities of ESG Operational Committee)     Establish ESG issue resolution cycle (identify → implement → monitor)	Expand ESG KPI application     Introduce Board competency     evaluation system     Develop ESG due diligence     process for investments	Acquire ISO 37001/37301 integrated certification     Advance integrated risk management system

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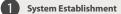
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# **ESG Regulatory Response**

#### **NEXEN TIRE's ESG Regulatory Response Strategy**

In line with the evolving global regulatory trends and increasingly stringent policies, NEXEN TIRE is implementing proactive and flexible response strategies. In particular, the core areas of sustainability management expected by the global community for the tire industry and for NEXEN TIRE include: establishing a phased implementation system for the EUDR, strengthening supply chain risk management, and building disclosure systems aligned with the CSRD directive. NEXEN TIRE has formulated systematic response measures for key regulations and is carrying out corresponding implementation activities. Through these efforts, the company is committed to continuously enhancing its sustainability and strengthening its industry competitiveness.

#### Establishing a Phased Implementation System for the EUDR



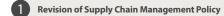
- ✓ Analyzed EUDR provisions and identified key risks
- Designated lead and supporting departments
- Revised internal policies to reflect EUDR requirements
- **S** Established a due diligence execution framework

### Due Diligence Execution

- Conducted on-site audits of suppliers providing raw materials subject to EUDR requirements
- Stakeholder Communication (Planned for 2025)
  - Establish a regular due diligence framework and strengthened information management
  - Reinforce internal reporting structures and reporting frequency
  - Develop a process for monitoring due diligence results and reporting to the board
  - Issue risk mitigation guidance for target suppliers
  - · Implement regular monitoring of supplier risk
  - Publish due diligence reports
  - · Establish reporting through information systems



#### **Establishing a Supply Chain Risk Management System**



- · Aligned policies with global standards
- Strengthened risk management through training and external collaboration



• Improved scores in ethics and sustainable procurement compared to 2023



- Bnhanced Human Rights Impact Assessment
  - · Added three additional indicators year-over-year
  - Identified three major human rights issues: Declaration of Human Rights Respect, Responsible Supply Chain Management, and Protection of Emotional Laborer
- 4 Expanded Supplier ESG Assessment (Biannual Renewal)
  - Improved supplier grades and scores for those assessed in two consecutive years

#### **CSRD Compliance Measures**

The Corporate Sustainability Reporting Directive (CSRD) is a regulation that mandates large enterprises and select SMEs operating in the EU to disclose non-financial information related to environmental and social impacts.



#### Strengthening ESG Management System Responsibilities

- Clear Integration of Risk Management in ESG Policies
  - Revised key environmental and social ESG policies
  - Clarified company-wide roles and responsibilities (R&R) for ESG risk management
- Report double materiality assessment results to the Board of Directors and final decisions made at the board level

### Expansion of ESG Data Governance to European Entities



Data management framework established based on domestic ESRS disclosure standards ESG Management System ESG Strategic Framework ESG Regulatory Response Key ESG Achievements Value Creation Performance Double Materiality Assessment Management Approach by Material Issue Stakeholder Engagement

# **Key ESG Achievements**

#### **Financial Performance**

In 2024, NEXEN TIRE achieved total revenue of KRW 2.8479 trillion. The company successfully completed the second-phase expansion of its European manufacturing sites and will continue to drive growth by increasing market share in Europe and expanding the proportion of high-inch products. In addition, NEXEN TIRE is actively responding to the EV market by launching dedicated products and increasing the share of EV-related supply volume. Lastly, by strengthening R&D capabilities using virtual reality (VR) and artificial intelligence (AI), the company aims to improve product efficiency and productivity, thereby expanding sales and enhancing business competitiveness.



Total Revenue (Consolidated Basis)		Gross Profit	R&D Investment.	Tire Production Capacity (as disclosed in the annual report)
KI	RW 2.8 trillion	KRW 792.9 billion	KRW 87.2 billion	47.15 million units
Total Sales Volume	High-Inch Sales Ratio (18 inches and above)	OE Supply Models	OE BEV Supply Record	OE BEV Sales Volume
42.0 million units	26%	120 <sub>models</sub>	25 <sub>models</sub>	560,000 units

#### **Non-Financial Performance**

In addition to its financial performance, NEXEN TIRE is committed to creating value across environmental, social, and governance (ESG) domains. Since joining the UN Global Compact in 2023, the company has established and operated an ESG Management Committee within the Board of Directors to promote sustainability management through strategic decision-making at the executive level. NEXEN TIRE has also achieved improved ESG ratings from external evaluation agencies and shares the results with stakeholders. In response to ongoing global concerns regarding human rights risks, the company has conducted a human rights impact assessment, underscoring its firm commitment to human rights management.

Achieved EcoVaids Gold Medal	CDP Climate Change	Rated B	MSCI ESG Rating (2024)	Percentage of sustainable raw materials used
GOLD	CDP Water Security	Rated B	$BB_{grade}$	27%
Revenue from Renewable sustainable products energy transit as a percentage of total sales	on Security (	Information Certification	Global Customer Satisfaction Index (GCSI) – Tire Sector	Completion of human rights impact assessments (domestic scope)
33%	26	ertification ess sites in total)	(For 15 consecutive years)  Ranked No. 1	100%

NEXEN TIRE secures sustainable raw and sub-materials.

The company is expanding the application of sustainable

materials based on its Sustainable Procurement

Policy and Natural Rubber Policy.

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### Value Creation Performance

#### **NEXENTIRE'S VALUE CREATION ACTIVITIES OUTPUT**

#### Financial Capital

- Total assets: KRW 4.5745 trillion (consolidated)
- · Korea Investors Service (KIS) Credit Rating: A
- NICE Credit Rating: A

#### **Manufactured Capital**

· Cost of sales: KRW 2.055 trillion (consolidated)

#### **Human Resources**

- Number of employees: 7,340
- Welfare program expenditure: KRW 5.36 billion
- Employee training expenditure: KRW 1.17 billion

#### Intellectual Capital

- R&D investment: KRW 87.2 billion
- Number of R&D personnel: 453

#### Social and Relationship Capital

- · Number of suppliers trained on ESG: 30
- Number of suppliers evaluated for ESG performance: 97
- · Employee donations to social contribution programs: KRW 3.4 million
- Total employee volunteer hours: 2,856 hours

#### **Natural Capital**

- Total energy consumption: 5,935.9 TJ
- Total water withdrawal and usage: 2,024,414 m<sup>3</sup>

#### Research and Development

NEXEN TIRE is driving innovation in carbon-reducing and high-efficiency tires by The company continues to conduct R&D on sustainable products to reduce environmental impact across the tire lifecycle.

#### Manufacturing

By optimizing production processes, the company reduces greenhouse gas emissions and establishes a sustainable manufacturing system through the operation of smart factories and maximization of resource efficiency.

#### Recycling and Disposal

To advance the circular economy, the company is researching technologies for recycling waste tires and implementing a sustainable disposal system to minimize the environmental impact of tires.

### **Financial Capital**

- Operating profit: KRW 172.1 billion (consolidated)
- Net profit: KRW 126.7 billion (consolidated)
- Cash dividends in 2024: KRW 13.4 billion
- Debt ratio: 144.41%

#### **Manufactured Capital**

- Revenue: KRW 2.8479 trillion (consolidated)
- · Annual tire production
- Korea: 27.13 million units
- (Yangsan and Changnyeong Manufacturing Sites)
- Overseas: 17.07 million units (Europe and Qingdao Manufacturing Sites)

#### **Human Resources**

- Executive directors: 3
- Independent directors: 5 (as of Mar 31, 2025)
- Average years of service: 10.6 years
- Female employee ratio: 12.2%
- Selected as a certified workplace for health promotion

#### Intellectual Capital

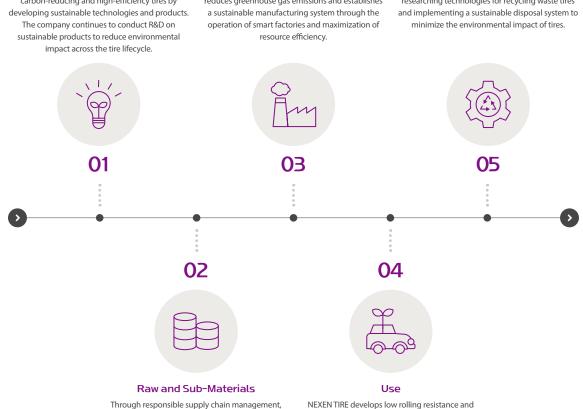
- Status of intellectual property
- Number of patents held: 35 (registered)

#### **Social and Relationship Capital**

• Raw material supplier transaction volume: KRW 1.1407 trillion

#### **Natural Capital**

- Investment in energy-saving facilities (Korea): KRW 1.08 billion
- Recycled waste: 9,356 tons (manufacturing sites)
- Total GHG emissions (Scope 1 & 2): 362,361 tCO₂eq
- Total energy saved: 1,863,127 kWh (electricity), 95,004 m3(LNG), 7,784kg(LPG)



electric vehicles-specific tires to enhance fuel

efficiency and reduce greenhouse gas emissions,

prioritizing customer safety and

driving performance.

· Legal/regulatory requirement analysis

• ESG rating agency indicators

Human rights impact assessments

overarching topics that reflect the company's

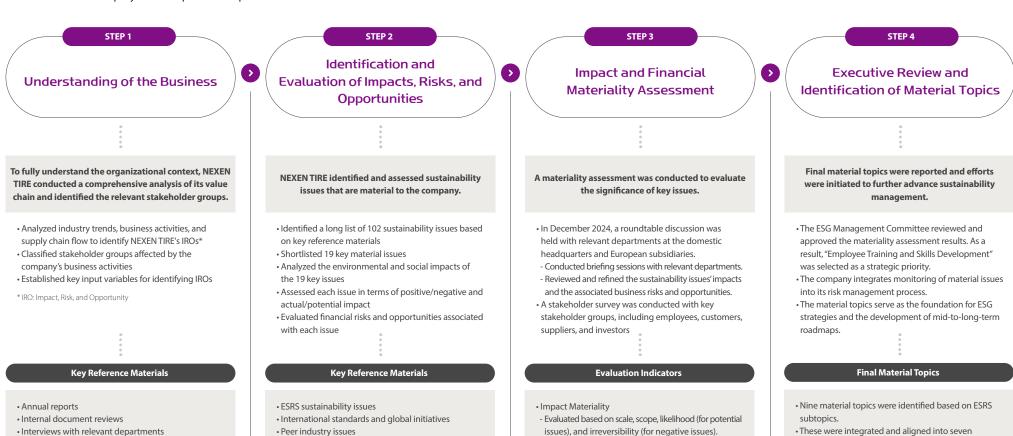
strategic direction.

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# **Double Materiality Assessment**

### **Double Materiality Assessment Process**

NEXEN TIRE conducts a materiality assessment to identify key sustainability issues and reflect them in its ESG strategy and major decision-making processes. In 2024, we carried out a double materiality assessment based on the implementation guidelines presented by the European Financial Reporting Advisory Group (EFRAG). The double materiality assessment is a process that identifies and prioritizes a company's sustainability issues by analyzing them from two perspectives: impact and financial risks and opportunities. It comprehensively considers both the impact of the company's business activities on external stakeholders (social/environmental impact) and the impact of the external environment on the company's financial position and performance.



Financial Materiality

- Evaluated based on potential scale and likelihood

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# **Double Materiality Assessment**

### **Materiality Assessment Results**

In addition to the existing stakeholder survey, NEXEN TIRE conducted a materiality assessment that incorporates international standards and key ESG rating agency indicators. Compared to the previous year, four new material topics were identified: Occupational Health and Safety, Customer Satisfaction and Quality Management, Natural Capital Management, and Human Resource Management. Occupational Health and Safety and Customer Satisfaction and Quality Management were selected as material issues due to the growing importance of worker safety and product quality in terms of stakeholder impact. Natural Capital Management was newly identified in light of increasing exposure to financial risks driven by the strengthening of global forest protection regulations such as the EU Deforestation Regulation (EUDR). Human Resource Management was also identified as a new material topic, reflecting the rising strategic importance of securing core talent and enhancing technical capabilities.

#### Assessment Results

Financial Materiality  E Environmental Issue	Climate Change Mitigation
S Social Issue G Governance Issue	
Supply Chain Management (ESG Management System)	Forest Protection Climate Change Adaptation
(Consumers and End-Users) (Quality) Health and Safety	Waste (Employees) Health and Safety
0	tempoyees recurring surely
(Employees) Training and skills development	Resource Outflows Related to Products and Services
C	(Suppliers) Health and Safety
	Impact Materiality

Rank	Area	ESRS Issues	Sustainability Report Issues	Change in Ranking from 2023	Relevant Page
1	<b>E</b>	Climate Change Adaptation Climate Change Mitigation	Climate Change Response	Selected for 2 consecutive years (Rank 1 → 1)	30p
2	<b>(3</b> )	Resource Outflows Related to Products and Services Waste	Resource Use and Circular Economy	Selected for 2 consecutive years (Rank $2 \rightarrow 2$ )	35p
3	S G	(Suppliers) Health and Safety Supply Chain Management (ESG Management System)	Sustainable Supply Chain	Selected for 2 consecutive years (Rank $3 \rightarrow 3$ )	46p
4	S	(Employees) Health and Safety	Occupational Health and Safety	Newly identified	51p
5	<b>(3</b> )	Forest Protection	Natural Capital Management	Newly identified	39p
6	S	(Consumers and End-Users) (Quality) Health and Safety	Customer Satisfaction and Quality Management	Newly identified	64p
7	S	(Employees) Training and skills development*	Human Resource Management	Newly identified	58p

<sup>\*</sup> After review and decision by the management, "Employee Training and Skill Development" was also added to material issue.

• Promoted EUDR-compliant contract

agreements with natural rubber suppliers

• Launched an EUDR response task force (TFT)

Conduct on-site audits of EUDR suppliers

• Establish a dedicated EUDR compliance

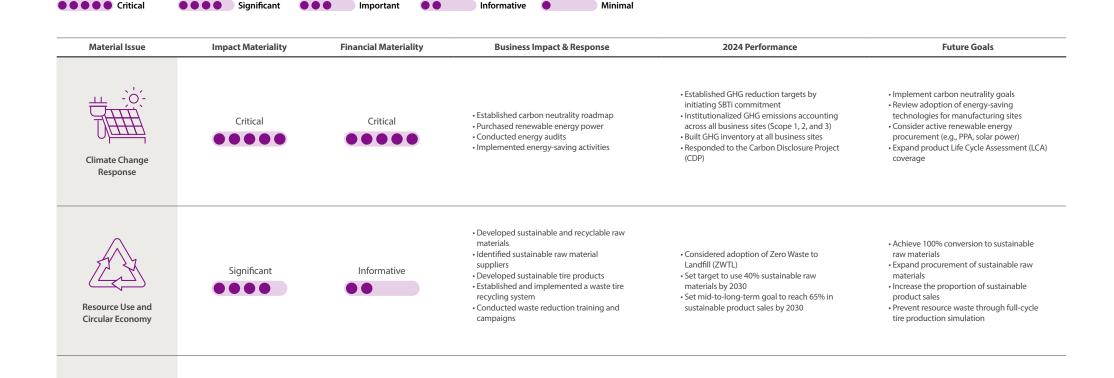
system for natural rubber

• Establish a traceability and audit reporting

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# Management Approach by Material Issue



· Prohibited deforestation in raw material

· Operated a supply chain management

platform to comply with EUDR regulations

procurement

- \* Critical: Greater than or equal to the mean + 1.5 × standard deviation
- \* Significant: Greater than or equal to the mean + 1.0  $\times$  standard deviation

Informative

Important

- \* Important: Greater than or equal to the mean + 0.5 × standard deviation
- \* Informative: Greater than or equal to the mean 0.5 × standard deviation
- \* Minimal: Less than the mean  $-0.5 \times$  standard deviation

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# Management Approach by Material Issue

Material Issue	Impact Materiality	Financial Materiality	Business Impact & Response	2024 Performance	Future Goals
Sustainable Supply Chain	Important  • • •	Significant  • • • •	Conducted Supplier ESG assessment (self-assessments and on-site audits) Provided ESG training and support for suppliers Operated technical exchange programs with suppliers Managed supplier oversight organizations Performed workplace safety inspections at supplier sites	Expanded Supplier ESG assessment framework and evaluation coverage     Updated procurement policies based on ESG assessment outcomes	<ul> <li>Disclose supplier risk audit data</li> <li>Publicly report supplier traceability</li> </ul>
Occupational Health and Safety	Significant  • • • •	Informative  • •	Expanded communication channels for health and safety     Strengthened safety and health education at worksites     Reinforced risk assessment activities     Conducted regular inspections of hazardous and high-risk equipment     Enhanced response to government regulations such as the Serious Accidents Punishment Act	Conducted autonomous, site-linked risk assessments Standardized Occupational Health and Safety Management System at all business sites Institutionalized three core safetyactivities: standard work procedures, identification of potential hazards, and safety training	Advance global SHE integrated system operations Enhance training systems and expand infrastructure to improve training effectiveness Diversify accident prevention and occupational illness prevention programs
Customer Satisfaction and Quality Management	Minimal	Important  • • •	Operated product warranty services and resolved customer claims Developed original equipment (OE) tires for new vehicles	• Established plans for providing consumer safety-related information	Conduct customer satisfaction surveys after tire installation and operate a rating system based on responses     Launch a dealership tier system (PP, Premium Purple) to enhance customer satisfaction     Introduce a premium dealership certification program to improve satisfaction among customers and distributors (scheduled for launch in the second half of 2025)
Human Resource Management	Minimal	Informative  • •	Operated the R&D Center Applied virtual reality technologies to product development Pursued industry-academia collaboration	Improved the NEXEN Learning     Academy system     Introduced new Al-based learning     programs	Strengthen organizational management through employee satisfaction surveys     Enhance talent development programs to support career mobility and growth opportunities

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# Stakeholder Engagement

NEXEN TIRE identifies seven key stakeholder groups based on a comprehensive value chain analysis that reflects the unique characteristics of the tire industry, the company's business strategies, and the nature of its business relationships. The company operates a range of communication channels tailored to each group's specific interests and expectations. These channels serve not only to identify relevant ESG issues but also to encourage direct stakeholder participation in the development of ESG strategies. The ESG Team at NEXEN TIRE conducts an annual double materiality assessment and reports the results to senior management. These findings are used to inform the company's business strategies and activities. Progress on these initiatives, including the degree of implementation, is disclosed transparently through the company's sustainability report.

Employees	General Consumers	OEM Customers (Carmakers)	Local Communities / Media	Suppliers	Shareholders and Investors	Government Agencies and NGO
Employees of NEXEN TIRE are core assets who play a critical role in value creation and directly influence the company's operations and performance.	General consumers are end users who purchase and use NEXEN TIRE products and services. They offer valuable feedback based on their experience, contributing to enhanced market competitiveness.	OEM customers are corporate clients that directly source NEXEN TIRE products. The company maintains long-term business relationships with these customers and works to ensure the supply of sustainable, high-performance tires while strengthening collaborative initiatives.	Local communities and media are stakeholders that are directly or indirectly affected by the company's operations. NEXEN TIRE actively engages with these groups to fulfill its role in sustainable development and corporate social responsibility.	Suppliers are key business suppliers within NEXEN TIRE's value chain, playing a crucial role in the production process and the quality of products and services. They are essential stakeholders in ESG-focused supply chain management.	Shareholders and investors are stakeholders who hold equity in NEXENTIRE and have an interest in both the company's financial and non-financial performance.	Government bodies and NGOs are stakeholders responsible for establishing and enforcing regulatory and sustainability-related policies, and may hold the company accountable to public responsibilities.
Labor-Management Council (quarterly) Labor-Management Roundtable Meetings (quarterly) Organizational Culture Diagnosis (annually) Internal proposal system (NDEA) (ongoing)	Official website and social media (Instagram, YouTube, KakaoTalk) Customer Service Center (phone, email, 1:1 consultations) Customer satisfaction surveys	Domestic and overseas exhibitions and fairs     Participation in global initiatives     Regular meetings	Community welfare councils (ongoing)     Social contribution activities (ongoing)	• ESG management communication channel for suppliers (ongoing)	General Shareholders' Meeting (annually) Investor Relations (IR) Conferences Corporate Day / IR Meetings (ongoing)	Policy roundtables (ongoing) Conferences and business forums (ongoing) Participation in national projects (ongoing)
Organizational culture Employee welfare Labor-management relations Fair compensation Strengthening Capabilities	Climate crisis response Customer satisfaction Quality management Information security Ethical management	Climate crisis response Advancement of future mobility technologies Supply chain management Enhanced customer satisfaction Quality management	Sustainable operations     Occupational health and safety     Social contribution     Local employment     Regional economic contribution	Mutual growth management     Supply chain risk management     Occupational health and safety     Fair trade	Transparent governance Risk management Ethical and compliant management Financial and non-financial performance	Regulatory and policy compliance     Job creation     Industry trends and performance

#### **Reflection in Business Activities**

Identification of Material Issues



Strategy Development



Report to the ESG Management Committee



Integrated materiality assessment results into the risk management process at all business sites

Established mid- to longterm response strategies based on prioritized areas Aligned with overall business strategies and models

Incorporated stakeholder opinions into strategic decision-making



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# **Environmental Management System**

#### Governance

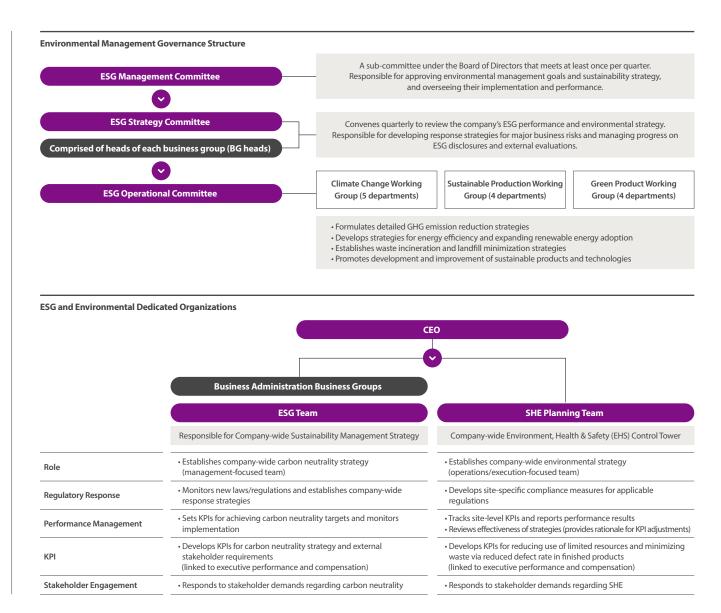
#### **Integrated Environmental Management Governance**

NEXEN TIRE recognizes that environmental management—centered on climate strategy—is a core area of corporate management directly linked to business sustainability and financial performance. The ESG Management Committee under the Board of Directors approves the company's environmental management strategies and targets, and oversees all related activities. The ESG Strategy Committee conducts quarterly reviews of ESG performance and environmental strategies. It also assesses major management risk response strategies and ESG disclosure issues, providing oversight on execution directions.

Based on decisions from these bodies, the ESG Operational Committee—a working-level consultative body—formulates and implements detailed strategies to achieve environmental goals. This includes addressing climate change, waste management, pollution reduction, and biodiversity protection. Through these initiatives, NEXEN TIRE continues to strengthen its environmental management system.

#### **ESG and Environmental Management Organizations**

The CEO of NEXEN TIRE serves as the Chief Sustainability Officer, holding overall responsibility and authority for implementing the company's environmental strategy and related investments. The SHE Planning Team under the CEO and the ESG Team under the Business Group (BG) for Management Strategy share responsibility for executing company-wide environmental management operations. The ESG Team oversees sustainability strategy development and supports execution by monitoring global trends on key issues like carbon neutrality and setting company-wide mid- to long-term goals and detailed guidance. As the company-wide environmental management control tower, the SHE Planning Team oversees the implementation of site-level environmental policies, identifies and mitigates environmental risks, and promotes company-wide initiatives. The two teams hold regular meetings to review strategies and execution, ensuring effective responses.



# **Environmental Management System**

### Strategy

#### **Environmental Management Policy**

To advance environmental management, NEXEN TIRE complies with its Environmental Management Policy, which encompasses all major environmental areas including GHG and energy management, water resource management, pollutant control, and resource circulation. The company has also established and implemented a Biodiversity Policy to protect ecosystems and forests, as well as a Sustainable Product Policy to promote resource circulation.

#### Mid- to Long-Term Environmental Management Roadmap

NEXEN TIRE has set short-term targets for 2025 to address key areas such as climate change response, resource use and circular economy, natural capital management, and pollutant control. Based on these goals, the company systematically manages its mid- to long-term objectives and performance across all environmental domains.

#### **Environmental Management Performance and Mid- to Long-Term Roadmap**

Category	2024 Performance	2025 Target	Mid- to Long-Term Target
Climate Change Response	Established carbon neutrality roadmap     Achieved approx. 26% renewable energy conversion     Conducted compressed air and steam leakage repairs using FEMS system     Reduced energy consumption by replacing outdated equipment	Obtain SBTi validation Establish implementation plan for carbon neutrality Improve inverter efficiency Insulate heat-radiating equipment Conduct full product Life Cycle Assessment (LCA)	Expand use of renewable energy     Achieve carbon neutrality
Resource Use and Circular Economy	Developed tire prototype using 70% sustainable raw materials     For domestic manufacturing sites (Yangsan, Changnyeong), set and managed waste recycling target to exceed national resource circulation target by 5%	Develop 12 types of sustainable raw materials     Commercialize virtual simulation	Convert 100% of raw materials to sustainable sources     Expand procurement of sustainable raw materials     Increase sales ratio of sustainable products     Prevent resource waste through full tire manufacturing simulation
Natural Capital Management	• Established response plan for EUDR regulations	Conduct EUDR supplier risk assessment audits     Develop EUDR company-wide manual     Develop EUDR traceability management system	Establish natural capital risk response strategy and introduce monitoring procedures     Manage risks through natural capital financial scenario analysis
Pollutant Management	Enhanced pollutant accident prevention manual	Conduct annual wastewater leakage response drills     Conduct rainwater drainage inspections at all business sites	Manage risks based on pollutant leakage scenarios     Limit emissions of air and water pollutants to 20% below legal thresholds

### **Risk Management**

#### **Environmental Risk Monitoring**

NEXEN TIRE operates dedicated environmental safety teams at each manufacturing sites to ensure compliance with environmental regulations and prevent environmental incidents. Regular monitoring and corrective actions are implemented. In addition, inter-site inspections have been established to assess compliance and proactively identify environmental risks. Inspections are conducted regularly, and an environmental inspection manual is used to systematically manage applicable laws and regulations. Compliance is continuously monitored.

Category	Inspection Frequency	Key Inspection Items
Air/Water Emissions and Control Facilities	Daily	Normal operation and proper management of facilities
Hazardous Chemical Handling and Storage	Daily	Compliance with handling and storage management standards
Waste Storage Facilities	Daily	Compliance with waste storage management standards

#### **Environmental Management System Certification**

NEXEN TIRE's domestic and overseas manufacturing sites and research centers have acquired ISO 14001 Environmental Management System certification and operate systematic management processes to reduce the internal environmental impacts arising from the company's business activities. NEXEN TIRE is implementing strategies and activities aligned with stakeholder expectations regarding environmental management.

#### **Strengthening Environmental Training and Education**

NEXEN TIRE provides training for new technical employees covering topics such as management of air emission facilities, wastewater discharge facilities and prevention systems, waste discharge, methods for recycling general waste, stormwater drainage management, and odor reduction. In addition, company-wide periodic training on waste is conducted to enhance waste recycling rates at each business site.

# **Environmental Management System**

### **Indicators and Targets**

#### **Environmental Performance and Targets**

NEXEN TIRE has established a comprehensive environmental management system covering all environmental areas, including greenhouse gases, energy, water resources, waste, pollutants, and biodiversity. We systematically monitor the operational status of each item and regularly review the achievement level of annual targets. Based on these reviews, we set targets for the following year and mid- to long-term goals to drive continuous improvement.

Category	Indicator	Unit	2024 Target	2024 Performance	2025 Target
	Scope 1, 2 <sup>1)</sup>	tCO <sub>2</sub> eq	268,039	286,089	252,902
Climate Change		Electricity TJ	3,086.8	3,689.6	3,388.2
Response	Energy consumption -	Fuel TJ	8,510.3	1,483.6	4,997.0
	Investment in energy-saving facilities 23	KRW 100 million	10.8	10.8	16.4
Natural Capital Management	Industrial water consumption per unit of product <sup>3)</sup>	m³/ton	4.0	3.5	3.8
	R&D and procurement cost for sustainable raw materials	KRW 100 million	2,438	2,713	2,793
Resource Use and Circular Economy	Usage volume of sustainable raw materials	%	23.0	27.1	24.5
	Waste tire management implementation rate (achievement rate) 4)	%	80	83(103.7)	80
Pollutant	Air pollutant emissions	ton	200	123	190
Management	Water pollutant emissions	ton	50	19	45

<sup>1)</sup> Based on domestic and overseas manufacturing sites: total of Scope 1 + 2 (market-based)

<sup>2)</sup> Some investment amounts include government-supported project funding

<sup>3)</sup> Based on the Changnyeong Plant

<sup>4)</sup> The 2024 performance and achievement rate for waste tire management are projected values based on the Korea Tire Manufacturers Association and will be finalized upon approval by the Korea Environment Corporation in August 2025

# Climate Change Response

NEXEN TIRE is strengthening energy efficiency and making continuous efforts to reduce greenhouse gas (GHG) emissions throughout the entire value chain-from raw material procurement, production, and usage to disposal.

In addition, we have established a carbon neutrality roadmap and are actively implementing strategic execution plans to achieve carbon neutrality.









#### **MANAGEMENT APPROACH**

#### **UN SDGs Targets**

- Improve energy efficiency
- Upgrade infrastructure and retrofit industries to make them sustainable (CO<sub>2</sub> emissions management)
- 13.1 Strengthen resilience and adaptive capacity to climate-
- 13.2-3 Integrate climate change measures into strategies and plans

#### Impact

- · Expands employee education opportunities
- through transition to sustainable technologies · Mitigates climate change impacts through
- reduction of GHG emissions



### IMPACT: Critical FINANCIAL: Critical

#### **Key Impacted Stakeholders**

- Client companies
- General consumers
- Local communities
- Shareholders and investors
- Employees



#### **Risks and Opportunities**

- · Asset recovery costs from natural disasters
- · Rising costs for managing GHG emissions
- Increased R&D investment costs for sustainable technology transition



### Strategy

#### **Climate Change Mitigation and Adaptation Policy**

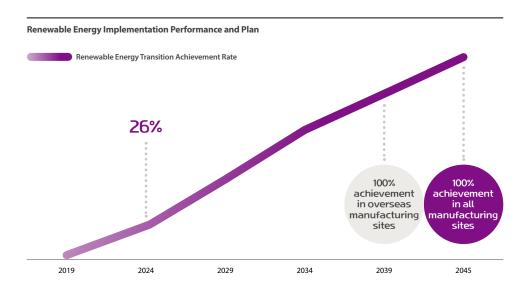
NEXEN TIRE incorporates its climate change mitigation and adaptation policy into the company-wide environmental policy to support the transition to a carbon-neutral and renewable energy-based management system. This policy is systematically managed and recommended for adoption by both domestic and international sites, as well as suppliers and other stakeholders.

#### Carbon Neutrality Strategy Roadmap

NEXEN TIRE has set a target to reduce its Scope 1 and 2 GHG emissions by 58.8% by 2034 compared to 2023 levels and is in the process of obtaining SBTi approval for the target. The company also plans to review and refine its roadmap in the second half of 2025 with the aim of achieving carbon neutrality at all manufacturing sites by 2045.

#### **Expansion of Renewable Energy**

NEXEN TIRE sources renewable energy through Green Premium in domestic manufacturing sites and I-REC and G.O. purchases in overseas manufacturing sites. Going forward, the company plans to gradually expand renewable energy adoption through rooftop solar plant installations and Power Purchase Agreements (PPA).



# Climate Change Response

#### **Physical Risk Analysis**

Climate scenario analysis is a process of assessing the specific impact of climate change on a company under uncertain future environmental conditions and strengthening the company's adaptive capacity and resilience. NEXEN TIRE conducted a climate scenario analysis using Jupiter Intelligence, based on IPCC (Intergovernmental Panel on Climate Change) scenarios. Through this, the company aims to accurately assess the physical risks that each business site may face and to establish corresponding response strategies. The analysis was conducted on a total of 10 business sites—five domestic (Yangsan, Changnyeong, Magok, etc.) and five overseas (Czech Republic, Germany, China, the United States, etc.). The analysis focused on the impact of eight major physical climate risk factors: flooding, heavy rainfall, strong winds, heatwaves, drought, wildfires, hail, and cold waves. Among them, flood risk exposure for domestic sites was assessed to be higher than for overseas sites. As a result, the financial impact was also estimated to be relatively high. However, it was found to be generally minor, at less than 1% of total asset value. Based on the results of this analysis, NEXEN TIRE plans to strengthen its management of physical risks such as abnormal temperatures, heavy rainfall, and flooding by factoring in climate resilience.

#### Financial Loss Due to Natural Disasters

Scenario	Category	Short-Term (2025)	Mid-Term (2029)	Long-Term (2050)
	Korea	L*	L	L
SSP1-2.6 (1.8C) (Assumes minimal use of fossil fuels and eco-friendly,	Europe	EL**	EL	EL
sustainable economic growth driven by advanced renewable energy technologies)	China	EL	EL	EL
	United States	EL	EL	EL
	Korea	EL	L	L
SSP2-4.5 (2.7C)	Europe	EL	EL	EL
(Assumes moderate progress in climate change mitigation and socioeconomic development)	China	EL	EL	EL
	United States	EL	EL	EL
	Korea	L	L	L
SSP5-8.5 (4.4C)	Europe	EL	EL	EL
(Assumes rapid industrial development with high fossil fuel consumption and uncontrolled expansion)	China	EL	EL	EL
	United States	EL	EL	EL

<sup>\*</sup>L (Low): Financial impact is more than 0.5% but less than 1% of each region's total asset value as of year-end 2024.

#### **Natural Disaster Risk Prevention and Management**

NEXEN TIRE operates a comprehensive response system to prevent damages from natural disasters and enhance the safety of its manufacturing sites. The company has established a weather monitoring system and emergency flood response teams to respond to physical risks such as typhoons and floods. Risk checks are carried out in stages, including preventive and intensive response phases. To minimize floodrelated damage, NEXEN TIRE has systematically built disaster prevention infrastructure, such as retention basins, reinforced flood barriers, and water-shielding panels. In addition, to protect worker health and improve workplace conditions during extreme weather, the company conducts inspections of heating and cooling systems, cleans and repairs refrigeration pipes, and replaces outdated HVAC equipment. These efforts help optimize temperature control performance and strengthen the prevention of heat- and cold-related illnesses.

#### **Emergency Response System for Natural Disasters**

NEXEN TIRE has established a scenario-based response system tailored to various emergency situations, including environmental incidents, safety accidents, and natural disasters. In the event of an emergency, the company follows a structured and swift response protocol through the stages of emergency response, incident management, and preventive action.

#### **Emergency Response System for Natural Disasters**



**Typhoon Advisory Issued** 

· Enter preparedness stage



**Typhoon Warning Issued** 

• Activate emergency work protocols and strengthen monitoring



Flooding of Roads Around Logistics Warehouses

- Conduct flood prevention measures (drainage operations, activation of disaster prevention systems)
- Implement emergency recovery and damage mitigation actions

<sup>\*</sup>EL (Extremely Low): Financial impact is less than 0.5% of each region's total asset value as of year-end 2024.

# Climate Change Response

#### Climate Risk-Related Potential Financial Impact and Response Strategy

NEXEN TIRE conducted a financial impact analysis using the SSP5-8.5 (4.4°C rise) scenario—identified as the most adverse scenario—through Jupiter Intelligence to proactively assess the effects of climate-related physical risks. This analysis evaluated the potential impact of climate risks on business sites and aimed to establish appropriate response measures. In addition, among the transition risk factors, NEXEN TIRE prioritized financial impact assessments related to Carbon Credits trading and electricity costs. Using three scenarios presented by the IEA, as well as the EU ETS and Korea's emission trading scheme, we quantitatively assessed the potential financial impact of emission permit purchases and rising electricity costs. Going forward, we plan to expand the scope of analysis to cover all transition risks, evaluate their impact on business operations and financial performance, and establish a corresponding strategic response system.

Cat	tegory	Impact on Business Activities	Assumptions and Methodology for Financial Impact Assessment	Potential Financial Impact*	Financial Impact Timeframe**	Response Strategy
Typhoon		Damage to plant roofs, exterior walls, and electrical facilities     Delay in transporting raw materials and finished goods due to port and road closures	Calculated average annual damage rate by applying damage function based on maximum wind speed data and reflecting characteristics of building structures, internal equipment, inventory, and operations	EL	Mid Long-term	Conduct regular facility safety inspections and repairs     Invest in protective infrastructure     Identify alternative suppliers and reduce supply chain risks
Physical Risk	Flood	Equipment malfunction due to internal flooding, damage to raw materials (e.g., rubber, carbon black)	Applied damage function by adjusting flood depth data to asset attributes	EL	Mid Long-term	Establish emergency response teams for fire, gas, electricity, etc.     Develop emergency response manuals and conduct training
	Abnormal Temperatures	Surge in air conditioning usage leads to higher electricity demand and increased electricity costs	Estimated productivity loss by evaluating WBGT*** distribution and working environment	EL	Short-term	Optimize indoor temperature control Strengthen response protocols by heatwave alert level and train for emergency response
	Wildfire	If rubber plantations are damaged, raw material shortages could lead to higher procurement costs	Calculated wildfire occurrence probability and ignition probability for each asset using asset-specific models	L	Mid Long-term	Join and participate in Global Platform for Sustainable Natural Rubber (GPSNR) initiatives
Transition Risk	Increase in Carbon Credits Cost	Increased operational costs due to additional costs from purchasing paid GHG emission allowances	Estimated annual Scope 1 and 2 emissions, reflected NEXEN TIRE's allocated free emissions quota, and applied IEA's GHG emissions trading price forecasts	L	Short-term	Implement site-specific GHG and energy reduction initiatives     Monitor updates on relevant laws and regulations     Share information and establish response plans for new policies     Integrate carbon neutrality into company operations     Reduce LNG usage and improve energy efficiency through electrification and high-efficiency equipment
	Increase in Electricity Cost	• Increased manufacturing costs due to higher electricity consumption in core processes such as rubber mixing, extrusion, and molding	Estimated annual electricity usage by site, applied NGFS scenarios (NDC, Delayed Transition, NZE) to forecast power cost	М	Mid Long-term	Improve energy efficiency of power-consuming equipment     Implement site-level energy-saving programs     Review introduction of PPAs and expansion of renewable energy usage

<sup>\*</sup> Exposure to Financial Impact under SSP5-8.5 (4.4°C Rise) Scenario

### **Risk Management**

#### **Climate Risk Management Process**

NEXEN TIRE continuously monitors and evaluates climate risks and establishes systematic response strategies. In 2024, monthly ESG Operational Committee meetings were held to promote GHG reduction strategies and physical climate risk response actions. The 2024 results and 2025 operational plans were reported through the ESG Strategy Committee.

#### **NEXEN TIRE's Climate Risk Management Process**

#### **Climate Risk Identification and Assessment**

Relevant departments regularly identify and assess risks related to climate change.



#### Climate Risk Management and Monitoring

Monitor key climate-related indicators such as energy consumption, GHG emissions, and renewable energy usage.

Establish response measures through regular ESG Operational Committee meetings discussing climate-related issues.



#### Material Risk Management Process

Report material climate risks to the ESG Management Committee and establish response measures.

EL (Extremely Low): Financial impact is less than 0.5% of the total assets or sales of the local subsidiary as of the end of 2024.

L (Low): Financial impact exceeds 0.5% but is less than 1% of the total assets or sales of the local subsidiary as of the end of 2024.

M (Medium); Financial impact exceeds 1% but is less than 5% of the total assets or sales of the local subsidiary as of the end of 2024.

<sup>\*\*</sup>Time Horizons: Short-term: 1–2 years, Medium-term: 3–5 years, Long-term: More than 5 years

<sup>\*\*\*</sup> WBGT (Wet-Bulb Globe Temperature): An index that assesses heat stress in the work environment by comprehensively considering temperature, humidity, radiant heat, and wind speed.

# Climate Change Response

#### **GHG Emissions Management**

NEXEN TIRE systematically monitors its GHG emissions and is committed to reducing its carbon footprint across the entire value chain. Through these efforts, the company aims to reduce emissions and achieve a sustainable, low-carbon management system. In addition to Scope 1 and 2, NEXEN TIRE conducts thirdparty verification of Scope 3 emissions, ensuring reliable and comprehensive management of emissions across the full value chain.

### Implementation Method Yangsan Plant • Monitor GHG emissions sources and volumes through an established GHG inventory • Set reduction targets and report progress quarterly to the ESG Strategy Committee • Establish GHG reduction KPIs **Changnyeong Plant** · Monitor reduction activities on a semiannual basis Qingdao Plant • Monitor GHG emissions sources and volumes through an established GHG inventory **Europe Plant**

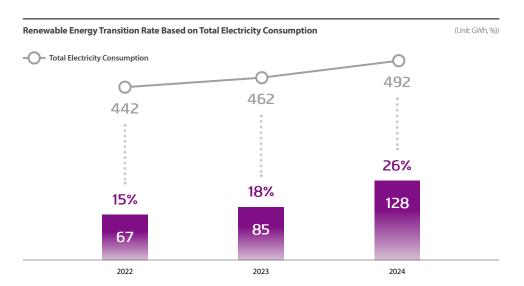


#### Renewable Energy Certificate (REC) Purchase

In 2024, NEXEN TIRE purchased a total of 128,342 MWh in renewable energy certificates, achieving a renewable energy transition rate of approximately 26% of the total electricity consumption across all manufacturing sites. This represents an increase of 43,342 MWh compared to 2023 (85,000 MWh purchased in 2023). Through this initiative, the company contributed to the expansion of renewable energy use and the activation of the REC market.

Category	Transition Method	Electricity Consumption (MWh)	REC Purchase Volume (MWh)	Transition Rate (%)
Yangsan Plant	Green Premium	174,492	14,830	9%
Changnyeong Plant	Green Premium	135,944	13,900	10%
Qingdao Plant	I-REC	89,235	90,000	100%*
Europe Plant	G.O.	92,354	9,612	10%
То	tal	492,025	128,342	26%

<sup>\*</sup>When calculating the renewable energy transition rate, any certificate purchase exceeding electricity consumption was excluded.



# Climate Change Response

#### **Energy Consumption Management and Monitoring by Site**

NEXEN TIRE diagnoses the energy usage of all domestic and overseas manufacturing sites and evaluates potential reduction measures based on emission sources. The company prioritizes actions by considering the implementation timeline, investment cost, and expected impact. Reduction measures are implemented, and monthly emissions performance and site-specific targets are monitored. If targets are not met, the root causes are analyzed, and improvement plans are reviewed accordingly.

Site	Management Measures	
Yangsan Plant Changnyeong Plant	Conduct monthly GHG emissions monitoring     Track monthly energy consumption status (meetings held as needed to discuss causes of variation, reduction performance, and energy-saving initiatives)	
Qingdao Plant	On-site energy usage inspection conducted in 2024 by Qingdao Development and Reform Commission Establish energy management plans twice a year (summer and winter)	
Europe Plant	Conduct regular energy audits     Establish and monitor mid-to-long-term energy saving initiatives	

#### **Energy Reduction Activities by Site**

NEXEN TIRE continues to carry out a wide range of energy-saving initiatives across its manufacturing sites. These efforts aim to minimize environmental impact and establish a sustainable production system by enhancing energy efficiency.

Site	Major Energy Reduction Activities in 2024		
Yangsan Plant	Replaced aged condensers and reactors Replaced with LED lighting Controlled operation hours of steam coil units Managed boiler operations after shutdowns Installed 18 evaporative air conditioning units in the vulcanization process (cumulative total: 76 units)		
Changnyeong Plant	Replaced rolling transformers and other production equipment		
Qingdao Plant	Replaced damaged insulation for curing pits     Inspected and replace steam and air leakage points     Replaced low-efficiency motors		

#### **Energy Reduction Outcomes by Business Site**

Through systematic energy efficiency and reduction initiatives, NEXEN TIRE achieved a total savings of 1,863,127 kWh of electricity and 95,004 m<sup>3</sup> and 7,784kg of fuel in 2024. These efforts supported the creation of a more sustainable production environment and contributed to climate change mitigation by reducing approximately 1,083.9 tCO₂eq of greenhouse gas emissions.

#### 2024 Energy Reduction Outcomes by Business Site

Category	Task Name	Energy Source	Unit	Reduction	Cost Savings
	Replacement of outdated equipment	Electricity	kWh	833,925	KRW 137 million
	LED replacement	Electricity	kWh	929,299	KRW 153 million
	Lighting management	Electricity	kWh	40,163	KRW 6 million
Yangsan Plant	Optimization of steam coil unit operating hours	Fuel	LNG(m³)	11,000	KRW 10 million
	Optimization of boiler operation time	Fuel	LNG(m³)	12,000	KRW 11 million
	Minimization of jet fan operating time	Fuel	LPG(kg)	7,784	KRW 7 million
	Inspection and replacement of steam traps across all processes, and insulation improvement at heat loss points	Fuel	LNG(m³)	25,580	KRW 24 million
Changnyeong Plant	Replacement of rolling mill transformer and finished goods equipment	Electricity	kWh	20,080	KRW 3 million
	Inspection and repair of air leak points	Electricity	kWh	29,820	Approx. KRW 3 million
Qingdao	Replacement of low-efficiency motors	Electricity	kWh	9,840	Approx. KRW 1 million
Plant**	Replacement of damaged curing pit insulation	Fuel	LNG(m³)	36,264	Approx. KRW 28 million
	Inspection and repair of steam leakage	Fuel	LNG(m³)	10,160	Approx. KRW 8 million

<sup>\*</sup>The energy saving amount of 15.3m3 from boiler tube descaling and insulation of heat loss pipelines/facilities has been excluded from this calculation.

<sup>\*\*</sup> Amounts were converted using the average exchange rate as of December 2024.

# Resource Use and Circular **Economy**



NEXEN TIRE is committed to enhancing responsible resource use and corporate competitiveness by developing sustainable products and using raw materials efficiently. From raw material extraction to production, transportation, use, recycling, and disposal, we comprehensively assess the environmental impact across the entire value chain, In particular, we view the end-of-life stage of tires not as the end of a product's life but as the starting point of a new circular process. We are continuously working to establish a circular resource system by promoting reuse, recycling, and raw material recovery. Going forward, NEXEN TIRE will continue to advance its resource efficiency and waste management processes and strengthen its sustainable manufacturing foundation by contributing to the transition to a circular economy.



#### MANAGEMENT APPROACH

#### IMPACT: Significant FINANCIAL: Informative

#### **UN SDGs Targets**

- 12.2 Achieve the sustainable management and efficient use of natural resources
- 12.5 Reduce waste generation

#### Impact

- · Minimizes resource waste through the development of sustainable, recyclable raw materials
- Encourages sustainable consumption by developing sustainable tires
- · Prevents negative impact on local environments and visual pollution caused by improper industrial waste management



### **Key Impacted Stakeholders**

- Client companies
- Suppliers
- Local communities



#### **Risks and Opportunities**

- · Increased costs due to stricter recycling obligations
- Potential decline in brand trust and sales if eco-conscious demands from consumers and investors are unmet
- · Cost reduction opportunities through enhanced
- · Risk of serious environmental damage and criminal penalties in case of noncompliance with hazardous waste regulations



### **Strategy**

#### **Sustainable Product and Waste Management Policy**

NEXEN TIRE has established a "Sustainable Product Policy" and implements circular resource management practices that are applicable across departments involved in all phases of the value chain—from raw material sourcing to end-of-life disposal. At the disposal stage, NEXEN TIRE promotes the reuse of raw materials, the use of recyclable and renewable materials, and environmental impact reduction activities based on ISO 14001 (Environmental Management System). In addition, the company expands the use of sustainable products and raw materials while minimizing environmental pollution through waste reduction and resource conservation efforts. Specific policies are also in place to reduce waste generation and improve waste management.

#### **Sustainable Raw Material Development Roadmap**

Sustainable Raw **Material Standards** 



ISCC+ Certified Raw Materials

**Recycled Raw Materials** 

Natural Rubber from GPSNR Member Sources

NEXEN TIRE aims to replace 100% of its tire raw materials with sustainable materials by 2045. As part of this effort, the company is targeting 40% by 2030 and over 70% by 2035. In 2024, the proportion of recycled and renewable raw materials used across all domestic and overseas operations reached 27.1%.

As part of its 2024 R&D efforts to expand sustainable raw material usage, NEXEN TIRE developed a concept tire using rice husk-derived silica, recycled carbon black, and bio-based synthetic rubber. The tire achieved a 53% bio-based and 17% recycled material composition, with approximately 70% of all input materials classified as sustainable. The tire incorporates natural rubber meeting GPSNR standards, bio-based synthetic rubber, rice husk silica, recycled PET cord, recycled bead wire, and recycled steel cord. As a result, the tire achieved a rolling resistance coefficient of 5.11 N/kN, qualifying for a European labeling grade A.

To mitigate the cost burden of high-priced sustainable materials on customers, the company prioritizes raw materials with competitive pricing. NEXEN TIRE will continue to respond to customer demands for sustainable materials while releasing market-competitive products to ensure a successful transition.

Environmental Management System Climate Change Response Resource Use and Circular Economy

### **Resource Use and Circular Economy**

### **Risk Management**

#### **Resource Use and Circular Economy Management Activities**

Category	Sustainable Raw Materials	Environmental pollution risk     Waste treatment regulatory risk     Consumer demand risk      Implement waste treatment monitoring     Engage external partners for waste management	
Risks	Supply chain-related risks     Environmental impact risks     Environmental regulatory risks		
Response Actions	Promote R&D for sustainable raw materials and develop alternative materials		

#### **Sustainable Raw Material Development Activities**

NEXEN TIRE continues to develop sustainable raw materials across the full value chain, including its own operations, upstream, and downstream activities. The company has also established mid- to long-term targets related to the proportion of sustainable raw materials used. Through regular monthly meetings, the ESG Operational Committee consistently reviews potential risks and response strategies associated with sustainable raw material development.

#### **Waste Tire Management Activities**

NEXEN TIRE implements systematic waste tire management and promotes the circular economy by working in partnership with specialized waste treatment companies. The company monitors waste through the Allbaro system and the MES system, and conducts monthly analysis and meetings on waste generation volumes. As a manufacturer, NEXEN TIRE recognizes its responsibility for waste treatment and actively carries out domestic and international initiatives to fulfill its obligations.

Category	Region	2024 Activities	2024 Performance	
Waste Tires	Domestic	Actively supported operations for selecting and managing companies involved in thermal recovery/material recycling, used tire/resale, etc.	Achieved a recycling rate of approximately 83%, exceeding the target of 80% Recycled 311,000 tons out of a required 300,000 tons, achieving a rate of 103.7%	
	Overseas	Collaborated with certified partners in compliance with local regulations for the collection of waste tires     Recycled waste tires as road asphalt materials		

#### **Overseas Waste Management System**

NEXEN TIRE's European subsidiaries strictly comply with local regulations and collaborate with various external certification bodies to establish an efficient waste tire management system. As part of its commitment to the circular economy, the company actively promotes the reprocessing and recycling of waste tires through partnerships with diverse organizations, enabling a structured approach to tire collection and disposal.

### **Domestic Waste Management System**



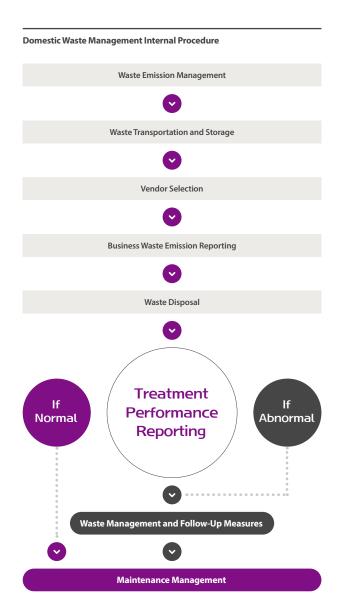
#### Extended Producer Responsibility (EPR) System for Waste Tires

Category	Production	Discharge	Collection	Recycling
Material	Tire manufacturers and importers (44 entities)	Tire dealerships, car repair shops, scrapyards, service centers, etc.	Waste collection companies (28 entities)	Recycling companies (35 entities)  Material recycling (rubber powder, export of used tires)
Cost	Waste tire contribution fee and administrative cost	Korea Tire Manufacturers Association (KOTMA)	Payment of collection and disposal fees	Thermal Recycling (Cement kilns, solid refuse fuel)

GOVERNANCE

Environmental Management System Climate Change Response Resource Use and Circular Economy Natural Capital Management Pollutant Management

# **Resource Use and Circular Economy**



# **Environmental Impact by Waste Type**

NEXEN TIRE classifies waste generated at its sites by type and ensures proper treatment in accordance with legal standards. In particular, hazardous designated waste is managed through contracts with certified waste processors and regular inspections to minimize its environmental impact. Monthly waste treatment performance is reported, and waste managers are required to complete training every three years. Through rigorous waste management and expanded recycling efforts, NEXEN TIRE strives to reduce negative environmental risks and contribute to a circular economy.

Type of Waste	Associated Environmental Impact	Impact Level	Treatment Method
Designated Waste	Soil and water pollution due to heavy metals, VOCs, and hazardous chemicals	High	Consigned treatment
Waste Rubber	• Emission of air pollutants (CO <sub>2</sub> , NO <sub>x</sub> ) during incineration; potential microplastic residue in landfill	High	Consigned treatment
Waste Resin	GHG emissions during incineration or landfill;     hinders circularity	Medium	Consigned treatment
Recyclables	Reduces environmental load through circularity; improper sorting may lead to contamination	High	Consigned treatment
Food Waste	Methane generation from decomposition;     water pollution and odor during treatment	High	Consigned treatment



Environmental Management System Climate Change Response Resource Use and Circular Economy Natural Capital Management Pollutant Management

SUSTAINABILITY VISION

# **Resource Use and Circular Economy**

# **Waste Circular Resource Management**

NEXEN TIRE operates a systematic waste management strategy to minimize the environmental impact of waste generated throughout the tire manufacturing process and overall business operations. To foster environmental awareness among employees, the company conducts waste reduction training and promotes proactive waste collection and recycling to advance a circular economy.

Category	Manufacturing Sites			2024 Activ	2024 Activities & Targets				2024 Performance (Actual)	2025 Target	
	Yangsan	<ul> <li>Recycle separate</li> </ul>	implementation planed and recovered was and waste pallets an	e items such as wast	te PCBs, circuit b		ries, fo	orklift batteries	Conducted waste management training for each site and designate recycling vendors to improve recycling rates	Achieve final disposal rate	
Waste	Changnyeong	Revise waste ma	• Revise waste management program to supplement qualification review standards for general solid waste treatment vendors (Qingdao Plant)						<ul> <li>Achieved 100% internal circular resource recycling based on certification of green rubber, waste cord fabric, and waste paper</li> </ul>	of circular economy waste: 23.7%	
Management Activities	Qingdao	• Establish interna	s such as CCRTO envi I monitoring plans un				nduct	t regular monitoring	• 96% of waste outsourced to vendors. of which 83% was reused	• Achieve circular utilization rate: 76.6%     • Achieve 3% increase over target benchmark	
	Europe	<ul> <li>with recordkeeping</li> <li>Install automated wastewater discharge monitoring devices and link them to Qingdao's Ecological and Environmental Bureau system to ensure proper operation</li> </ul>						- 30% of waste outsourced to vertuois, of which 63% was reduced	target benchmark		
	Yangsan										
Waste	Changnyeong	<ul> <li>Comply with reg Materials Act"</li> </ul>	ulations such as the ":	Sustainable Battery A	Act,""Eco-Design				All NEXEN TIRE manufacturing sites participated in waste battery recycling	• Exceed 2025 circular	
Battery Recycling	Qingdao		Collect used batteries and electric vehicle batteries for recycling and hand over to certified collection agencies or local authorities					n agencies or local	activities  Designated departments to monitor and respond to regulations	resource target by 3%	
	Europe										
	Yangsan	Conduct internal training to improve waste sorting accuracy at the workplace						Reduced municipal waste-to-production ratio:     - Yangsan: 0.21%     - Changnyeong: 0.33%	Recycle and donate used milk cartons (1 toilet roll		
Municipal Waste	Changnyeong	Explore methods to improve recycling rates for milk cartons (e.g., partner with recyclers)							per 2kg carton)		
Management	Qingdao	Promote company-wide waste separation; recycle bottles, paper, and other recoverable items     Prevent secondary pollution by safely disposing expired and discarded products						- Qingdao: 0.21% - Europe: 0.07%	<ul> <li>Reduce emissions and carry out community</li> </ul>		
	Europe	Encourage employee participation in factory cleanup initiatives     Publicly disclose environmental data via national systems; maintain "Green" environmental credit rating							engagement projects (vs. 2024)		
	Yangsan		nual training sessions te reduction strategie			oyees at manufactur	ing sit	tes,	<ul> <li>Training provided to all employees</li> <li>Q1: 1,822 production workers, 171 partner workers</li> <li>Q2: 1,782 production workers</li> </ul>		
Training	Changnyeong	Training Topics	Raising awareness on waste sorting	Waste disposal procedures and cost fluctuations	res and handling systems and risks of proper serting				• 100% training completion for all employees	Conduct training at least once in every 6 months	
Frequency	Qingdao	• For employees at Qingdao Plant, training was conducted on the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste" to strengthen the management of hazardous waste, including collection, storage, and disposal, and prevent environmental accidents						• 100% training completion for all employees	100% training completion for all employees		
	Europe	Training Topics						• 100% training completion for all employees			

Environmental Management System Climate Change Response Resource Use and Circular Economy Natural Capital Management Pollutant Management

# **Natural Capital Management**

NEXEN TIRE recognizes its corporate responsibility in preserving biodiversity and protecting ecosystems. To this end, the company has established a systematic management and response framework. We support the principles of the UN Convention on Biological Diversity and have formulated and announced a biodiversity policy reflecting its intent. This policy sets forth standards aimed at preventing deforestation and damage to ecosystems. In particular, through TNFD LEAP analysis, we have identified the risks and opportunities our business activities pose to the natural environment, NEXEN TIRE will further define our strategic direction for biodiversity protection and strengthen concrete action plans for ecosystem restoration.





# **MANAGEMENT APPROACH**

#### **UN SDGs Targets**

- Ensure availability and sustainable management of water
- Support capacity-building for water efficiency, wastewater treatment, and reuse
- 15.4 Conserve ecosystems, including biodiversity
- 15.b Promote sustainable forest management

#### Impact

- · Causes deforestation by the clearing of land for natural rubber
- Causes water pollution due to insufficient wastewater treatment in rubber processing



Issue #3

# IMPACT: Informative FINANCIAL: Important

#### **Key Impacted Stakeholders**

- Local communities
- · Government and regulatory agencies



# **Risks and Opportunities**

- Rising production costs due to increases in natural rubber prices
- Supply disruptions leading to reduced product output
- Costs incurred from the development of rubber alternatives
- Penalties and compliance costs due to violations of forest protection and biodiversity regulations
- Exposure to water stress-related risks
- Increased demand and sales of alternative
- Enhanced stakeholder reputation and brand value through biodiversity conservation activities



# Strategy

# **Biodiversity Policy**

As a manufacturer with production operations in both domestic and overseas locations, NEXEN TIRE is committed to minimizing the negative impact of its business activities on local communities and protecting ecosystems. The company has established and publicly disclosed a biodiversity policy to promote awareness of biodiversity conservation and deforestation prevention among all stakeholders in the supply chain, including employees and suppliers. Through this, NEXEN TIRE aims to raise awareness and drive meaningful actions across its supply network.

# **Risk Management**

# **Water Stress Analysis**

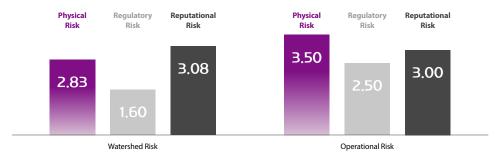
To identify water-related risks, NEXEN TIRE uses WWF's Water Risk Filter (WRF) tool. The company has assessed the water stress index of its Changnyeong plant in Korea and continuously monitors water intake and usage levels.

### Watershed Risk

NEXEN TIRE's Changing on plant is located in a region relatively prone to physical risks (flooding, water quality) and environmental reputational risks. To manage this, the company conducts regular monitoring of wastewater discharge from production processes and performs groundwater environmental impact assessments to evaluate potential effects on the watershed ecosystem.

### **Operational Risk**

Operational risks, such as water scarcity and regulatory challenges, were identified as moderately high. NEXEN TIRE systematically manages industrial water consumption to mitigate these operational risks and complies with all relevant regulations to reduce exposure to regulatory risks.



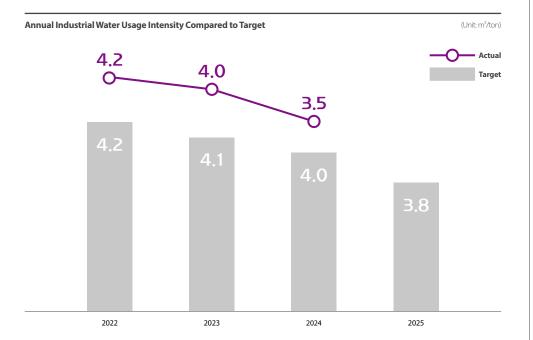
# **Natural Capital Management**

# **Water Resource Risk Management**

NEXEN TIRE establishes annual water usage targets and continuously monitors progress to optimize water use. In addition, the company improves process efficiency and maintains facilities to increase the reuse rate of water and minimize water-related risks.

# **Industrial Water Usage Management**

NEXEN TIRE systematically manages industrial water usage by setting annual usage plans and tracking actual performance. In 2024, the Changnyeong Plant planned to use 4.0 tons of water per ton of rubber produced, but actual consumption was reduced to 3.5 tons through conservation efforts. At the Yangsan Plant, groundwater is extracted and used as industrial water for the factory and for domestic use in welfare facilities. The company manages water resources by monitoring groundwater extraction volumes.



# **Biodiversity Risk Assessment**

NEXEN TIRE conducted a biodiversity risk analysis based on the TNFD (Taskforce on Nature-related Financial Disclosures) guidelines and the LEAP approach. The company identifies and assesses its ecosystem dependencies and impacts across its value chain and manages biodiversity risks through environmental impact assessments around its business sites.

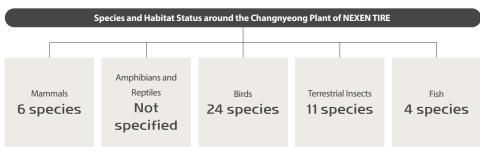
# Locate (Interface with Nature)

To assess the ecological sensitivity of the Changnyeong Plant, NEXEN TIRE analyzed the vegetation and species distribution around the site. Using the IBAT Tool\*, the company identified the presence of endangered species and protected areas within a 50km radius of the Changnyeong Plant.

### **IUCN\*\*** Red List Species and Protected Areas

IUCN Red List	CR (Critically Endangered)	EN (Endangered)	VU (Vulnerable)	NT (Near Threatened)	LC (Least Concern)
50km	4	31	39	43	877

WDPA*** Protected Areas	Nationally Designated Protected Areas	Ramsar Wetlands	Key Biodiversity Areas (KBAs****)
50km	102	1	2



<sup>\*</sup> IBAT is a tool that allows users to identify potential risks based on the site location's proximity to protected areas, KBAs, and species on the IUCN Red List.

<sup>\*\*</sup> IUCN (International Union for Conservation of Nature)

<sup>\*\*\*</sup> WDPA (World Database of Protected Areas)

<sup>\*\*\*\*</sup> Key Biodiversity Areas designated by IUCN

Environmental Management System Climate Change Response Resource Use and Circular Economy Natural Capital Management Pollutant Management

# **Natural Capital Management**

# **Evaluate (Dependency and Impact Assessment)**

NEXEN TIRE has assessed its dependency and impact on ecosystems across its value chain—including not only internal operations but also upstream and downstream activities—by utilizing the ENCORE tool, as recommended by TNFD. The company identified key ecosystem services and environmental pressures. Moving forward, the assessment methodology will be further refined to reflect the geographic and operational characteristics of each business site.

Value Chain	Ecosystem Dependency	Ecosystem Impact
	Natural vegetation and ecosystems contribute to climate and soil regulation and water cycling, creating optimal conditions for natural rubber production	Deforestation, land use, and pesticide application for natural rubber cultivation may reduce habitats
Upstream (Raw material and resource production)	Synthetic rubber production relies heavily on water availability due to cooling and chemical processing stages	Emissions and pollutants from synthetic rubber production can negatively affect ecosystems
	Steel cord production depends on a stable water supply and on natural purification services provided by ecosystems to mitigate pollutants	Steel cord production may release chemicals and waste that lead to soil and water contamination
Operation (NEXEN TIRE's business sites and surrounding areas)	Vegetation and ecosystems help purify wastewater and mitigate floods and storms. Water flow regulation services support stable water supply for tire manufacturing processes	Business operations may emit greenhouse gases and air pollutants, with risks of soil and water contamination from toxic substances, and the potential for nuisance due to noise and odors
Downstream	During distribution and sales, infrastructure relies on natural soil retention and erosion control	Fuel combustion during distribution leads to greenhouse gas emissions
(Distribution, sales, and waste management)	Ecosystem-based natural purification services support efficient waste management	Waste treatment may generate pollution that harms biodiversity, and toxic substances can cause soil and water contamination

# **Assess (Risks and Opportunities)**

NEXEN TIRE has identified key potential risks and opportunities based on its evaluation of ecosystem dependency and impact. The company has analyzed the business implications of these issues and established response strategies accordingly.

		alue Chain Impact		ue Chain Impact Risks and		Risks and			
Category	Up	Oper ation	Down	Opportunities	Business Impact	Response Strategy			
Climate	•	•	•	Risk  • Strengthened regulations on air pollution and climate change	Increased facility investment and operating costs to manage GHG emissions     Increased compliance costs due to reduced allocation of free emission rights	Establish company-wide climate response strategy     Join SBTi and currently setting reduction targets     Expand purchases of renewable energy certificates     Enhance global climate disclosure capacity (CDP response, full Scope 3 inventory)			
Natural Disasters	•	•	•	Risk • Increased frequency and severity of extreme weather events (e.g., floods, typhoons)	Operational disruptions and facility damage     Increased recovery costs due to asset damage	Operate natural disaster emergency respons procedures     Conduct annual preventive facility inspections and emergency response drills			
Water Availa- bility	•	•	•	Risk  Water stress risks (e.g., water pollution, shortages)	Reduced raw material supply due to water shortages and increase production costs	Conduct regular inspections of facilities and sites     Operate water quality management procedures     Perform regular maintenance and inspection of discharge/prevention facilities			
Biodiver-	•			Risk • Stricter regulations on protected species and conservation areas	Penalties and reputational damage due to non-compliance	Conduct post-environmental impact assessments in local areas     Strengthen biodiversity-related activities			
sity				Opportunity Increased local community interest in coexisting with nature	Enhanced stakeholder reputation and improved brand value for companies engaged in biodiversity efforts	Conduct assessments and risk analysis related to biodiversity     Promote communication and cooperation with local stakeholders			
Soil Quality	•	•	•	Risk • Soil contamination risks due to waste generation	Financial penalties from waste-related regulations and increased costs for managing waste disposal contractors     Degradation and depletion of natural capital due to soil contamination, leading to lower raw material quality	Establish manuals for environmental factors (air, water, soil, hazardous chemicals)     Develop and implement strategies to expansive stereycling     Strengthen collaboration with recycling contractors     Enhance maintenance of pollution prevention facilities			

Environmental Management System Climate Change Response Resource Use and Circular Economy Natural Capital Management Pollutant Management

# **Natural Capital Management**

# Prepare (Response)

NEXEN TIRE regularly monitors species and ecosystems near its business sites to protect local biodiversity and complies with relevant endangered species laws, taking appropriate actions as required. Starting in 2025, NEXEN TIRE plans to participate in the Gyeongnam Ecological Nuri Voucher program to support ecotourism in Upo Wetland, located in Changnyeong.

# **Environmental Impact Survey at Changnyeong Plant**

For the construction, expansion, and continued operation of its domestic and overseas sites, NEXEN TIRE conducts environmental impact assessments (EIAs) and completes the related modification and consultation procedures to identify and evaluate the effects of its operations on the surrounding natural environment and local communities. As part of these procedures, the company implements follow-up environmental impact surveys, which include assessments of topography, geology, flora and fauna, air quality, odor, water quality, noise, and vibration. Results are monitored and reported accordingly. Located near the Nakdong River, the Changnyeong Plant falls under the jurisdiction of the Nakdong River Basin Environmental Office. NEXEN TIRE remains committed to complying with environmental regulations and conserving biodiversity in the area.

Although Upo Wetland is located outside the plant's direct environmental impact radius, it lies approximately 7 km (13 km by road) from the Changnyeong Plant and is recognized as Korea's largest inland wetland and a Ramsar-designated protected area. Follow-up environmental impact surveys are conducted annually, and endangered species such as the Eurasian sparrowhawk and otters have been observed. Actions are taken in accordance with applicable legal requirements.

# **Environmental Protection Challenge**

NEXEN TIRE is collaborating with the Yangsan Industrial Complex Management Office to carry out an environmental protection challenge as part of its commitment to sustainable management. Monthly environmental clean-up activities are conducted to foster a culture of environmental awareness within the company. At the Qingdao Plant, regular internal and external clean-up campaigns are implemented to enhance employees' environmental consciousness. In addition, NEXEN TIRE submits environmental information annually to the Korean government's corporate environmental disclosure system to ensure transparency and accountability. The company continuously improves its environmental management system to maintain a "Green" rating in corporate credit evaluations.





# Case Study

#### **NEXEN TIRE's Efforts to Conserve Forests**

To manage deforestation risks associated with natural rubber production. NEXEN TIRE has established principles for preventing forest degradation. The company complies with relevant laws and regulations and makes every effort to mitigate and minimize these risks. As a member of the Global Platform for Sustainable Natural Rubber (GPSNR), NEXEN TIRE has incorporated zero-deforestation principles into its sustainable natural rubber policy. In line with these principles, the company requires all suppliers to prohibit deforestation and avoid damage to high conservation value (HCV) areas. NEXEN TIRE does not source materials from suppliers that violate these principles. As part of its forest conservation efforts, NEXEN TIRE supports native ecological tree species in Noeul Park, Nanji-do. In 2024, the company initiated EUDR (European Union Deforestation-Free Products Regulation) supply agreements with natural rubber suppliers and launched a dedicated EUDR task force (TFT) to ensure compliance. Looking ahead, NEXEN TIRE plans to conduct on-site due diligence of EUDR suppliers, implement a traceability and audit reporting system, and establish a dedicated EUDR office to further strengthen sustainable supply chain management.

#### **EUDR Compliance Process**



# **Supplier Selection**

• Evaluate suppliers for EUDR compliance and select accordingly



# **Raw Material Procurement**

- Sign EUDR-compliant natural rubber supply contracts
- · Conduct due diligence assessments on suppliers
- Assess supplier risk profiles



# Tire Manufacturing

• Establish a traceability system for natural rubber used in each tire



#### **Customs Clearance**

• Submit a Due Diligence Statement in accordance with EUDR requirements and maintain supporting data records





NEXEN TIRE is committed to a systematic approach to addressing climate change and implementing strategies to mitigate its environmental impact, The company carries out management initiatives from both preventive and mitigative perspectives to reduce environmental risks across its operations. In particular, in response to tightening environmental regulations, NEXEN TIRE is strengthening the management of pollutant emissions. The company seeks to minimize its negative environmental footprint and ensure sustainable business operations. Through these efforts, NEXEN TIRE aims to build stronger trust with local communities.











#### MANAGEMENT APPROACH

### **UN SDGs Targets**

- Reduce the number of deaths and illnesses caused by hazardous chemicals and air, water, and soil pollution
- 6.3, 6.6 Improve water quality and restore water-related ecosystems
- Reduce the environmental impact of cities, including air quality
- Prevent and reduce marine pollution
- Conserve inland freshwater ecosystems

#### Impact

· Reduces emissions of air and water pollutants to help protect the health of local communities and improve their living conditions



# **Key Impacted Stakeholders**

- Local communities
- · Government and regulatory agencies



### **Risks and Opportunities**

- · Improved relationships with local communities and enhanced corporate image
- · Reduced legal risks through compliance with pollution-related regulations



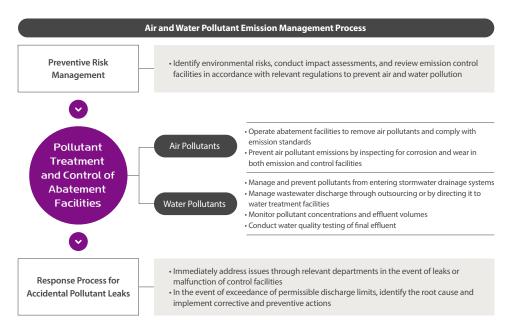
# Strategy

# **Environmental Pollutant Management Policy**

NEXEN TIRE continuously develops and revises its environmental management policy to minimize the potential environmental impacts arising from its manufacturing operations. The company establishes detailed internal guidelines for each environmental factor—air, water, and soil—to prevent, control, and mitigate negative impacts. These internal standards are managed with stricter thresholds than those required by law.

# **Risk Management**

NEXEN TIRE complies with the Water Environment Conservation Act and the Clean Air Conservation Act. To systematically manage air and water pollutants generated during the manufacturing process, the company has developed and implemented site-specific "Air Quality Management Guidelines" and "Water Quality Management Guidelines." Based on these guidelines, emissions are monitored throughout the production process. All applicable regulations are strictly observed, and pollutant discharges are maintained within legally permitted levels for both water and air.



Environmental Management System Climate Change Response Resource Use and Circular Economy Natural Capital Management Pollutant Management

# **Pollutant Management**

# **Environmental Pollutant Emissions Monitoring**

NEXEN TIRE conducts regular monitoring of environmental pollutants to minimize environmental impact from emissions at its domestic business sites.

### **Monitoring of Environmental Pollutant Emissions at Domestic Sites**

Category	Frequency	Description
Air Pollutants	Monthly	Self-monitoring of air pollutants emissions     Maintain particulate emissions at 30% or less of legal emission limits
	Twice monthly	Monitoring of industrial wastewater discharge
	3 times/year	Sludge removal and cleaning of wastewater collection tanks     Monitoring of pollutant concentrations in wastewater
	Once a year	Groundwater environmental impact survey
Water Pollutants	Monthly  Periodic	• Inspection and monitoring of non-point pollution reduction facilities
		Disinfection and cleaning of water storage tanks in accordance with standards by the Water Supply and Waterworks Installation Act and the Korea Water and Wastewater Works Association     Quality monitoring of groundwater and water tanks

#### **Wastewater Treatment Process**

	Wastewater
	•
•	Wastewater Treatment Facility
•	Public Wastewater Treatment Facility
•	Collection Tank
	•
	Reuse

### **Activities to Reduce Pollutant Emissions**

NEXENTIRE is actively working to reduce emissions of environmental pollutants through regular inspections of filter dust collection systems, replacement of activated carbon, and operation of highefficiency air pollution prevention equipment. In addition, the company conducts groundwater environmental impact assessments. To strengthen the management of water pollutant discharges, NEXEN TIRE is revising its risk management system and internal guidelines, and plans to conduct annual wastewater leakage response training. Moreover, in preparation for changing weather conditions, the company will reinforce inspections of plant sites and facilities and overhaul stormwater pipelines across all sites.

Cate	egory	2024 Key Activities
	Yangsan Plant	Inspected filter dust collection systems     Replaced filter bags to improve dust collection efficiency     Installed activated carbon adsorption towers to reduce odors
Air	Changnyeong Plant	Inspected filter dust collection systems     Replaced filter bags to improve dust collection efficiency
Pollutants	Qingdao Plant	Reduced air pollutant emissions through the operation of CCRTO (Concentrator Concentrator Regenerative Thermal Oxidizer)
	Europe Plant	Reduced volatile organic compound (VOC) emissions through the operation of high-efficiency air pollution control equipment (CFRTO, Concentrator Flameless Regenerative Thermal Oxidizer)
Water	Yangsan Plant	Received a satisfactory result from the groundwater environmental impact assessment
Pollutants	Changnyeong Plant	<ul> <li>Installed oil-water separators and discharge walls</li> <li>Managed non-point pollution reduction facilities</li> </ul>

# NEXEN TIRE Participates in the "Voluntary Air Pollutant Emission Reduction Policy"

NEXEN TIRE is working in partnership with Gyeongsangnam-do Province to participate in the "Voluntary Air Pollutant Emission Reduction Policy." The company establishes and implements annual emission reduction targets and strengthens reduction measures during periods of high fine dust concentration. In addition, it cooperates in adjusting operating hours when emergency fine dust reduction measures are issued. From 2025 to 2029, the company aims to continuously reduce emissions of four substances—sulfur oxides, nitrogen oxides, and volatile organic compounds (VOCs)—to minimize environmental impact and contribute to improved air quality in the region.





Sustainable Supply Chain ————————————————————————————————————	046
Occupational Health and Safety	051
Human Resources Management	058
Customer Satisfaction and Quality Management ->	064
Human Rights Management	070
Social Contribution	075

# **Sustainable Supply Chain**

NEXEN TIRE is committed to responsible procurement practices aimed at establishing a sustainable supply chain, founded on transparent transactions and mutual cooperation. In recognition of its social responsibility in the tire manufacturing process and the need to protect the environment, the company strives to promote awareness of sustainability throughout the supply chain. As a member of GPSNR (Global Platform for Sustainable Natural Rubber). NEXEN TIRE has established and implemented its sustainable natural rubber policy to fulfill its corporate responsibility with integrity.







### **MANAGEMENT APPROACH**

# IMPACT: Important FINANCIAL: Significant

#### **UN SDGs Targets**

- 12.6 Encourage companies to adopt sustainable practices and integrate sustainability information into their reporting cycle
- 12.7 Promote sustainable public procurement practices
- 17.16 Enhance the Global Partnership to support the achievement of the SDGs in developing countries

#### Impact

- Potential for industrial accidents and serious incidents within the supply chain
- Enhances suppliers' technological capabilities
- Establishes close partnerships with suppliers
- · Advances co-prosperity with suppliers and accelerates joint technology development



### **Key Impacted Stakeholders**

- Suppliers
- Local communities



#### **Risks and Opportunities**

- Increased legal risks related to suppliers' safety management
- Reputational damage and production disruptions in the event of supplier safety incidents
- Increase in communication and support costs for suppliers
- Improved supplier competitiveness leading to enhanced production capacity
- Elevated corporate image and increased sales through supplier training initiatives

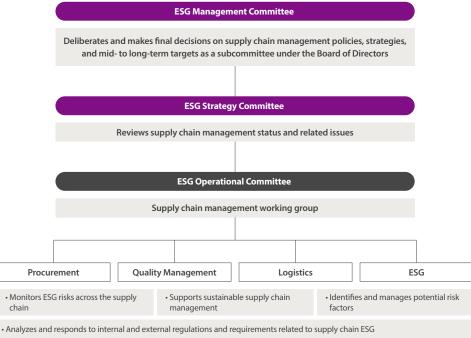


# Governance

# **Supply Chain Management System**

NEXEN TIRE aims to raise awareness of sustainability management across its entire supply chain and effectively manage supply chain ESG risks to enhance overall sustainability. In 2024, we established a supply chain management working group under the ESG Operational Committee, composed primarily of workinglevel staff from departments responsible for supplier management. The ESG Operational Committee leads our supply chain ESG risk management strategy and monitoring efforts. By managing ESG risk items across the supply chain, NEXEN TIRE strives to minimize negative impacts and maximize positive value creation throughout its products and services. Through these efforts, we continue to strengthen a sustainable supply chain management framework.

### **Supply Chain Management Governance**



Human Rights Management Social Contribution

# **Sustainable Supply Chain**

# Strategy

# Strengthening the Supplier Code of Conduct

NEXEN TIRE revised its Sustainable Procurement Policy, originally established in 2021, into a Supplier Code of Conduct in 2023. The updated code clearly defines the ethical responsibilities and sustainability standards that suppliers are expected to meet, with the aim of enhancing social responsibility throughout the supply chain. To that end, we require all new suppliers to sign the Ethical Management Pledge. Adherence to the Code of Conduct is mandated as a contractual condition, reinforcing the supplier's capabilities to respond to environmental, human rights, and anti-corruption issues across the supply chain. In addition, our Sustainable Purchasing Policy—publicly disclosed on our website—reinforces transparency in procurement processes by promoting fair partnerships with vulnerable stakeholders and minority-owned businesses, enabling the early identification of ESG risks, and embedding corporate environmental and social responsibility considerations into procurement decisions.

# **Supply Chain Management Roadmap**

	~2025	2026~2027	2028 and Beyond	
Phase	Establish supply chain strategy and operational framework	Enhance transparency and traceability, embed management into operations	Integrate with business strategy and performance management	
Supply Chain Policy	Analyze characteristics and define boundaries of priority suppliers (upstream)     Review HQ supplier contract templates     Establish supply chain management procedures and revise Code of Conduct	• Expand scope of supply chain management (upstream → downstream)	Advance supply chain governance     Establish supply chain carbon reduction strategy (based on SBTi)     Launch sustainable businesses with outstanding suppliers	
Supply Chain Education	Share environmental and social goals across supply chain (qualitative/quantitative)     Launch grievance handling programs for suppliers	Support ESG disclosure/reporting for suppliers     Launch ESG academy for suppliers     Hold stakeholder dialogues and on-site education programs	Support supplier GHG emissions reduction and joint initiatives     Develop supplier financial support programs	
Supplier Due Diligence	Enhance supplier assessment framework (e.g., assessment items and frequency)     Train dedicated due diligence staff     Launch IT-based EUDR due diligence system	Conduct on-site due diligence for overseas suppliers     Develop supplier due diligence disclosure system	Disclose supplier due diligence data in accordance with CSDDD standards	

# Advancing the Sustainability Management Policy for the Supply Chain

Based on the core values of "fair trade and fulfillment of social responsibilities," NEXEN TIRE has established a set of supply chain risk management policies addressing environmental, human rights, anti-corruption, and raw material risks. These policies are designed to enable multidimensional risk management across the supply chain. To ensure alignment with international standards, NEXEN TIRE has developed policies grounded in global frameworks such as the OECD Guidelines, UN Guiding Principles on Business and Human Rights, and the EU Deforestation Regulation (EUDR). Rather than focusing solely on individual issues, we have structured our policy framework to ensure distributed risk-specific policies are integrated into a cohesive and actionable system. Our policy set is being further advanced into a comprehensive supply chain risk management framework that encompasses a multi-layered risk response system, integrates both preventive and responsive strategies, and includes monitoring mechanisms to enhance issue response capabilities.



# **Supplier Classification Criteria**

NEXEN TIRE classifies and manages its suppliers based on each stage of the procurement process. By operating this structured supply system, the company aims to proactively prevent ESG risks and strengthen the traceability of raw materials.



Human Rights Management Social Contribution

# **Sustainable Supply Chain**

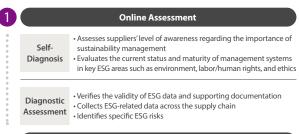
# **Risk Management**

# **Supply Chain Sustainability Assessment and Risk Management**

Background and Purpose of Supply Chain ESG Due Diligence Based on its internal ESG diagnostic and assessment framework, NEXEN TIRE has been conducting annual ESG assessments of its entire supply chain since 2020. The assessment consists of 18 indicators across three categories, and follows the process of self-diagnosis  $\rightarrow$  diagnostic assessment  $\rightarrow$  on-site due diligence. For risks identified during this process, the company provides support to implement corrective actions aimed at improving the stability of the supply chain. Throughout the ESG due diligence process, NEXEN TIRE focuses on raising awareness of the importance of sustainability management and supporting the sustainable growth of its suppliers.

### **Supply Chain ESG Due Diligence Procedure**

NEXENTIRE carries out regular ESG assessments every year and classifies and manages suppliers based on the likelihood of ESG risks identified through the assessment results. The ESG due diligence is conducted in two main stages: (1) online assessments (self-diagnosis and diagnostic assessment) and (2) on-site due diligences. The responses and status provided by each company are analyzed by professional ESG due diligence consultants to enhance the reliability of the assessment.



# On-Site Due Diligence

- Reviews the supplier's sustainability management system and data governance level
- Targets suppliers identified as high ESG risk
- · Conducted jointly with third-party ESG assurance specialists

# ESG Assessment Criteria and Indicators for the Supply Chain-

(C) Click. Supply Chain ESG Due Diligence Evaluation Items

The ESG assessment items were designed using a tailored approach that reflects materiality, taking into account the industry classification defined by the Sustainability Accounting Standards Board (SASB) and the size of each supplier. Key evaluation categories include business ethics, labor and human rights, occupational health and safety, and environmental management.

# **Supply Chain ESG Due Diligence Results**

(C) Click. Key Corrective Action Cases

In 2024, NEXENTIRE assessed 97 out of 166 suppliers across its entire supply chain, including raw and sub-materials, logistics, distribution, and services. Based on the self-diagnosis results, suppliers with a high likelihood of ESG risk were identified, and seven were categorized as high-risk. On-site ESG due diligence was conducted for five domestic raw and sub-materials suppliers. The process involved identifying ESG risk factors specific to each supplier and providing the results along with recommended corrective actions. Suppliers with identified ESG risks were required to establish a Corrective Action Plan (CAP), and a total of five CAPs were submitted. NEXEN TIRE is monitoring the implementation of each supplier's improvement plan to determine whether the identified risks have been mitigated. For key suppliers that received high scores from the ESG due diligence, incentives such as market share (M/S) priority and development opportunities have been granted.

#### **Supply Chain ESG Assessment Process Establishment** Development of Pre-Identification of $\bigcirc$ $\supset$ **ESG Due Diligence** `**>**` and Monitoring of **Evaluation Indicators** Supplier Risks Improvement Plans **Conduct Pre-training Diagnose Results** Design ESG assessment indicators · Review the status of domestic by reflecting materiality based on and overseas suppliers and the SASB industry classification identify high-risk ESG groups · Plan due diligence procedures • Diagnose participation rate by stage and supplier size Monitor ESG risk issues such as and ESG training and analyze ESG risk factors based Core areas include business human rights and business ethics • Provide ESG training to internal on on-site due diligence results ethics, labor and human rights, that may arise across the supply staff and suppliers • Notify suppliers of due diligence occupational health and safety. chain results and environmental management **Conduct ESG Due Diligence Establish Improvement Plans** • Request establishment of ESG · Carry out online assessments for all suppliers (self-diagnosis and risk mitigation or corrective diagnostic assessment) action plans and monitor their · Conduct on-site due diligence implementation for key suppliers

# **Sustainable Supply Chain**

# **Support for Cooperation with Suppliers**

**Enhancement of Communication with Suppliers** 

(C) Click. Supplier's Communication Channel for Advisory on Sustainability Management

NEXEN TIRE operates a dedicated communication channel to ensure transparent and continuous engagement with its suppliers. Through this channel, suppliers can share their feedback and concerns encountered during the implementation of sustainability management practices. Based on the opinion received, NEXEN TIRE provides advisory support and strives to build mutual trust and consensus for shared growth. In addition, based on the results of ESG assessments, NEXEN TIRE identifies suppliers with high ESG risks and provides them with tailored support. This includes the distribution of educational materials, updates on ESG trends, and sharing of relevant management strategies.

# **Technical Exchange with Suppliers**

NEXEN TIRE holds regular technical exchange meetings with its suppliers to promote mutual growth. In particular, the company conducts regular meetings with key raw material suppliers under the theme of developing sustainable raw materials. During these meetings, NEXEN TIRE shares its goals for sustainable product development and the application of sustainable raw materials, and discusses specific implementation plans. In addition to direct (Tier 1) suppliers, NEXEN TIRE also verifies process, quality, and sustainability management practices of indirect (Tier 2) suppliers.

# **ESG Training and Support Activities for Suppliers**

NEXEN TIRE provides ESG training and consulting to strengthen suppliers' ESG capabilities and sustainable growth. In 2024, an online training session "Understanding ESG Management and Regulations for a Sustainable Supply Chain," was held, targeting ESG managers and staff from 30 key suppliers. For overseas suppliers, English lecture videos and training materials were distributed to raise ESG awareness. In addition, for five domestic suppliers that participated in on-site due diligence, a One-Day consulting session was conducted with ESG experts. These sessions provided a platform to share concerns on sustainability management and receive tailored recommendations.

# **Financial and Welfare Support Activities for Suppliers**

To promote shared growth with its suppliers, NEXEN TIRE operates various support programs. To improve suppliers' cash flow, the company introduced an early payment solution, enabling payments to be made immediately after order placement, instead of after delivery as in the previous system. In addition, suppliers registered for this solution are provided with added benefits, including access to MRO (Maintenance, Repair, and Operation) services and the company's welfare mall. Through these initiatives, NEXEN TIRE seeks to realize a shared growth model that extends both financial and welfare benefits to its suppliers.

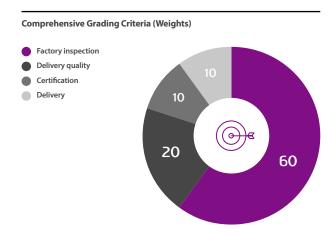
# **Supplier Management Status**

# **Supplier Selection and Evaluation Criteria**

When selecting raw material suppliers, NEXEN TIRE evaluates not only the performance of the materials themselves but also comprehensively assesses the supplier's quality, environmental, and safety management standards. Even after passing the initial document screening based on these criteria, suppliers must undergo on-site due diligences. Through this process, NEXEN TIRE identifies and approves suppliers that provide high-quality raw and submaterials.

# **Regular Quality Management for Suppliers**

To enhance the quality stability and competitiveness of its suppliers, NEXEN TIRE conducts regular quality assessments. The quality approval status of each supplier is updated twice a year, and suppliers are subject to evaluations at the manufacturing site level based on their assigned quality grade. On-site due diligences are conducted by auditors who are qualified as internal inspectors within the purchasing, quality management, or R&D departments, and who hold VDA 6.3 certification. These evaluations are based on a thorough understanding of the supplier's production processes. While the default method is on-site due diligence at the supplier's manufacturing facilities, written assessments may be substituted in cases where the supplier has consistently been classified as low-risk.



#### Regular On-Site Due Diligences Grading Criteria

Grades	Grade A	Grade B	Grade C	:
Criteria	90-100%	80-89%	70-79%	69% or less
Incentives/ Penalties	Review upgrade of payment conditions and M/S	Conduct improvement activities for inadequacies	Perform special factory inspections     Require attaining a grade of B or higher in the future (unenrolled if grade 3 is maintained for two consecutive years)	Suspension of transaction
	10.		0	

**Companies Participating** 

in ESG Consulting

5companies

# **Sustainable Supply Chain**

# Indices and Goals

# **Suppliers' ESG Management Indices and Goals**

Since 2023, NEXEN TIRE has included ESG-related areas in the common key performance indicators (KPIs) for employees in the Procurement Business Sector. This initiative aims to foster a mindset of sustainability management and promote responsible purchasing practices. The Procurement Team and the ESG Team have each established specific KPIs: expanding the purchase of sustainable raw materials and conducting on-site ESG due diligences across the supply chain, respectively.

# **Suppliers' ESG Management Goals**

To effectively manage supply chain ESG, NEXEN TIRE has selected relevant management indicators and is establishing mid-to-long-term goals to measure and manage annual performance. Two key indicators have been identified: the Supplier sustainability management indicator, which assesses the organization's efforts to establish and maintain an ESG risk management framework through ongoing evaluations and due diligence; and the Supplier Mutual Growth Support indicator, which evaluates the level of organizational effort to implement specific and systematic ESG-related support for suppliers. These goals are currently under discussion within the Supply Chain Management working group. Performance outcomes for these indicators will be regularly reported to the ESG Management Committee, the company's highest decision-making body on ESG matters.

# 2024 Supply Chain ESG Due Diligence



# Responsible Raw Material Management

# Sustainable Natural Rubber Policy

As a key player in the natural rubber value chain and a responsible buyer, NEXEN TIRE is leading global collaboration efforts to build a sustainable supply chain. In 2020, the company joined the Global Platform for Sustainable Natural Rubber (GPSNR), and in 2021, developed its own sustainable natural rubber procurement strategy based on the policy and action plans distributed by the GPSNR Committee for member companies. In 2024, NEXEN TIRE enhanced its supply chain ESG assessment system to go beyond GPSNR membership and focus on selecting suppliers that substantially meet sustainability criteria. The company is strategically expanding business partnerships with these qualified suppliers. In addition, NEXEN TIRE is actively exploring the adoption of sustainable technologies and the use of renewable energy throughout the production and processing stages of natural rubber. Moving forward, the company will continue to strengthen supply chain ESG capabilities, introduce global certification systems, and expand support for partners based on sustainability standards to establish a natural rubber value chain that upholds both environmental and social responsibility.

#### **Conflict Minerals Policy**

(C) Click. What Are Conflict Minerals?

NEXENTIRE has established a policy and internal guidelines to ensure that conflict minerals are not used in its product manufacturing processes. The company strengthens responsible supply chain management by monitoring supplier supply chains, conducting onsite audits when necessary, and taking timely corrective actions. To this end, NEXEN TIRE checks with suppliers regarding the handling of conflict minerals before developing new raw materials. For regular transactions, contracts are signed that include a clause prohibiting the use of conflict minerals, thereby reinforcing efforts to build a responsible supply chain. Additionally, when required, NEXEN TIRE communicates the conflict minerals management status of its suppliers to stakeholders to prevent risks related to conflict minerals.

Human Rights Management Social Contribution

# Occupational Health and Safety



NEXEN TIRE implements strategies and initiatives to lead in industrial safety by fostering a company-wide awareness of health and safety prevention among all employees. In particular, we support health and safety management activities for both employees and suppliers through the establishment of the ISO 45001-based occupational health and safety management system, training and education programs, and communication with stakeholders. We regularly assess the effectiveness of our health and safety strategies and activities aimed at accident prevention and risk mitigation, and we are committed to continuously strengthening the health and safety management capabilities at all of our business sites.





# MANAGEMENT APPROACH

# IMPACT: Significant FINANCIAL: Informative

#### **UN SDGs Targets**

- 3.9 Reduce the number of injuries caused by hazardous chemicals and pollution
- 8.8 Promote safe and secure working environments (Reduce industrial accident frequency rate)

#### Impact

- Increases social burden due to industrial and serious
- Delays customer production schedules due to delivery disruptions



# Key Impacted Stakeholders

- Employees
- Local communities
- Client companies
- Suppliers



#### **Risks and Opportunities**

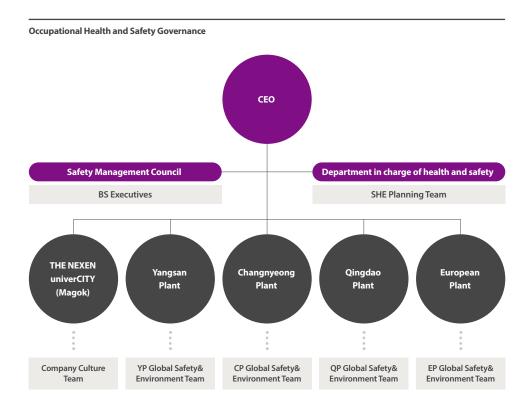
- · Damage to corporate image due to safety accidents
- Decline in operating profit due to production stoppages
- Costs associated with implementing programs to prevent industrial and serious accidents
- Administrative and legal expenses resulting from safety incidents



# Governance

# Strengthening the Health and Safety Management System

To fulfill its health and safety obligations, NEXEN TIRE operates the SHE Planning Team, a company-wide dedicated health and safety organization that reports directly to the CEO. This team oversees the overall health and safety management system. The Safety Management Council, chaired by the CEO and composed of executives, is held semi-annually to review safety and health issues, strategies, and performance. This structure maximizes prompt and rational decision-making and execution capabilities. Each business site actively engages in activities to comply with relevant regulations and prevent industrial accidents. In particular, NEXEN TIRE is minimizing risks by establishing a clear framework for executing health and safety duties and providing regular training. The company is also continuously strengthening its company-wide health and safety promotion system.

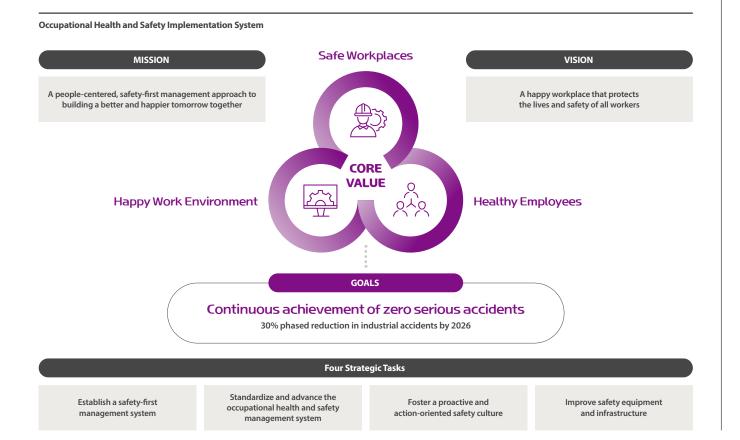


# Occupational Health and Safety

# Strategy

# **Occupational Health and Safety Implementation System**

With the vision of creating a "happy workplace that protects the lives and safety of all workers," NEXEN TIRE operates a systematic occupational health and safety management procedure, aiming to achieve the goal of "continuous achievement of zero serious accidents." When a health and safety issue arises, the company reviews relevant regulations, deliberates on key matters, and provides necessary training. Each team establishes and implements specific goals and action plans, while performance is collected and reviewed regularly. In addition, regular inspections are conducted to maintain and improve the overall health and safety management system.



# **Health and Safety Management Policy**

NEXEN TIRE has established a health and safety management policy based on the slogan, "At the core, there will always be people." This policy aims to protect the safety and health of all stakeholders, including employees, customers, suppliers, and affiliates. All employees across all worksites are responsible for fully understanding and complying with the policy. We also ask key stakeholders such as customers, suppliers, and affiliates who engage in business with us to support and adhere to this policy. To ensure the effective implementation of the policy, NEXEN TIRE has developed detailed guidelines and a promotion system, and is committed to its continuous improvement.

# Case Study

# NEXEN TIRE Wins Excellence Award at Safety Culture Innovation Awards

NEXEN TIRE was awarded the Excellence Award in the large enterprise category at the inaugural Safety Culture Innovation Awards, further solidifying its position as a leader in occupational health and safety management. Over the past 10 years, the company has maintained a zero recordable serious accident rate and an industrial accident rate of 0.3%, approximately 84% lower than the industry average. It operates a systematic safety management system based on ISO 45001. NEXEN TIRE has also invested in state-of-the-art safety equipment at its domestic and overseas sites and implemented voluntary participation-based safety awareness programs to prevent industrial accidents. Following its selection in 2022 as an "Outstanding Workplace for Health and Safety Management System Implementation," the company continues to contribute to improving the safety and health standards of its suppliers.



Sustainable Supply Chain Occupational Health and Safety Human Resources Management Customer Satisfaction and Quality Management

# Occupational Health and Safety

# **Autonomous Prevention System**

NEXEN TIRE has established an autonomous prevention system to prevent industrial accidents and strengthen its occupational health and safety management framework, while promoting on-site-centered safety practices. To this end, the company analyzes types of incidents and high-risk accidents to implement customized safety regulations by risk level (A/B/C), and enhances the management of high-risk groups to foster a culture of voluntary safety awareness among workers. In addition, NEXEN TIRE proactively updates its SHE standard documents to reflect changes in laws and certification standards such as KOSHA and ISO. The company also operates task forces and collaborative systems to ensure compliance with legal requirements. Based on these strategies, NEXEN TIRE aims to enhance the effectiveness of its health and safety activities, prevent serious accidents, and establish a sustainable safety culture.



# Case Study

# **Declaration of Health and Safety Policy and** Safety Culture Pledge

NEXEN TIRE revised its Health and Safety Management Policy in 2024 with the aim of fostering a voluntary safety culture and realizing a "zero serious accident" workplace. To this end, the company held a Health and Safety Policy Declaration Ceremony and a Safety Culture Pledge Ceremony to raise awareness of safety and reinforce the commitment to industrial accident prevention. In addition, NEXEN TIRE is creating a safe working environment for employees and establishing an autonomous prevention system to embed a safety-first organizational culture. Through these efforts, the company continues to strengthen a sustainable health and safety management framework based on labor-management cooperation.



Human Rights Management Social Contribution

# Occupational Health and Safety

# **Risk Management**

# **Enhancement of Health and Safety at Worksites**

Identification and Improvement of Potential Risk Factors (Risk Assessment)

NEXEN TIRE continuously identifies potential risks through risk assessments conducted across all manufacturing sites and operates a dedicated health and safety communication channel that and operates a dedicated health and safety communication channel that employees can freely share their opinions at any time. In 2024, domestic manufacturing sites improved 86 risk factors based on regular risk assessment results and revised a total of 637 work procedures through Job Safety Analysis (JSA). To further enhance proactive risk management, the company encourages voluntary employee participation through programs such as the "Health and Safety Suggestion Box" and "Hidden Risk Identification" (QR Reporting System). Through these initiatives and Total Productive Maintenance (TPM) activities, a total of 959 potential risks were identified in 2024, of which 781 cases (81%) were successfully improved.

# Regular Inspection of Hazardous and Dangerous Machinery, Equipment, and Facility Management Systems

In 2023, NEXEN TIRE's domestic manufacturing sites conducted regular safety inspections on a total of 599 pieces of hazardous and dangerous machinery and equipment to prevent safety accidents and workplace disasters. The company maintains and manages the inspection results to ensure continued compliance. Additionally, when installing new or additional equipment or restarting operations, a joint inspection team composed of labor representatives and technical experts conducts preliminary inspections. In 2024, four rounds of such inspections were carried out, resulting in the identification of 45 improvement items, all of which were fully addressed. The company continues to implement additional safety measures to further strengthen the safety of machinery, equipment, and facilities.

# **Site-Focused Key Risk Management Activities**

At its domestic manufacturing sites, NEXEN TIRE promotes sitecentric health and safety activities by identifying and addressing risks specific to each process through the collaboration of supervisors and workers. The first day of each month is designated as "Safety Day," during which team and section leaders, along with supervisors, guide and verify compliance with standard safety practices on site. In addition, the company operates joint labor-management inspections on designated "Safety and Fire Inspection Days." Focused inspections are conducted on core risk factors—such as falls, caught-in, collisions, and cuts—as well as on major high-risk processes. Risks in accidentprone areas are also analyzed, followed by the implementation of comprehensive improvement measures. In 2024, a total of 285 risk factors were identified through joint inspections, of which 221 were improved. Furthermore, to prevent major industrial accidents such as fires and explosions, the company conducted internal Process Safety Management (PSM) audits and external consulting. As a result, NEXEN TIRE maintained an "S" grade in the 2024 PSM evaluation, continuing its commitment to accident prevention.

# Work Environment Measurement and Ventilation System Management

NEXEN TIRE conducts work environment measurements twice a year to protect workers from hazardous factors and to create a comfortable workplace. In 2024, the results of hazardous substance measurements at all domestic manufacturing sites were found to be below the legal exposure limits. The company shares the measurement results and information on hazardous substances with employees and actively invests in improving facilities and equipment. In 2024, KRW 188 million was invested in inspecting local exhaust systems, replacing and repairing filters. To manage the working environment in the gasification process, a real-time Auto HVAC (Heating, Ventilating, and Air Conditioning) system is operated. Through the efficient operation of such ventilation systems, NEXEN TIRE is striving to minimize workers' exposure to hazardous factors.

# **Emergency Response Training**

NEXENTIRE has established emergency response scenarios to ensure prompt and effective responses to fires, explosions, natural disasters, and serious industrial accidents. The company operates an inhouse firefighting team and conducts joint comprehensive fire drills with the local fire station at least once a year. In addition, quarterly emergency response drills are carried out by production process and in-house units to enhance site-level readiness. In particular, in 2024, domestic manufacturing sites conducted emergency evacuation drills that included in-house partner companies. Additionally, the Magok R&D Center carried out full-scale evacuation training for all employees to prepare for emergencies such as fires. These trainings are designed to prepare for actual emergencies such as fires and earthquakes, aiming to minimize human and property damage. Through these efforts, NEXEN TIRE continues to strengthen its emergency response system.



Hidden Risk Identification (QR Reporting System)



2024 Site Safety Inspections



2024 Emergency Response Training

# Occupational Health and Safety

# **Enhancement of Safety at Workplaces**

#### **Fire Prevention Activities**

NEXEN TIRE conducts annual comprehensive precision inspections and operational checks through certified firefighting inspection agencies. In addition, risk assessments by the Fire Insurance Association are used to drive continuous improvements in facilities, proactive fire prevention activities, and enhancements to emergency response capabilities. In 2024, flame sensors and other special detectors were additionally installed at fire-vulnerable areas of domestic manufacturing sites. The company also continued to improve emergency broadcasting systems, fire hydrants, and on-site fire shutters. A disaster prevention center staffed with dedicated personnel operates 24/7 to monitor emergencies in real time and ensure prompt response in case of accidents. Furthermore, NEXEN TIRE systematically manages systems to prevent secondary environmental pollution accidents caused by toxic substances or firefighting water discharge in the event of a major fire.

### Strengthening Health and Safety Training

#### **Regular Education for Production Employees**

NEXEN TIRE provides over 12 hours of mandatory regular training every six months to production employees, focusing on risk factors and accident cases specific to each site's process. To further enhance the effectiveness of health and safety training and its applicability in the

workplaces, we utilize materials such as process-specific content and instructional videos tailored to the type and frequency of risk. These efforts aim to strengthen employees' safety capabilities and prevent workplace accidents.

Health and Safety Risk Management at the Magok R&D Center To ensure the safe operation of the research institute, the Magok R&D Center provides specialized and customized safety training prior to testing, focusing on test types and the handling of chemicals. The center also conducts daily safety inspections, annual in-house inspections, and external safety assessments by professional agencies. These efforts aim to proactively identify and improve potential hazards within the facility and to prevent accidents.

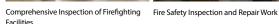
# Prevention of Industrial Accidents and Enhancement of Safety **Capabilities via Customized Educational Content**

NEXEN TIRE strengthens industrial accident prevention and safety capabilities through customized internal training. The company reinforces special safety training for hazardous risk operations and systematizes health and safety education for newly hired employees. To enhance the capabilities of managing directors, customized training content is developed and systematically implemented in-house. In 2024, special safety training was provided to 141 employees engaged

in hazardous risk operations, and health and safety education was conducted for 179 newly hired employees. In particular, 265 managing directors participated in hands-on safety training to improve responsiveness and crisis management skills in the event of serious industrial accidents. NEXEN TIRE continues to expand and enhance systematic training programs to prevent industrial accidents.

















Hands-on Safety Training for Managing Directors

Human Rights Management Social Contribution

# Occupational Health and Safety

# Enhancing Health and Safety Capabilities and Cooperation with Suppliers

NEXEN TIRE carries out a range of support activities—including regular inspections, risk assessment support, training and seminars, and safety facility improvements—to help suppliers prevent industrial accidents and enhance their health and safety standards. These efforts aim to strengthen suppliers' autonomous safety management capabilities, improve their working environments, and prevent serious industrial accidents. We also continue to foster a culture of shared health and safety management through ongoing communication and cooperation with our suppliers.

#### 2024 Supplier Health and Safety Management Activities

Category	Key Activities	Outcomes and Impact
Regular Inspections	Conduct regular on-site safety inspections of suppliers Operate monthly joint labor-management inspections and safety and health councils Conduct quarterly inspections focused on high-risk processes and accident-prone areas	Prevention and improvement of suppliers' safety risks
Risk Assessment Support	Assessment Small and Medium Enterprises to transfer risk	
Training and Seminars		

# **Safety and Health Management System Certification**

NEXEN TIRE has acquired ISO 45001 certification at all domestic and overseas manufacturing sites. Based on this certification, the company applies the health and safety management system to all employees and supplier personnel, striving to establish a safe and healthy working environment across the entire value chain.

# **Operation of Health and Safety Communication Channels**

NEXEN TIRE operates various health and safety communication bodies and continues to expand channels to prevent workplace accidents and strengthen health and safety management.

#### **Status of Communication Channel Operations**

Category	Frequency	Participants	Key Discussion Topics and Action Plans
Occupational Health and Safety Committee and Labor- Management Talk	Quarterly	Employee representatives     Management	Discussion of health and safety issues     Collection of suggestions for system improvement     Strengthening labor-management cooperation     Reflection of policies to prevent health and safety risks
Supplier's Council	Monthly	Supplier representatives     Safety and health personnel	Review and improvement of suppliers' compliance with health and safety requirements     Strengthening suppliers' capabilities to prevent and respond to risks
Safety Management Council	Semi- annually	CEO     Subdivision heads     Plant health and safety managers     SHE Planning Team	Sharing of internal and external issues related to health and safety     Performance review at corporate and plant levels     Progress on health and safety improvement actions     Review of compliance with Serious Accidents Punishment Act and accident prevention planning
Health and Safety Communication Committee	Semi- annually*	SHE Planning     Team     Employee     representatives	Review of health and safety implementation status     Sharing of key issues and performance     Promoting employee participation     Fostering a safety culture

<sup>\*</sup> Held semi-annually per site

# **Hazardous Chemicals Management**

# **Hazardous Chemicals Monitoring**

NEXEN TIRE complies with relevant domestic and international regulations—including the Chemical Control Act, the High-Pressure Gas Safety Control Act, and EU REACH—across the entire lifecycle of chemical substances, from registration and usage to evaluation. The company has established internal standard procedures to manage these substances. To manage hazardous chemicals, we continuously monitor external regulations. During the development and approval of new raw materials, all suppliers are required to submit a declaration confirming non-use of hazardous substances. Products containing oil are managed to ensure compliance with thresholds for Polycyclic Aromatic Hydrocarbons (PAHs), and those containing minerals are managed according to the criteria of the End-of-Life Vehicles (ELV) directive or the Restriction of Hazardous Substances (RoHS) directive. Test reports from accredited third-party organizations are collected and managed regularly. Additionally, we report the presence of hazardous substances in products sold to customers through the International Material Data System (IMDS)\*.

# **Emergency Response Process for Hazardous Chemical Leaks**

NEXEN TIRE has established an emergency response system to ensure swift action in the event of a hazardous chemical leak. This system is designed to minimize impacts on the health and environment of employees, suppliers, local communities, and customers. Through this process, we aim to prevent human and material damage, enhance safety, and manage hazardous chemicals under stricter standards.





Report the damage status

<sup>\*</sup> IMDS (International Material Data System): A global data system for registering chemicals contained in automotive parts.

Sustainable Supply Chain Occupational Health and Safety Human Resources Management Customer Satisfaction and Quality Management

Human Rights Management Social Contribution

# **Occupational Health and Safety**

# **Employee Health Management**

NEXEN TIRE operates a variety of health management programs to enhance employee well-being through proactive health supervision. In 2024, all 3,725 employees subject to special and general health check-ups completed their examinations, and post-examination follow-up care and customized consultations were provided by professional health managers. In particular, health promotion programs such as a smoking cessation fund and obesity clinics were conducted for approximately 200 employees, achieving a 43% success rate. In addition, we operate small tool exercise classes and physical rehabilitation therapy to prevent musculoskeletal disorders, and carry out education and campaigns to prevent heat-related illnesses. We are committed to continuously promoting various activities that support employee health improvement.





Education on Heat-Related Illness Prevention Small Tool Exercise Classes

#### **Employee Health Management Programs**

Category	Key Activities
Health Check-ups	Support for special and general health check-ups     Comprehensive health examination package for employees aged 35 and over and their spouses     Post-examination follow-up by health managers and provision of personalized consultations
Disease Prevention	Work-related stress assessments     Brain and cardiovascular disease risk assessments     Musculoskeletal disorder assessments and analysis
Health Management Office	Operation of health promotion programs (e.g. smoking cessation, obesity clinic, responsible drinking campaign)     Operation of small-group exercise classes to prevent musculoskeletal disorders     Recognition and rewards for successful participants and outstanding contributors

# **Operation Status of Health Management Rooms**

Domestic Plants

- Provide health counseling
- Operate health management programs such as metabolic syndrome management and manual therapy experience sessions

Magok R&D Center

- Provide health counseling
- Operate a physical therapy room equipped with a full-body massager, infrared therapy device, and compression circulation therapy equipment

# Case Study

### NEXEN TIRE Designated as a Certified Workplace for Health Promotion

NEXEN TIRE systematically operates health promotion programs based on work-related stress assessments, brain and cardiovascular disease risk assessments, and musculoskeletal disorder evaluation systems. In 2024, the company expanded its efforts by offering specialized training, solution-based exercises, and campaigns to prevent heat-related illnesses. In addition, it strengthened the prevention of musculoskeletal disorders through small-group exercise classes, myofascial stretching education, and customized rehabilitation physiotherapy. As a result of these continued efforts, NEXEN TIRE was selected as a certified workplace for health promotion for the fifth consecutive year in 2024.



# **Indices and Goals**

# **Industrial Health and Safety Indicators and Targets**

In 2024, NEXEN TIRE achieved its target of zero serious accidents and recorded a comprehensive disaster index of 0.89, below the target of 0.97, successfully accomplishing its industrial accident reduction goals. To strengthen health and safety management, the company invested approximately KRW 480 million during the year and plans to continue increasing its investment in employee safety.

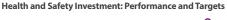
# Comprehensive Disaster Index: Performance and Targets

Category	2024	2025	2026
Target Reduction Rate	13%	21%	30%
Target	0.97	0.88	0.78
Actual	0.89	-	-

#### Health and Safety Investment Plan and Performance

(Unit: KRW million)

Category	2024 Performance
Safety Equipment Improvement	897
Work Environment Improvement	1,043
Firefighting Facilities	306
Musculoskeletal Disease Prevention and Management	628
Safety Management	1,360
Health Management	605
Total	4,839



(Unit: KRW million)



2024 2025 (Target)

ESG DATA

Sustainable Supply Chain Occupational Health and Safety Human Resources Management Customer Satisfaction and Quality Management

Human Rights Management Social Contribution

# Human Resources Management



NEXEN TIRE regards its members as core assets who play a critical role in creating corporate value. We are committed to enhancing employee satisfaction and well-being. To this end, we operate a variety of training programs to support employee competency development and personal growth, and we strive to improve employee happiness and satisfaction through our welfare and benefits programs. In addition, we promote a creative and performance-driven organizational culture by operating fair recruitment and compensation systems.





### MANAGEMENT APPROACH

# IMPACT: Minimal FINANCIAL: Informative

#### **UN SDGs Targets**

- 4.7 Provide education for sustainable development to all learners
- 10.2 Promote the social, economic, and political inclusion of all

#### Impact

- · Strengthens employee job competencies
- Increases customer satisfaction through enhanced product and service quality



#### Key Impacted Stakeholders

- Employees
- Government and regulatory agencies
- Local communities
- Customers

# **Risks and Opportunities**

- Increased investment costs for training and skills development
- Potential financial losses due to talent outflow
- Increased productivity and sales growth



# Governance

# **Human Resources Management Governance**

NEXEN TIRE manages human resources issues systematically under the ESG Management Committee, the highest decision-making body composed of internal and external directors, along with the ESG Strategy Committee, ESG Operational Committee, the Human Rights and Labor working group, and related departments. These bodies work together to address employee-related issues in a coherent and systematic manner. In particular, matters related to human resources management, such as performance evaluations and training, are overseen and decided under the leadership of the Global Human Resources Business Sector (GHR BS).

**Human Rights and Employee Management Structure ESG Management Committee ESG Strategy Committee** (Chair: CEO) **ESG Operational Committee Human Rights/Labor Working Group Human Resources Labor-Management Cooperation Ethical Management Environmental Safety Customer Satisfaction** Procurement

# **Human Resources Management**

# Strategy

# **Talent Acquisition Strategy**

'NEXEN UNIVERSE' reflects NEXEN TIRE's core value system and behavioral principles for employees. Based on this system, we strive to achieve our ultimate goal of "Creating Value for Tomorrow, Every Step of the Way." We are building an Employee Value Proposition (EVP\*) that can be genuinely experienced by our employees, and we are continuously strengthening our talent development strategy to ensure that NEXEN people can grow and develop throughout their entire lifecycle within the company.

\* EVP: A promise of value offered to employees.

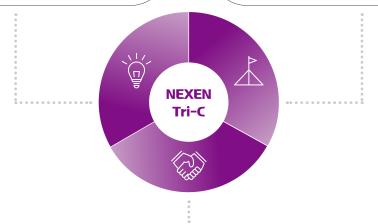
# NEXEN TIRE's Core Values (NEXEN Tri-C)

# Creativity

A person capable of making bold attempts to change the market in a groundbreaking way with original and fresh ideas by thinking outside the box

# Challenge

A person who will broaden NEXEN's step toward the future by taking on challenges that have not been attempted by others and experiencing trials and errors in order to break through the uncertain future



# Collaboration

A person who makes the utmost effort in his or her own position while successfully working with others for a common goal by respecting different opinions and ideas

# **Risk Management**

# **Human Resources Management Process**

NEXENTIRE identifies and manages risks through its human resources management process. We support and operate structured activities for talent acquisition, development, retention, and fair evaluation and compensation. By securing and nurturing outstanding talent, we aim to enhance corporate competitiveness and improve employee satisfaction through the cultivation of a positive organizational culture.

#### Case Study

# **Internal Communication Program**

NEXEN TIRE promotes various in-house activities to enhance communication among employees and improve organizational culture. As part of these efforts, an in-house table tennis tournament held in October 2024 brought together employees from across the company, serving as an opportunity to strengthen collaboration and camaraderie between departments. These activities also contribute to improving employee health and relieving stress, and foster positive energy in the workplace through voluntary participation. NEXEN TIRE will continue to expand participation and communication among employees through diverse in-house programs and strive to cultivate a healthy organizational culture.



# **Human Resources Management**

#### **Talent Acquisition**



# **Talent Development** • Lack of growth opportunities may lower employee



#### **Talent Retention**

organizational culture and working environment

· Increase in turnover rate due to insufficient



# **Evaluation and Compensation**

# Risk

 There are legal risks related to violations of labor laws and anti-discrimination laws during the recruitment process

· Hiring talent misaligned with the company's values may result in underperformance or poor organizational fit, ultimately reducing productivity

- · Recruit talents aligned with the core values of
- Disclose recruitment processes transparently
- Al interview system
- Conduct recruitment based on differentiated selection criteria depending on job type and work environment (e.g., new/experienced employees, domestic/overseas recruitment, sales/research/ production roles)

#### Fair Recruitment

- Enhance fairness through the introduction of an
- · Provide interviewer training programs that include basic competency development and mock interviews to improve real interview skills

# Management Activitie



### motivation, resulting in reduced organizational loyalty and work efficiency Insufficient opportunities for capability

development may weaken the organization's capacity for innovation

### Fostering NEXEN-Type Talent

#### (Click. Talent Development Framework

- Support employees in acquiring NEXEN TIRE's organizational culture, basic job knowledge, and competencies through the onboarding program
- Foster NEXEN-type talents by improving communication and work practices through new training programs

### Leadership Program

- Operate the NEXEN TIRE Leadership Program to enhance the leadership competencies of part leaders and above
- · Launched the NEXEN LEADERSHIP PROGRAM (NLP) to foster future leaders

### **Job Competency Development**

• Operate the "Tire Academy" to provide comprehensive education on NEXEN TIRE's value chain

# Strengthening Employee Competency

- · Strengthen digital transformation (DT) learning capabilities through AI education
- Enhance global competency through language learning platforms
- (average improvement of 0.4 level in 2024)
- Support degree programs and scholarships in partnership with Seoul Digital University

### **Career Development Support**

- Operate the job transition program "N'Career Challenge'
- Provide reemployment support services through career and aptitude assessments

# **Organizational Culture Enhancement**

- · Apply equal standards for men and women across all HR systems to build a fair workplace that respects diversity
- Recognize and reward a total of 11 teams through the "Purple Awards" festival for NEXEN members
- Foster a culture of appreciation among employees through the "Purple Point" gift program

### **Employee Communication**

- Operate a mentoring program for new employees at manufacturing sites to prevent early resignation and support efficient workforce management (In 2024, 100% of employees whose contracts expired were converted to permanent positions)
- Conduct the Employee Satisfaction Index (ESI) survey
- Strengthen teamwork through employee communication programs
- Provide opportunities for communication between junior employees (mentors) and executives (mentees) through the reverse mentoring program "Purple Mentoring"
- Collect and incorporate ideas for tasks, systems, and new businesses through the internal proposal system "NDEA" (A total of 62 ideas submitted in 2024)
- Promote communication among employees through the employee community program "NEMO (NEXEN Members' Organization)"







### • A lack of fair evaluation and compensation systems may lead to employee dissatisfaction and internal conflict

• Inadequate performance-based compensation may lower motivation and increase the risk of losing top talent

### Fair Performance-Based Compensation

- · Established a rational evaluation and compensation system through external global consulting in 2021
- Since 2022, introduced a combined absolute and relative evaluation system, reflecting performance reports and goal difficulty levels to enhance fairness and accuracy
- Evaluation results are used for decisions on promotion, compensation, and leadership
- · Performance-based bonuses are paid equally to all employees, both regular and irregular, based on iob performance outcomes

# **Welfare and Benefits Support**

- · Campaign to encourage employees to leave work
- Quarter-day leave system (allowing two-hour leave options)
- · Flexible working hours system
- · Operation of in-house daycare center
- Support for work-life balance
- Support for in-house clubs
- Provision of employee housing and rental deposit
- · Operation of corporate welfare mall

Human Rights Management Social Contribution

Sustainable Supply Chain Occupational Health and Safety Human Resources Management Customer Satisfaction and Quality Management

ENVIRONMENTAL

# **Human Resources Management**

# **Evaluation and Compensation**

# **Performance Management Process**



# Case Study

# Programs Linked to Educational Institutions and Scholarship Funds

NEXEN TIRE operates a degree acquisition program in collaboration with Seoul Digital University (SDU), offering employees opportunities to strengthen their capabilities through continued education. To ease the financial burden associated with education, we also operate an internal scholarship program.

	Category	Details
Eligible Participants		Domestic full-time employees or above
	Selection Process	• Individual application followed by internal review and final confirmation
	Support Conditions	Signing of a tuition support agreement with selected participants



# **Support for Employees' Welfare and Benefits**

# Creating a Working Environment

Category	<b>Program Name</b>	Program Description	Eligible Participants	Usage Status
Flexible Working	Quarter-day Leave System	Allows the use of annual leave in two-hour increments instead of a full or half-day	Employees at domestic worksites	591 out of approximately 1,200 eligible managerial employees (49%) used the system
Hours System	Flexible Working Hours	Employees can choose from six different types of work hour schedules	All employees	721 employees using the system
Working Hour Management System	Working Hour Monitoring Campaign	Systematic management of attendance using a digital attendance system     Overtime and holiday work conducted based on prior planning and approval     Notification 10 minutes before the end of work hours to prevent unnecessary overtime	All employees	-

# Work-Life Balance Support

Category	Program Description
Maternity Protection Program	Provision of prenatal and postnatal leave, spouse's paternity leave, infertility treatment leave, parental leave and reduced working hours during the childcare period
Family Care	Provides family care leave and reduced working hours when family members require care due to illness, accident, or old age
In-house Childcare Center	Operates in-house childcare centers at key sites including the R&D Center and manufacturing sites Maintains a number of teachers exceeding the legal standard for each age group and introduces educational programs from specialized institutions to ensure quality education and safety The company covers all operational expenses, excluding government subsidies

# Other Welfare Programs

Category	Program Description
Support for In-house Clubs	Supports voluntary circle activities of employees     Provides circle support funds twice a year     (first and second half) to ensure smooth operations     Offers additional support to top-performing circles to encourage active participation
Leisure Activity Support	Provides summer vacation allowances and supports access to resort facilities
Employee Apartments and Lease Deposit Support	Provides rental apartments or lease deposit support for employees who need to relocate due to career transition
Welfare Mall Operation	Provides welfare points that can be used at the company's welfare mall during major holidays such as Lunar New Year and Chuseok, the company's anniversary, and Family Month
Health Management	Offers comprehensive health check-ups / Operates in- house fitness centers / Operates contracted hospitals for employee use

Human Rights Management Social Contribution

# **Human Resources Management**

# **Labor-Management Relations**

**Labor Union** 

NEXEN TIRE guarantees the freedom of collective bargaining and conducts collective agreement negotiations every two years. To facilitate smooth labor-management communication, annual wage negotiations are held, along with quarterly Labor-Management Council meetings and annual delegate conferences for dialogue between the CEO and union representatives. As a result of these efforts, NEXEN TIRE has continued its 33-year record of zero strikes as of 2024. In the 2024 wage and collective bargaining, a reasonable wage increase was agreed upon based on mutual trust between labor and management, and improvements were made to the collective agreement to benefit long-serving employees. The 2025 wage negotiations will also proceed based on mutual trust between labor and management.

# **Labor-Management Communication**

NEXEN TIRE and the Labor Union strengthen communication based on mutual respect and cooperation by holding quarterly Labor-Management Council meetings and Labor-Management Roundtable Meetings. Through regular meetings, we collaboratively promote improvements in the working environment and in-house welfare facilities. In addition, to encourage employees' participation in internal activities, we provide operating expenses twice a year to officially registered in-house clubs at each site. In 2024, a joint Labor-Management hiking event was also held.



# **Labor-Management Council**

NEXEN TIRE holds a quarterly Labor-Management Council with the participation of both management and union executives. The council discusses and consults on agenda items aimed at improving the overall working environment, including employee health, safety, and welfare.

# **Labor-Management Roundtable Meetings**

NEXEN TIRE conducts a quarterly Labor-Management Roundtable Meetings attended by union executives and team/part leaders from each department. During these meetings, we discuss employee grievances and suggestions, improvements to the on-site working environment and conditions, and provide feedback on the previous quarter's agenda.

2024 Status of Labor-Management Roundtable Meetings Agendas by Department at Domestic Manufacturing Sites\* (Yangsan, Changnyeong)

Category	Unit	Q1	Q2	Q3	Q4
Number of new agenda	Cases	121	182	168	162
Number of agenda from previous quarter	Cases	176	121	182	168
Completed	Cases	143	94	144	136
Processing rate	%	81	78	79	81

<sup>\*</sup> Data includes Yangsan and Changnyeong plants.

No-strike Record

33<sub>Years</sub>

Number of Labor-Management Council Agenda Items Resolved

27 Agenda items

Labor-Management Communication Enhancement Programs NEXEN TIRE's Change Agent (CA) collects opinions from employees across departments and utilizes this input to operate improvement initiatives and various programs aimed at strengthening communication.

# Activity Process of the Change Agent (CA)

Collect employee grievances and suggestions (email, in-person/ contactless meetings)



Implement changes on suggested issues and provide responses on reviews



Share overall improvement and operational results

#### **Labor-Management Communication Enhancement Program**

Category	Operating Facilities and Programs		
Catch-Up Relay	Operate a monthly relay program to share expatriate's lives via email and encourage communication		
Hey There	Monthly team meals for two teams to communicate with each other (Share thank you's, pair up with each other)		
Korea Sales BS HERO	Run a campaign where one employee is selected each month and mailed to the organization     Create an organizational culture where employees share professional and personal struggles, complements and encouragement		
'I am ground' Let me introduce myself	Run a program where a team is introduced every month Introduce team work and members		

Human Rights Management Social Contribution

Sustainable Supply Chain Occupational Health and Safety Human Resources Management Customer Satisfaction and Quality Management

# **Human Resources Management**

# **Labor-Management Relations**

# **Activities for Labor-Management Harmony**

Every October, NEXEN TIRE holds department-level sports competitions jointly organized by labor and management to promote harmony. In addition, we are expanding opportunities for interaction by hosting events such as the Labor Union Chairperson's Cup and the Global Manufacturing Business Group (BG) Head's Cup, thereby providing a platform for company-wide labor-management engagement.

# **Outcomes of Labor-Management Cooperation**

NEXEN TIRE has continued active dialogue and collaboration to establish a mutually beneficial labor-management culture. As a result of these efforts, the company was recognized as an "Excellent Labor-Management Culture Enterprise" in 2024 by the Ministry of Employment and Labor. We will continue to build a sustainable organizational culture and fulfill our social responsibility based on a sound and trusted labor-management relationship.





# **Welfare Association**

The Labor Union Welfare Office and the Company Culture Team at NEXENTIRE hold regular quarterly meetings to discuss welfare-related matters. When areas for improvement in employee welfare are identified, relevant details are promptly shared and addressed. In addition, quarterly meetings are used to review improvements in in-house welfare facilities and benefit programs, and feedback from the previous quarter's agenda is also discussed and reflected.

# **Indices and Goals**

# **Indices for Human Resource Management**

# **Employee Satisfaction Index (ESI) Results**

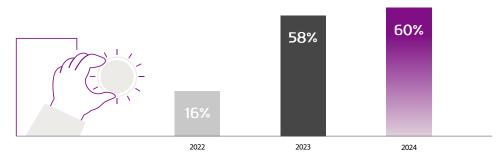
NEXEN TIRE previously conducted organizational culture diagnosis surveys every two years for employees, but starting in 2024, the survey has been converted into an annual assessment. The Employee Satisfaction Index (ESI) score improved from 3.58 in 2023 to 3.78 in 2024, indicating enhancements in the overall working environment and employee satisfaction.

Category	Unit	2021	2023	2024
Final Goal for Employee Satisfaction Score	Points	5	5	5
Employee Satisfaction Score	Points	3.3	3.58	3.78
Employee Engagement	%	68	46	46

<sup>\*</sup> Converted to an annual survey starting in 2024.

# Status of Flexible Working Hours System Usage

The operation of the flexible working hours system has contributed to improving work efficiency and job satisfaction, while creating a more flexible work environment. In addition, the utilization rate of the system continues to show an upward trend.



<sup>\*</sup> Based on a survey of Magok R&D Center employees. The data reflects those using one of six alternative start time options other than the default.

# Customer Satisfaction and Quality Management



For NEXEN TIRE, a diverse range of customers-including carmakers, general consumers, and dealers-are not merely buyers, but key stakeholders in sustainability management. These customers are directly linked to product safety and environmental performance, supply chain transparency, brand trust, and regulatory compliance. NEXEN TIRE is committed to building responsible relationships with customers by delivering products that meet their expectations, ensuring safety and quality, adhering to sustainability standards, and reinforcing trust-based communication.



### **MANAGEMENT APPROACH**

# IMPACT: Minimal FINANCIAL: Important

### **UN SDGs Targets**

• 9.4 Resource-efficient and environmentally sound technologies and industrialization

# **Key Impacted Stakeholders**

- Client companies
- General consumers



#### Impact

- Improves tire quality enhances vehicle safety and increases customer satisfaction
- Enhances fuel efficiency contributes to cost savings for customers



### **Risks and Opportunities**

- Increased R&D and sunk costs to improve product quality
- Higher risk of customer claims and litigation expenses in the event of product defects
- Improved brand trust can enhance investment appeal and lead to increased sales



# Governance

# **Organization for Customer Satisfaction Management**

NEXENTIRE has established a global service network across domestic and overseas regions and actively listens to the voices of customers through its website channel to enhance customer satisfaction. Each BG—including the Brand Communication Team, Global OE Quality Team, NEXT LEVEL Team, Customer Satisfaction Office, and OE PM Team—develops and implements tailored response strategies by region and customer type.

# **Organization for Quality Management**

NEXEN TIRE operates a separate quality management organization to provide products that meet customer satisfaction. Based on the full product life cycle, we carry out quality-related tasks across all areas—from the product planning stage and manufacturing processes to customer management. The quality management organization is divided into four main areas according to the nature of the tasks.



Organization that manages the development and maintenance of the company's quality management policies and procedures



Organization that
ensures products are
produced in accordance
with appropriate
procedures and quality
standards



Organization that inspects and guarantees that the produced products meet customer's performance requirements



Organization that enhances customer satisfaction through customer management and service activities





# **Customer Satisfaction and Quality Management**

# Strategy

# **Customer Satisfaction and Quality Management Policy**

NEXEN TIRE has set customer satisfaction and quality management as its top priorities, and is committed to supplying safe and reliable products as a core principle. The CEO takes full responsibility for the effective operation and continuous improvement of the quality system, and strengthens R&D efforts to ensure top-tier product quality. All employees strictly comply with the quality policy and applicable regulations throughout the entire process of production and service, fulfilling their roles and responsibilities to achieve customer safety and satisfaction. In addition, policies are established and systematically managed to maximize customer satisfaction based on the highest quality products. NEXEN TIRE has also disclosed six management principles and responsibilities that all employees are required to follow.

# **Customer Satisfaction and Quality Management Promotion System**

NEXEN TIRE prioritizes customer satisfaction and continuously strengthens product competitiveness through ongoing communication and collaboration. Customers are classified into four categories—car makers, general consumers, dealers, and others—to analyze their specific requirements and reflect them in product and service improvements. We develop high-quality tires through advance quality planning and rigorous verification processes, delivering products with proven safety and reliability. Through systematic quality management and continuous quality improvement, we strive to achieve customer delight.



and Import/Export Safety to stakeholders

#### **Company-wide Strategic Direction** Brand Value Up! Provide premium product experience to more customers Car makers Dealers Other stakeholders Collection of Customer Feedback Operate VOC (Voice of Customer) channels · Establish and verify quality standards for customer safety • Reflect product improvement requirements through collaboration · Assess the feasibility of customized tire development and analyze with R&D, quality, and sales departments • Optimize after-sales service and product development through • Enhance product completeness through step-by-step verification • Collect feedback through VOC channels after product launch data analysis · Promote quality improvement based on customer feedback analysis **Customer-Customized Activities** Reflection of Customer Feedback Collect feedback through VOC channels after product launch Promote improvements tailored to customer group characteristics • Expand technical cooperation with car makers Promote quality improvement based on customer feedback Strengthen support for dealers and general consumers Rapid Response System Reinforcement of Safety and Regulatory Compliance · Operate collaboration systems · Conduct regular inspections of products and manufacturing • Respond effectively to market changes and customer needs processes • Achieve customer satisfaction management through continuous · Perform tests and inspections in accordance with legal safety improvement · Enhance reliability through compliance with global quality standards

# **Risk Management**

#### **Customer Satisfaction for Car Makers**

NEXENTIRE builds trust through close collaboration with car makers and has established stable partnerships by expanding supply for new vehicle models in 2024. Through continuous technological advancement, we have been recognized for our supply stability and technological capabilities, and are supplying OE (Original Equipment) tires for various new vehicles. In particular, in response to trends in the electric vehicle market, we are supplying tires for major EV models and continuously promoting quality assurance and technology development.

# Sharing the Product Operation Policy with Car Makers

NEXEN TIRE secures product quality stability and reliability through feasibility reviews and deliberations on OE development. We proactively develop and supply products that meet the requirements of car makers in a timely manner to maximize customer satisfaction. In addition, we strengthen collaboration with customers by regularly sharing product operation policies. These efforts are reflected in our mid- to long-term product strategies and customer development policies.

# Partnership with Global Car Makers and Investment in Technology Development

NEXEN TIRE is supplying original equipment (OE) tires for global car makers, including the 8th generation BMW 5 Series and the Volkswagen Atlas. The Atlas, a large SUV specialized for the North American market, is the largest model built on Volkswagen's latest MQB platform. Building on our technological capabilities and quality excellence, NEXEN TIRE is expanding collaborations with premium brands and actively investing in the development of advanced tires.

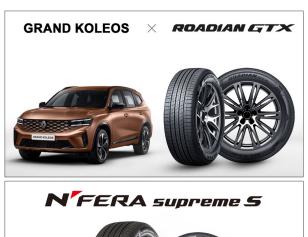
Participation in Customers' Supplier Inventory Management Systems Since July 2022, NEXEN TIRE has been participating in the 'Supplier Inventory Management System' to help stabilize the supply of parts. Sharing inventory information with customers prevents production disruptions and contributes to supply chain stability and trust-based relationships.

# **Customer Satisfaction and Quality Management**

#### **Car Makers Satisfaction**

NOISE

Supply of OE Tires for New Vehicles and Development of EV Tires NEXEN TIRE continues to supply original equipment (OE) tires for new vehicles through partnerships with global car makers, including Hyundai and Kia. We are developing tires optimized for electric vehicles and SUV models such as Kia's "EV3" and Renault Korea's "Grand Koleos," applying the latest technologies to enhance ride comfort and driving performance. In particular, we are focusing on the development of EV-dedicated tires by leveraging Al-based big data analysis, strengthening our competitiveness in the eco-friendly vehicle market. Furthermore, we are developing OE tires for various car makers' electric vehicles and striving to expand supply of high-performance tires that meet the demands of the future automotive market through continuous technological innovation and investment.



### **General Consumer Satisfaction**

NEXEN TIRE is continuously enhancing customer service and distribution methods in response to evolving tire consumption trends. By introducing new service platforms and providing a wide range of customer support, we aim to increase customer satisfaction and actively respond to market changes.

# Number of Trainings 422 Main Training Content - Customized training based on various claim cases - Professional training tailored to product characteristics and quality standards

### **Customer Satisfaction Management**

To enhance customer accessibility and provide convenient services, we have expanded the number of after-sales (AS) centers from 125 to 127. Each AS center offers one-on-one customized consultation and maintenance services for consumers. We also conduct regular service training for center staff to improve overall customer satisfaction. In addition, we carry out Happy Calls after consultations to evaluate the quality of consultation and overall satisfaction. The results are used to continuously monitor and improve service quality. In particular, for claim-related consultations, follow-up consultations are conducted, and additional training is provided for consultation staff and agencies to strengthen service improvements.



# Response to Major Claims and Enhanced Customer Education

To support customers in using tires safely and conveniently, NEXEN TIRE creates one-sheet guides for claim types that are frequently reported or have high customer inquiry rates. These guides are provided to key agencies and used in training sessions to strengthen customer understanding and education.

### NEXT LEVEL Tire Rental Service -

Click. NEXT LEVEL Website

NEXENTIRE is committed to earning customer trust and continuously enhancing its service offerings. Launched in 2015, the 'NEXT LEVEL' tire rental service was designed to reduce the burden of tire replacement and maximize customer convenience. The service provides high-quality tires at reasonable prices and offers various maintenance services such as regular inspections and damage warranties throughout the rental period. In particular, the premium damage warranty service offers free replacement of the same tire in case of damage or early wear caused by customer negligence, ensuring safe driving. Tire check services are available through a nationwide network of over 800 rental agents, providing regular inspections of tire condition and air pressure to help customers maintain optimal performance. Starting in 2024, NEXEN TIRE further enhanced its customer service quality by strengthening its customer satisfaction surveys. Detailed evaluations—including installation scheduling, replacement work, and service at agency locations—are reflected in continuous service improvement. As a result, the overall agency customer satisfaction survey recorded an average score of 4.8 out of 5, maintaining a high level of customer satisfaction.

# **Customer Satisfaction and Quality Management**

### **Product Warranty**

Since 2007, NEXEN TIRE has been operating its premium warranty program for 19 consecutive years, based on confidence in the quality of its products. This program is offered to customers who purchase premium product lines. In cases where the product becomes unusable due to customer negligence, the program provides a onetime replacement of up to four new tires. To enhance customer satisfaction, NEXENTIRE has recently expanded the range of products eligible for warranty and improved the claim process by switching from direct customer submissions to online submissions via sales outlets.

# **Warranty Claim Process** Process 1 Process 2 Process 3 Submit a claim Visit the point Conduct a follow-up through the of purchase or a Happy Call with the place of purchase designated service customer or Customer location for tire Satisfaction Office replacement (1577-2781)

# Case Study

# Production and Release of 'Tychometry' Web Drama Featuring

NEXEN TIRE produced the web drama Tychometry, inspired by the 'NEXT LEVEL' service, to strengthen communication with customers. The main character, a service manager with the ability to see the past and future of tires, resolves various customer concerns, building emotional resonance with viewers. Comprising four episodes, the series naturally introduces the NEXT LEVEL tire rental service and its premium damage warranty program. The drama won the Grand Prix in the Digital Content category at the 2024 Ahn Awards for Digital Advertising, Campaigns, and Content. Going forward, NEXEN TIRE will continue to deliver a relatable and trend-conscious brand image through digital marketing and enhance engagement with consumers.



#### **Purple Summit Korea**

NEXEN TIRE's Purple Summit is a hospitality program for global customers that has been held since 2016. In 2024, the Purple Summit Korea took place for the first time in Korea. The program included the Pro-Am event of the 'NEXEN-Saintnine Masters,' the only KLPGA tournament in the Busan-Gyeongnam region, and provided guests with the opportunity to enjoy the beautiful natural scenery and cultural experiences of Busan, Korea's second largest city. Participants also toured NEXEN TIRE's Changnyeong manufacturing site to witness the company's cutting-edge production technology, and visited 'The NEXEN univerCITY' in Seoul, the R&D control tower and hub of NEXEN TIRE's four global bases. The event offered a wide range of experiences related to Korea and NEXEN TIRE, and served as a meaningful occasion to reaffirm the commitment to shared growth with global partners.



### 2024 Tire Cologne Exhibition Participation

In June 2024, NEXEN TIRE participated in 'The Tire Cologne 2024,' a global exhibition held in Germany. Marking its third consecutive participation since 2018, NEXEN TIRE unveiled new products tailored for the European market—WINGUARD Sport 3 and WINGUARD Ice 3—and showcased its technological capabilities for the electric vehicle era. The company also operated a variety of engaging programs, including a motorsport simulator experience zone and a fan signing event with legendary players from Eintracht Frankfurt, a German Bundesliga club sponsored by NEXEN TIRE. Through such global initiatives, NEXEN TIRE aims to continuously promote its technology and quality excellence, further enhancing its brand





#### Winning the National Service Award for Five Consecutive Years

NEXEN TIRE's NEXT LEVEL service received the National Service Award in 2024 for the fifth consecutive year in the category of comprehensive tire service, hosted by the Institute for Industrial Policy Studies (IPS). The service has been highly recognized for its customer-centric approach and innovative service quality, earning high evaluations for prioritizing convenience and satisfaction.



X Compensation may be delayed depending on inventory availability at the place of purchase or service center

# **Customer Satisfaction and Quality Management**

# Pre-manufacturing Quality-

# Strengthening the Internal Quality System

NEXEN TIRE continuously improves all processes through comprehensive monitoring and enhanced internal audits to meet the evolving needs of stakeholders. Each year, we conduct internal inspections and audits across the entire life cycle of our products to proactively manage quality risks. We maintain and annually renew our certification for the international quality system standard, IATF 16949. Additionally, to manage tire-specific risks more rigorously, we apply stricter internal standards and conduct dedicated internal checks. Through self-led audits and inspections, we are committed to ensuring customer safety and maintaining high levels of quality satisfaction throughout the full life cycle of our products.

#### IATF 16949 Certification (International Quality System)

Domestic Manufacturing Sites
Yangsan
Manufacturing Site
Changnyeong
Manufacturing Site

Overseas Manufacturing Sites
Europe
Manufacturing Site
Qingdao
Manufacturing Site

# Strengthening Risk Management Across the Product Lifecycle

To establish a more robust quality assurance system, NEXEN TIRE strengthens quality control from the product development stage by managing the quality of prototypes, conducting import inspections, and reinforcing supplier quality management. These efforts focus on managing and preventing risks that may arise throughout the entire manufacturing process.

# **System Ensuring Pre-Manufacturing Quality**

NEXEN TIRE has established a process to ensure the quality and safety of all newly developed and redesigned products by thoroughly verifying design requirements and safety at each stage of development.

# **Manufacturing Quality**

# Introducing the Error Proof System

NEXEN TIRE operates a process-specific Error Proof System to fundamentally prevent potential defects that may arise during standard operations, such as malfunctions in production equipment or operator errors.

# **Ensuring Reliability on Quality and Safety**

To ensure the quality and safety of our products, NEXEN TIRE utilizes reliability engineering tools to analyze and prevent potential defects. Insights gained from field operations and manufacturing processes are applied to Failure Mode and Effects Analysis (FMEA), enabling us to build NEXEN TIRE's own advanced quality and safety assurance system.

### Manufacturing Quality Risk Management

NEXENTIRE operates a proactive risk prevention and response system to address potential issues such as facility and manpower shortages, and accidental contingencies involving key production equipment. Even in the event of an incident, we strive to supply products reliably to continuously meet customer requirements. To effectively respond to unforeseen threats and rapidly changing internal and external environments, we establish and implement response measures for each stage of production processes and support functions. These measures are based on the Minimum Business Continuity Objective (MBCO), ensuring the continuity of operations.

# Improving Manufacturing Quality for Customer Satisfaction

NEXEN TIRE is committed to strengthening competitiveness across service, pricing, and productivity by ensuring product quality and enhancing process stability. We focus on eliminating inefficiencies throughout the design and manufacturing stages to deliver high-quality products that meet customer needs.

# **Product Quality**

# **Constant Quality Monitoring Through Alarm Operation**

NEXEN TIRE strives for continuous quality improvement by consulting with the research, production, and quality departments based on quality monitoring results collected through the global Service Network.

# **Quality Management of Developed Products**

NEXEN TIRE prioritizes customer safety and satisfaction from the product planning stage, taking into account various factors in the global market. We analyze the market environment and customer requirements to identify potential risks in advance and design optimized products to prevent them. Each stage of the development process undergoes thorough validation to ensure product reliability.

# System for Responding to Recalls

When a significant defect is identified in a product, NEXEN TIRE promptly decides whether a recall is necessary and reports the case to the relevant authorities. We also notify related parties, including distributors and sellers, of the recall information. Customers are informed so that those who purchased the affected products can receive a free replacement with standard tires in the market. Additional support services are also provided as needed.

# **Supporting Customers with Quality Services**

NEXEN TIRE provides tire safety guidelines and related information to customers through its official website and business partners. These efforts help customers use tires more safely and efficiently, while also contributing to extending the tires' service life and promoting sustainable usage.

# **Establishing an Automated Inspection**

em 💮 Click. Product Usage Guide

NEXENTIRE has implemented an Al-based image recognition system in its production inspection process, improving the defect detection reproducibility rate to as high as 99.96%. In addition, the company became the first in the industry to apply MLOps\* technology, enabling early stabilization of new manufacturing sites.

<sup>\*</sup> MLOps: An integrated set of processes and systems for managing the development and operation of machine learning models

# **Customer Satisfaction and Quality Management**

# **Quality Management Improvement Activities**

# **Quality Expert Fostering**

NEXEN TIRE prioritizes customer safety and product quality, and is committed to enhancing quality management capabilities by fostering professionals across all sectors. To strengthen tire-specific expertise, we develop and distribute practical training materials and collaborate with professional educational institutions to introduce advanced quality techniques aligned with global standards. As part of these efforts, 3 employees completed training on the Quality Management System, and 19 employees completed the Quality Certification Education System, contributing to the continuous enhancement of our quality assurance capabilities.

# **Support for Innovation Activities in Manufacturing Sites**

NEXEN TIRE is reinforcing working team activities based on Total Productive Maintenance (TPM) to effectively drive productivity improvements for technical employees and promote innovative enhancements across manufacturing sites. We encourage suggestion programs centered on improving the manufacturing environment and on-site practices based on the 5S methodology, addressing challenges from the perspective of PQLCDS (Production, Quality, Loss, Cost, Delivery, Safety).

To support the self-development of technical employees, we expanded and reorganized training programs aimed at acquiring certifications in equipment maintenance. In the first half of 2024, 11 employees passed the written exam, and 5 passed the practical exam. In addition, to prevent safety accidents and reduce nonconforming products, safety and quality training was provided to all working team members through the 12th training session held in the first half of 2024.

Implementing Benchmarking Exchanges for Quality Innovation To enhance on-site quality innovation, NEXEN TIRE's Changnyeong manufacturing site selected 10 core Quality Control Circles (QCCs) for the second round in 2024, following the first cohort in 2023. These core QCCs received intensive training from experts of the Korean Standards Association, which focused on standardizing onsite operations and actively conducting environmental improvement activities, such as cleaning contaminated equipment and areas. As part of benchmarking exchanges with other exemplary sites, the team visited Seoul Milk Cooperative's Geochang plant to observe its 3R 5S-based field innovation practices. Drawing from this, NEXEN TIRE adapted the food manufacturer's clean and hygienic environment practices to suit its own operations and introduced QCC "landmark" activities. In December 2024, the plant director and department heads held a certification ceremony to recognize the achievements of 11 QCCs that were certified as landmark teams. During the event, they commended the teams and pledged to maintain the cleanliness



of the equipment and areas under their responsibility.



Before and after photos of core QCC landmark activities

# Case Study

# Recipient of the Korea National Quality Award – Iron Tower Order of Industrial Service Merit

NEXEN TIRE was honored with the Iron Tower Order of Industrial Service Merit under the Korea National Quality Award, recognizing the excellence of its quality management initiatives. In addition, the Changnyeong manufacturing site was selected as a "Company with Excellent Quality Competitiveness" for four consecutive years. These achievements reflect our continuous efforts to enhance product safety and quality, as well as our strict adherence to technical specifications and environmental management systems.



# Won the Presidential Gold Medals at the National Quality Control Circles Contest and Expanded Incentives to Promote On-site Improvements

At the 50th National Quality Innovation Contest (National Quality Control Circles Contest) held from August 26 to 30, 2024, the Passion QCC from the Mixing Team and the Detection QCC from the Mold Team at the Changnyeong manufacturing site of NEXEN TIRE won the Presidential Gold Medal—the highest honor—in the categories of field improvement and free format (manufacturing), respectively. With this, NEXEN TIRE extended its record to 13 consecutive years of receiving Presidential Medals at the National Quality Control Circles Contest. To further encourage and promote on-site improvement activities, the company expanded incentives for Gold Medal winners, offering a 7-day overseas training program, including a visit to NEXEN TIRE's European manufacturing site.



Human Rights Management Social Contribution

# **Human Rights Management**

NEXEN TIRE regards human rights management that respects the dignity and value of all individuals as a core management principle. With the goal of " realizing human rights management that guarantees dignity and value," we are committed to fostering a corporate culture where all employees are treated with respect. In particular, we are strengthening systematic efforts to prevent human rights violations across the entire value chain and to create a sustainable business environment where the human rights of all stakeholders are respected.





# MANAGEMENT APPROACH

# IMPACT: Minimal FINANCIAL: Informative

#### **UN SDGs Targets**

- 5.1 Eliminate all forms of discrimination against women and girls
- 8.B Implement the ILO Global Jobs Pact

#### Impact

- Human rights violations such as workplace bullying and sexual harassment
- · Improvement of working conditions through the establishment of a human rights management system
- Respect for stakeholders' human rights

#### **Key Impacted Stakeholders**

- Employees
- Suppliers
- Local communities
- Customers



#### **Risks and Opportunities**

- Damage to brand image and decline in brand credibility due to human rights violation controversies
- · Legal risks and financial penalties due to violations of labor and human rights regulations
- Decreased productivity due to labor-management conflicts



# Governance

# **Human Rights Management Governance**

NEXEN TIRE systematically implements human rights management to ensure that the dignity and value of all stakeholders, including employees, are respected throughout all business activities. Centered around the ESG Management Committee, the company's highest decision-making body comprised of internal and external directors, NEXEN TIRE manages human rights-related issues through the ESG Strategy Committee, ESG Operational Committee, Human Rights and Labor Working Group, and relevant departments. The Human Rights and Labor Working Group, led by the Chief Human Resources Officer (CHRO), oversees human rights issues at the corporate level. Each related department identifies human rights risks associated with their respective functions and derives improvement tasks accordingly. Since 2024, NEXEN TIRE has established KPIs related to human rights management to foster a corporate culture that respects human rights. In addition, ESG indicators for human rights impact assessment are linked to executive performance and compensation evaluations.

# **Human Rights Management Governance**



Human Rights Management Social Contribution

# **Human Rights Management**

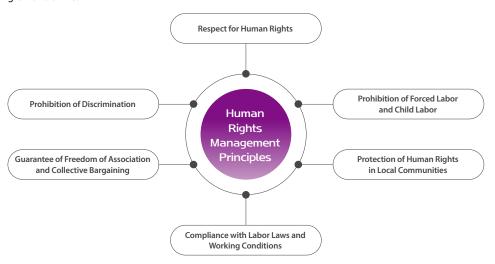
# **Strategy**

# Human Rights Management Policy Olick. Implementation and Process of the Human Rights Management Policy

NEXEN TIRE has publicly declared its commitment to respecting domestic and international human rights standards by announcing the Human Rights Policy (2023) and Declaration (2021), both of which apply to all employees and stakeholders. These are implemented across all business operations. The Human Rights Policy supports the human rights principles set out in the UN Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. Additionally, NEXEN TIRE upholds the Ten Principles of the UN Global Compact and complies with the core conventions of the International Labour Organization (ILO), including the prohibition of child labor and forced labor. Since its founding, there have been zero reported cases of human rights violations such as child labor, forced labor, or human trafficking. To ensure thorough prevention and management of human rights violations, NEXENTIRE integrates a human rights risk assessment process into its Human Rights Management Policy. This allows for the systematic identification, management, and mitigation of potential human rights risks across all business activities.

# Diversity, Equity, and Inclusion (DE&I) Policy

NEXEN TIRE has established and publicly announced its Diversity, Equity, and Inclusion (DE&I) policy for all stakeholders, prohibiting discrimination based on gender, nationality, disability, and other factors. We are committed to fostering an inclusive organizational culture where individuals from diverse backgrounds can grow and thrive.



# **Human Rights Management Roadmap**

NEXEN TIRE has incorporated its human rights management principles into its ESG strategy and established short- to mid-to long-term goals accordingly. A roadmap has been developed by dividing the human rights management implementation process into annual phases. For each phase, the direction and key tasks have been defined, along with monitoring and feedback measures to assess the progress and execution of the identified tasks.

Promotion Phase	Internalization Phase (~2025)	Growth Phase (~2027)	Maturation Phase (~2030)
Strategic Direction	Establishment and stabilization of the human rights management system	Dissemination of a culture that respects human rights	A leading company in human rights management
Key Tasks	Revise the Human Rights Declaration  Click. Human Rights Declaration  Improve the self-assessment checklist for suppliers Expand sub-items in the existing four assessment areas for suppliers Specify guidelines for supporting documentation from suppliers Identify working conditions of emotional laborers and assess related risks	Systematize the on-site audit process for suppliers (analyze existing audit practices and derive improvement points) Establish a database of supplier audit results Strengthen post-audit follow-up management Identify risk factors related to human rights violations of emotional laborers and define protection measures Develop and implement a protection manual for emotional laborers	Develop and evaluate a human rights index Operate customized support programs for suppliers Establish a supplier evaluation and incentive system Continuously and regularly improve the protection manual for emotional laborers, incorporating feedback
Monitoring and Feedback	Issue Identification  • Regularize evaluations of the Human Rights Management Index (impact and status)	Analysis and Diagnosis  Analyze human rights index evaluation results Review reported human rights violation complaints Conduct environmental analysis including business-related laws and systems, and derive implications	Feedback  Advance relevant regulations and systems Strengthen efforts to implement human rights index evaluation items Enhance employee awareness through human rights sensitivity training Promote external dissemination of human rights management

improvement activities
• Report outcomes to the Human
Rights Management Committee

Human Rights Management Social Contribution

# **Human Rights Management**

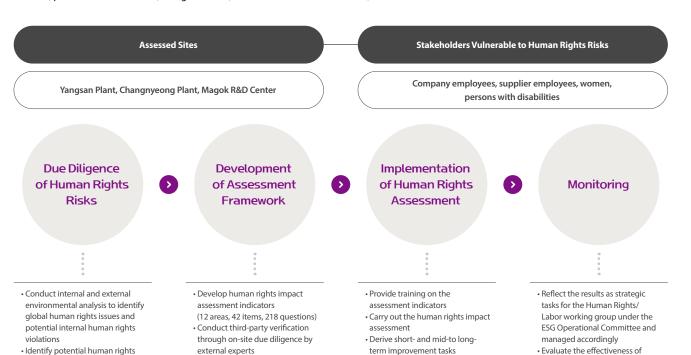
# **Risk Management**

risks through media analysis

# **Human Rights Impact Assessment**

**Human Rights Impact Assessment Process** 

NEXEN TIRE conducts human rights impact assessments to evaluate the impact of its business activities on the human rights of various stakeholders, including employees, suppliers, and local communities. The assessment indicators were developed specifically for NEXEN TIRE with reference to the Human Rights Management Guidelines of the National Human Rights Commission of Korea and the checklists of the International Labour Organization (ILO). Through the assessment, NEXEN TIRE identifies factors that have or may have a negative impact on human rights, develops improvement measures to address and prevent such issues, and uses the findings to guide the future direction of its human rights management efforts. The company carried out the human rights impact assessment for its domestic worksites, evaluating human rights risks for internal employees, suppliers, women, children, persons with disabilities, foreign workers, residents near its business sites, and consumers.



# **Human Rights Impact Assessment Results**

NEXEN TIRE achieved strong results in labor-management relations, labor rights, occupational safety, and the protection of human rights for local communities and consumers, recognized as a company that has maintained a no-strike record for over 30 years. To address identified human rights issues, the company designated a dedicated human rights management department in 2024 to institutionalize human rights governance, and conducted supplier surveys and onsite inspections to monitor supplier compliance with human rights protection under responsible supply chain management.



Sustainable Supply Chain Occupational Health and Safety Human Resources Management Customer Satisfaction and Quality Management

Human Rights Management Social Contribution

## **Human Rights Management**

#### Key Human Rights Issues and Improvement Tasks in 2024

Field	Stakeholders	Item	Details	Improvement Tasks
Establishment of Human Rights Management System	• All stakeholders	Institutional measures and implementation of improvement tasks	<ul> <li>Clarify R&amp;R (roles and responsibilities) for person in charge of human rights</li> <li>Develop a detailed monitoring plan for improvement tasks and link monitoring system to performance and reward structure</li> </ul>	Discuss a detailed plan for the monitoring system of improvement tasks
Non-discrimination in Employment	Employees     (women, persons with disabilities, foreign workers)	Gender equality in employment /     proactive employment measures	Promote development plans for female managers, including competency-building programs	Continue identifying and nurturing female managers
Responsible Supply	• Suppliers	Monitoring	Request and define corrective measures in case of human rights violations by suppliers	Revise the 'Sustainable Procurement Policy' to include termination clauses and obligations for corrective action
Chain Management	Зарржез	Human rights violations by security personnel	Include clauses on human rights protection obligations and compliance with human rights training in contracts with external security firms	Supplement contract terms     with external security firms
		• Prohibition of Sexual Harassment	<ul> <li>Introduce Employee Assistance Program (EAP) for psychological counseling and treatment support (applies to both workplace bullying and emotional labor)</li> <li>Develop training programs to enhance expertise of personnel responsible for handling workplace harassment and sexual harassment cases</li> </ul>	Consider introducing EAP and provide training for investigators
Protection of Human Rights in the Workplace	• Employees • Suppliers	Protection of Employees with Disabilities	Develop appropriate job roles based on types of disabilities to expand employment of people with disabilities (complying with the legally mandated employment rate)	• Consider developing suitable job roles
		Protection of Emotional Laborers	Develop and utilize a manual that includes procedures to prevent and respond to human rights violations and understand the working conditions of emotional laborers	Consider developing a manual
Working Environment	• Employees	• Flexible Work	Regularly collect employee feedback on flexible work systems and reflect it in system operation	Conduct regular employee feedback surveys

stainable Supply Chain Occupational Health and Safety Human Resources Management Customer Satisfaction a

Human Rights Management Social Contribution

## **Human Rights Management**

#### **Activities for Human Rights Risk Prevention**

Implementation of Human Rights Training

NEXEN TIRE provides comprehensive human rights training at its domestic business sites, covering topics such as the prevention of sexual harassment and raising awareness of persons with disabilities. These efforts are part of the company's ongoing commitment to fostering an organizational culture that respects human rights.

#### Completion Status of Human Rights Training\*

Category	Unit	2022	2023	2024
Employees subject to training**	persons	4,042	4,039	4,130
Employees who completed training	persons	4,026	4,039	4,087
Training completion rate	%	99.6	100	99.0

<sup>\*</sup> Includes training on sexual harassment prevention and improvement of awareness of the disabled

#### **Diversity and Inclusion**

NEXEN TIRE is committed to fostering a culture that embraces diversity and has implemented systems that enable the recruitment and development of exceptional talent. We operate various programs that consider universal diversity factors such as gender, age, and disability. To provide stable employment opportunities for persons with disabilities and fulfill our social responsibility, we established N'zel Withus, a subsidiary-type standard workplace for persons with disabilities, in 2017. N'zel Withus supplies bakery and confectionery products to NEXEN TIRE's Yangsan and Changnyeong plants, as well as to the head office. As of 2024, it employs 90 persons with disabilities, thereby practicing a hiring policy that respects and values diversity.

#### **Providing Diversity Training**

NEXEN TIRE provides training on multicultural diversity and inclusion, gender equality, and value education to all employees through NLA (NEXEN Learning Academy), the company's internal online training platform.

#### Class on Diversity Training in 2024

- DE&I Now, a new type of organizational culture is coming.
- Business's new competitive edge: DE&I and today's work culture
- 3 [Book Learning] ESG Now! A practical ESG guide for all employees

#### **Prohibition of Discrimination and Harassment**

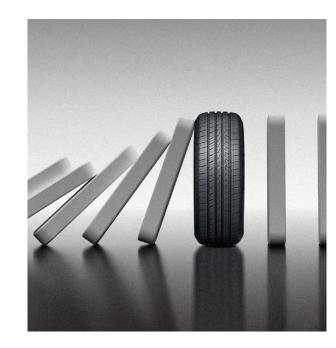
NEXEN TIRE strictly prohibits all forms of discrimination and harassment in the workplace. Incidents can be reported through multiple channels, including the Ethical Management Reporting Center. When a case is reported, the designated personnel thoroughly investigate the matter based on facts and evidence. If necessary, a Personnel Disciplinary Committee is convened to determine appropriate actions. In cases involving workplace bullying or sexual harassment, investigations are carried out in accordance with established procedures for each case. Disciplinary actions such as issuing a formal warning or reassigning the perpetrator to a different department are taken to ensure appropriate separation and resolution.



### **Indices and Goals**

#### **Human Rights Management Objectives**

NEXEN TIRE conducts annual human rights impact assessments to monitor potential risks, identify relevant issues, and implement improvement measures. These efforts ensure an ongoing and systematic response to human rights concerns. In 2024, we strengthened the assessment framework by adding indicators in three additional areas compared to the previous year. Starting in 2025, we plan to internalize identified issues and integrate them into our operations, while promoting the institutionalization of human rights reality surveys. This will be supported by the capacity building of personnel responsible for human rights and the advancement of internal human rights management policies and systems.



<sup>\*\*</sup> Based on domestic worksites

Human Rights Management Social Contribution

## **Social Contribution**

NEXEN TIRE promotes a wide range of social contribution initiatives based on the value system of 3H-Humanity, Happiness, and Harmony, Through the operation of its foundation, the company ensures continued contributions to society, while fostering an environment where employees can voluntarily participate in volunteer work, donations, and sponsorship programs. We also carry out various initiatives tailored to the characteristics of the tire industry and the local communities, as well as sponsorships of sports events. These efforts are designed to support long-term social value creation and engagement with stakeholders through meaningful, industry-relevant contributions.





#### MANAGEMENT APPROACH

#### **UN SDGs Targets**

- 10.2 Promote the social, economic, and political
- 11.3 Contribute to community development through sustainable and inclusive urbanization

#### Impact

· Contributes to local community stability through support for vulnerable groups



### **Key Impacted Stakeholders**

Local Communities



#### **Risks and Opportunities**

- · Costs incurred from social contribution activities
- Enhanced corporate image through genuine community engagement



### Strategy

#### **Social Contribution of NEXEN TIRE**

NEXEN TIRE has established a Social Contribution operational plan as part of its sustainability management initiatives, promoting a culture of voluntary employee participation through institutionalized programs such as Welfare Points for volunteer work and donation schemes. In addition, we have consistently operated external social contribution programs to support co-prosperity with local communities, including tire donation projects for social welfare centers, blood donation campaigns in partnership with the Korean Red Cross, and goods donation campaigns with the social enterprise Beautiful Store. Going forward, we plan to develop differentiated programs that address and resolve community-specific issues. Through the strategic operation of our Social Contribution efforts, we aim to build a sustainability management system that aligns with local communities.

#### **Social Contribution Value System**

Social Contribution

**Activities That Reflect** 

the Characteristics of

the Tire Industry



### Humanity, Happiness, Harmony

**Social Contribution Portfolio** 





Social Contribution According to the Characteristics of Local Communities



Employees' Donation and Supporting Activities



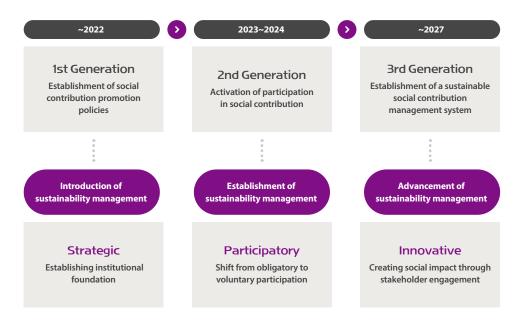
**Participatory Social Contribution Programs**  Sustainable Supply Chain Occupational Health and Safety Human Resources Management Customer Satisfact

Human Rights Management Social Contribution

## **Social Contribution**

#### **Social Contribution Roadmap**

NEXEN TIRE has established and implemented a systematic social contribution roadmap to promote voluntary participation and realize sustainability management, based on its operational plan for social contribution.



#### **Donation and Sponsorship Policy**

NEXEN TIRE has established a Donation and Sponsorship Policy to ensure that donation and sponsorship activities are carried out appropriately and transparently. The policy includes the following three core principles and provides guidance for the implementation and monitoring of related activities:

- 1. We aim to conduct activities that balance social performance considerations.
- 2. We strive to contribute to the development of local communities by focusing on sustainable and differentiated initiatives that demonstrate professional expertise.
- 3. We do not directly or indirectly provide financial payments or other forms of contributions for political purposes to political parties, political candidates, or individuals seeking political office. We comply with all relevant laws and regulations, including the Criminal Act and the Act on the Prohibition of Improper Solicitation and Graft.

#### **Activities**

#### **Social Contribution Activities**

NEXEN TIRE actively carries out social contribution activities for local communities and various stakeholders, ranging from tire donation programs for social welfare centers to forest creation initiatives. In support of these efforts, the company operates three key foundations: the NEXEN Wolsuk Cultural Foundation, the Wolsuk Busan Leading Scholarship Committee, and the KNN Cultural Foundation, to expand its support, particularly in the Busan and Gyeongnam regions. In recognition of its continued efforts and fulfillment of social responsibility, NEXEN TIRE was newly designated as a certified organization under the "2024 Community Contribution Recognition Program." Going forward, the company will continue to cooperate with local communities and expand various social contribution activities to create social value and realize sustainability management.

**NEXEN TIRE's Social Contribution Activities** 

### 3H(Humanity, Happiness, Harmony)

### **H**umanity

Our social contribution activities are grounded in the spirit of humanity, which embodies respect and compassion for others

#### Foundation Operations

- NEXEN Wolsuk Cultural Foundation
- Wolsuk Busan Leading Scholarship Committee
- KNN Cultural Foundation

### **H**appiness

We strive to foster unity among employees and build a happy workplace culture through engagement in social contribution.

#### Employee Participation Promotion

- Welfare point program for volunteer activities
- Participatory volunteer programs

#### Employee Donations and Sponsorships

- Employee donation program (N'Fund)
- Zero Waste donation campaign
- In-house blood donation center

### **H**armony

NEXENTIRE pursues the values of coexistence and mutual prosperity with local communities through companywide efforts.

#### **Tire Support for Local Communities**

- Tire support for social welfare center vehicles
- Tire supply for individual taxi associations in Busan and Yangsan

#### Tailored Local Community Support

- · Volunteer activities by business site
- · Beautiful Forest creation initiatives

#### Sports Competitions Sponsorship

· Football, golf, and snowboarding events

Human Rights Management Social Contribution

## **Social Contribution**



**Humanity - Foundation Operations** 

NEXEN TIRE operates three cultural foundations—NEXEN Wolsuk Cultural Foundation, Wolsuk Busan Leading Scholarship Committee, and KNN Cultural Foundation—to promote local community development and implement its sharing-based management philosophy. Each foundation actively supports a wide range of initiatives across education, academics, culture, and the arts. In particular, NEXEN TIRE provides scholarships and school support programs each year to schools in the Busan and Gyeongsangnamdo regions, contributing to the development and nurturing of future talent. Quantitative results related to NEXEN TIRE's foundation activities can be found in ESG Data on p.112 of this report.

#### **NEXEN Wolsuk Cultural Foundation**

The Wolsuk Cultural Foundation was established in January 2008 through the personal funding of Chairman Byung-Joong Kang and donations from the NEXEN Group, with the aim of giving back corporate profits to society. Beginning with rice donation events for marginalized groups, the foundation has steadily expanded the scope and target of its support, contributing to the advancement of academic, cultural, and artistic development in the community.

#### **Wolsuk Busan Leading Scholarship Committee**

Established in 2003, the Wolsuk Busan Leading Scholarship Committee provides scholarships and living stipends twice a year to middle and high school students in Busan who demonstrate academic excellence but face financial hardship. To date, the foundation has supported more than 2,100 students, putting the spirit of sharing into practice.

#### KNN Cultural Foundation

Founded in 1995, the KNN Cultural Foundation engages in major public interest initiatives, including cultural awards, scholarship programs for fostering local science talents, and various activities. It contributes the highest level of cultural foundation donations and is known as a good example of returning profits to society.



**Happiness – Employee Participation Promotion** 

#### Welfare Points for Volunteer Work

NEXEN TIRE encourages employees to voluntarily participate in volunteer activities by offering up to 100,000 welfare points based on their annual cumulative volunteer hours. This system helps promote employee engagement and strengthens the institutional foundation to activate Social Contribution activities.

#### **Planning of Participation-Based Volunteer Programs**

To foster participation in Social Contribution activities, NEXEN TIRE has planned various volunteer programs in collaboration with professional agencies. These programs have expanded opportunities for participation to include both employees and their families. In addition, a dedicated employee application page was created on the professional agency's platform to enhance accessibility and convenience.

#### **Participation-Based Volunteer Program**



Cumulative Number of 762

**Total Volunteer Hours** 

2,856hours

Monetary Value of Volunteer KRW 28.2 million

\* Calculation formula: Total volunteer hours × Minimum hourly wage for the year (KRW 9.860 in 2024)



**Happiness - Employee Donations and Sponsorships** 

GOVERNANCE

#### Operating N'Fund, a Voluntary Employee Donation Program

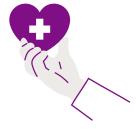
NEXEN TIRE operates N'Fund, a voluntary donation program for its employees. Employees can choose the donation amount through a donation application form, and the monthly status of the fund is transparently disclosed on the company's internal community channel. Once a certain threshold is met, the funds are donated to selected recipients in need. In 2024, approximately KRW 3.4 million was raised through N'Fund.

#### **Zero Waste Donation Campaign**

NEXEN TIRE holds donation drives in collaboration with the Beautiful Store twice a year, in the first and second halves. Donated items from employees are sold at the Beautiful Store, helping to realize the value of social contribution through recycling, environmental protection, and donation of proceeds. The Zero Waste Campaign, initially launched at the NEXEN univerCITY in Seoul, has since expanded to other plants and will continue to be rolled out further.

#### In-house Blood Donation Program

NEXEN TIRE operates an internal blood donation program where employees voluntarily donate their blood donor cards to support those in need of transfusions. In 2024, 300 donated blood donor cards were delivered to the Korea Childhood Leukemia Foundation and used to support pediatric cancer patients in need of transfusions.



ıstainable Supply Chain Occupational Health and Safety Human Resources Management Customer Satisfaction and Quality Manage

Human Rights Management Social Contribution

## **Social Contribution**



Harmoney - Social contribution activities that reflect the characteristics of the tire industry

NEXEN TIRE fulfills its corporate social responsibility by leveraging the characteristics of the tire industry through community-centered social contribution activities.

#### **Tire Donations for Social Welfare Vehicles**

Since 2022, we have been supporting the replacement of wornout tires and donating new tires to social welfare institutions, in cooperation with local community welfare councils and foundations. As of 2024, tires have been donated to approximately 170 social welfare institutions near each of our plants.

Number of Social Welfare Institutions Supported with Tire Donations in 2024 (Cumulative)

170



## Signing an MOU to Supply Tires to Private Taxi Unions in Busan and Yangsan

Since 2019, NEXEN TIRE has signed agreements with private taxi unions in Busan and Daegu to supply tires manufactured inhouse for use in commercial taxis, creating a virtuous cycle of local employment and corporate growth. In addition, based on collaboration between labor and management, we have promoted mutual growth by supporting scholarship programs and supplying EV tires. In October 2024, an additional agreement was signed with the Incheon Private Taxi Union, and we plan to expand this cooperation model to private taxi unions across the country.



Harmony - Social contribution according to the characteristics of local communities

#### **Operation of Volunteer Clubs at Worksites**

NEXEN TIRE promotes social contribution activities tailored to each worksite, putting shared growth with local communities into practice. The Yangsan Manufacturing Site operates the YP Hope Sharing Volunteer Club, engaging in various initiatives in collaboration with the Yangsan Disabled Welfare Center. These include side dish delivery programs, Children with Disabilities Day events, healing music concerts, summer sponsorship activities, camping car rentals, and support for an inclusive football team. The Changnyeong Manufacturing Site collaborates with the Changnyeong County Welfare Center for the Disabled to carry out material support programs and encourage employee participation in activities such as kimchi-making drives and blood donation campaigns. These efforts reinforce community engagement through voluntary service tailored to local needs.

#### **Beautiful Forest Creation Project**

NEXEN TIRE, in collaboration with the Beautiful Store Foundation, is implementing the "Beautiful Forest Creation Project." This initiative aims to reduce greenhouse gas emissions, improve air quality, and restore ecosystems by creating forests in areas with insufficient natural purification capacity. As part of this project, NEXEN TIRE supported the planting of 250 trees of 8 native ecological species in woodless zones of Nanjido Noeul Park in Mapo-gu, Seoul, a site formerly used as a landfill. Through this effort, we contribute to





**Harmony - Sports Competitions Sponsorship** 

#### Football

NEXEN TIRE continues to sponsor Manchester City FC for the 2024/25 season, marking the 10th consecutive season of partnership since 2015. In 2023, we strengthened engagement with fans and consumers by creating collaborative content with the popular YouTube channel MMTG. We also engage with fans through a variety of offline events, social media activities, and advertising campaigns, while supporting the club through diverse sponsorship initiatives. In addition to Manchester City, NEXEN TIRE has been an official sponsor of SK Slavia Praha, a Czech First League team, since 2021, and of Juventus FC, a Serie A team in Italy, since 2023. In 2024, we further expanded our global football sponsorship portfolio by partnering with FC Bayern Munich, one of Germany's most prestigious Bundesliga clubs; Al Nasr SC, based in Dubai, UAE; and Sydney FC, a prominent club in Australia's A-League.

#### Golf

Since 2013, NEXEN TIRE, in collaboration with NEXEN Corporation, has been hosting the "NEXEN-Saintnine Masters" KLPGA golf tournament. Celebrating its 12th edition in 2025, this is the only KLPGA tournament held in the Busan and Gyeongsangnamdo region, taking place at the Gaya Country Club in Gimhae, Gyeongsangnam-do. Through this event, we aim to contribute to the growth of both the golf industry and local culture. Additionally, to support the development of the domestic golf industry, we began sponsoring the "Challenge Tour," a unified KPGA 2nd and 3rd division league, starting in 2024.





ustainable Supply Chain Occupational Health and Safety Human Resources Management Customer Satisfaction

Human Rights Management Social Contribution

## **Social Contribution**



**Harmony - Sports Competitions Sponsorship** 

#### Snowboarding

NEXEN TIRE established the "NEXEN Winguard Snowboard Team" in November 2022 to actively promote winter sports. The team is led by Coach Byeong-Jun Hyun and includes top-tier athletes such as Sangho Lee, the silver medalist at the 2018 Pyeongchang Winter Olympics and overall winner in the men's parallel slalom at the 2023/24 FIS Snowboard World Cup; Seung-young Hong, the gold medalist in the parallel giant slalom at the Asian Cup in China; and Yong-hwi Kwon, who placed second in the parallel giant slalom at the Asian Cup in Korea, as well as two youth athletes. NEXEN TIRE promotes its brand through the athletes' uniforms, snowboards, and helmets, and actively engages in marketing efforts such as operating a snowboard academy. In particular, we carry out various CSR activities including academy and mentoring sessions for youth athletes registered with the Korea Ski Association and providing snowboarding lessons for children from socially disadvantaged groups. These efforts demonstrate our commitment to expanding the culture of winter sports.

#### Hockey

NEXEN TIRE continues to sponsor three teams in the National Hockey League (NHL): the Anaheim Ducks, the Chicago Blackhawks, and the New York Rangers. The Anaheim Ducks, founded in 1992, became the first team from California to win the Stanley Cup in 2007. The Chicago Blackhawks, established in 1926, are one of the NHL's "Original Six" teams and have won the Stanley Cup six times. The New York Rangers, also part of the Original Six and founded in 1926, have won the championship four times and became a new partner of NEXEN TIRE in 2023. By sponsoring these three teams, NEXEN TIRE increases brand awareness through advertising on major signboards inside home and practice arenas, as well as outdoor advertisements. These efforts are part of a broader marketing strategy to solidify our presence and brand recognition in the U.S. market.

#### Baseball

In March 2024, NEXEN TIRE signed a partnership with the San Diego Padres, a Major League Baseball (MLB) team in the United States. Founded in 1969, the Padres are a prestigious club based in San Diego, California, and compete in the National League West Division. NEXEN TIRE has enhanced brand visibility by placing its logo on the home plate, outfield banners, and pitching mound inside the Padres' home stadium, Petco Park. In addition, the company is strengthening its brand awareness in the U.S. market through various marketing activities, including dealer engagement and events for the local Korean community.

#### Billiards

In June 2024, NEXEN TIRE co-hosted the "NEXEN TIRE 3-Cushion Billiards Tournament" with KNN, a leading regional broadcaster in Busan and Gyeongnam, to promote non-mainstream sports and raise awareness. A total of 319 amateur teams (two players per team) who are not registered with professional billiards associations participated in the tournament, which offered a prize pool of KRW 27 million. Preliminary rounds were held at seven billiards clubs in Busan equipped with international standard tables, and the final rounds were broadcast live and through special programming on the KNN channel, drawing significant attention and success.

#### **NEXEN Winguard Snowboard Academy**

In February 2025, NEXEN TIRE hosted a snowboard academy event at Mona Yongpyong Resort in Gangwon Province for youth snowboarders and enthusiasts. This CSR program, launched in 2023 following the establishment of the NEXEN Winguard Snowboard Team, has been held annually to broaden the base of the snowboarding discipline. Team members Sang-ho Lee, Seung-young Hong, Yong-hwi Kwon, and coach Byeong-jun Hyun served as one-day instructors, delivering one-point lessons to aspiring young snowboarders. The event provided valuable motivation for participants to grow into future athletes like Sang-ho Lee, the silver medalist at the 2018 Pyeongchang Winter Olympics.

#### **NEXEN Happy Sharing Snowboard Camp**

In February 2025, NEXEN TIRE hosted the Happy Sharing Snowboard Camp at Phoenix Park in Gangwon Province—a snowboard lesson and experience program for children from socially disadvantaged backgrounds. As part of its effort to promote winter sports, NEXEN TIRE offered beginner-level snowboarding lessons to about 40 children, led by professional instructors including Sang-ho Lee and Seung-young Hong from the NEXEN Winguard Snowboard Team and coach Byeong-jun Hyun. The lessons covered equipment usage, basic stances, movement, and direction control. The event also featured autograph sessions, a Q&A with the athletes, and souvenir giveaways.











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## **Responsible Board Operation**

NEXEN TIRE believes that transparent and sound governance serves as the foundation for business activities, earning the trust of various stakeholders and enabling the creation of sustainable social value. Based on this belief, the company operates its Board of Directors (BOD) with a focus on responsible governance. To ensure a sound management environment, NEXEN TIRE has established a governance system centered on the BOD, which functions as the highest decisionmaking body and is responsible for determining and overseeing the company's key management goals and policies.





#### MANAGEMENT APPROACH

#### **UN SDGs Targets**

- 16.7 Ensure responsive, inclusive, and representative decision-making at all levels
- 17.13 Enhance global macroeconomic stability through policy coherence and coordination
- 17.14 Enhance policy coherence for sustainable development

#### Impact

- · Secures management stability and sustainability through improved credibility
- Increases corporate value and attract shareholder investment through transparent decision-making



#### **Key Impacted Stakeholders**

- Employees
- · Shareholders and Investors

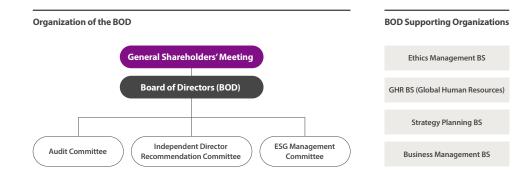


#### **Risks and Opportunities**

- Potential legal risks in case of governance-related regulatory reforms by governments or financial authorities
- Potential management instability if institutional investors or activist funds intervene in corporate operations
- Improved corporate reputation and trust through transparent corporate governance practices

### **Responsible Board of Directors**

NEXEN TIRE is committed to protecting the rights and interests of shareholders and other stakeholders by establishing a transparent governance structure and practicing sound and rational management. Based on governance principles and policies stipulated in the Articles of Association, and the Regulations of the BOD, and the Corporate Governance Charter, the Board of Directors ensures independence, diversity, and expertise, and operates a professional decision-making system. The Board of Directors and the ESG Management Committee regularly review and discuss risks and strategic directions related to environmental, social, and governance matters, and promptly respond to NEXEN TIRE's material ESG issues.



#### **Principles of BOD Composition**

### Independence

- Form the Board primarily with independent directors
- · Strengthen the independence of the Board and committees



#### **Transparency**

- · Appoint all directors through resolutions at the General Shareholders' Meeting
- · Compose all committees, except the ESG Management Committee, with independent directors



#### **Expertise**

- Appoint executive directors with top-level expertise in the automotive and tire industries
- Appoint independent directors with extensive experience in industry, academia, public policy, and finance



#### Diversity

 Do not restrict candidate selection by race, gender, age, religion, disability, nationality, region, or political orientation

(As of the end of March 2025)

Responsible Board Operation

## **Responsible Board Operation**

### **Operation and Composition of the Board of Directors**

In accordance with the Articles of Association, the Board of Directors (BOD) of NEXEN TIRE consists of no fewer than three and no more than nine members. As of the end of March 2025, the BOD is composed of three executive directors and five independent directors, with 62.5% being independent director. All independent directors have no affiliation with the company's management or major shareholders. In line with the Articles of Association, BOD meetings are convened with two days' prior notice. The company purchases directors' liability insurance at its own expense and stipulates that any indemnification of directors' liabilities shall only be resolved through the General Shareholders' Meeting. Details regarding the BOD's rules, committees, and governance structure are disclosed transparently through the Corporate Governance Report and the company's website. The Chairperson of the BOD is Executive Director Ho-Chan Kang, who brings extensive industry knowledge and a deep understanding of management.

Board Composition	(As of the end of March 20
Board Composition	(As of the end of March 2)

			Con	nmittee under	BOD			Date of	
Category	Name	Gen- der	Audit Committee	Independent Director Recommendation Committee	ESG Management Committee	Expertise	Key Career Background	Appoint- ment	Expiration of Term
	Byung-Joong Kang	Male				General Corporate Management	Chairman, Wolsuk Scholarship Foundation     Chairman & CEO, NEXEN TIRE Corporation	Jun 1, 1999	Mar 27, 2026
Executive Directors	Ho-Chan Kang (Chair)	Male		•		General Corporate Management	Vice Chairman & CEO, NEXEN TIRE Corporation	Feb 13, 2003	Mar 25, 2028
	Hyeon Suk Kim Male		•	General Corporate Management	President & CEO, NEXENTIRE Corporation	Mar 25, 2025	Mar 25, 2028		
	Seung-Wha Gweon	Male	•	•		Accounting, audit	Advisor, Lee Young Advisor Co., Ltd. Former CEO, EY Hanyoung Accounting Corporation Committee Member, Central Government Agency Operations Committee, Ministry of the Interior and Safety Auditor, Korea Business Council for Sustainable Development (IRGCSD)	Mar 24, 2020	Mar 27, 2026
Indepen-	Han-Ick Ryu	Male	•	•		General Corporate Management	• CEO, RXC Co., Ltd. • Former CEO, TMON Inc.	Mar 26, 2021	Mar 24, 2027
dent Directors	Kag-Gyu Hwang	Male	•		•	General Corporate Management	Advisor, LOTTE Corporation     Former Vice Chairman & CEO, LOTTE Corporation	Mar 28, 2022	Mar 25, 2028
	Yong-Taek Hong	Male	•		•	Engineering	Professor, Department of Electrical and Computer Engineering, Seoul National University     Former Outside Director, KOLON Industries, Inc.	Mar 28, 2022	Mar 25, 2028
	Sumi Jung	Female	•			Management, finance/ accounting	Associate Professor, School of Business, Yonsei University     Executive Director, Korean Accounting Association     Independent Director, Hanwha Vision Co., Ltd.	Mar 26, 2025	Mar 26, 2028

#### **BOD Convocation**

**ROD Meetings Held** 

NEXEN TIRE convenes the Board of Directors (BOD) in the form of regular meetings held quarterly and ad hoc meetings as needed. The BOD is convened by the Chairperson or the CEO. To facilitate in-depth discussion on agenda items, relevant materials are distributed in advance, and prior briefing sessions are held. As of the end of March 2025, a total of 11 BOD meetings had been held. The number of agenda items resolved amounted to 26. The overall attendance rate of directors was approximately 81.4%, with a 100% attendance rate for independent directors.

BOD Me	etings Heid			(As of the er	IO OI March 2025)
No.	Date	Туре	Agenda Items	Resolution	Attendance
1st	Jan 19, 2024	Report	Report on separate financial statements for FY2023 (66th fiscal year)	Report	6/7
		Report	• Report on internal accounting management system operation in 2023	Report	_
2nd	Feb 14, 2024	Resolution	Approval of corporate bond issuance limit and delegation to CEO Approval of total transaction limit with related parties Approval of submission of consolidated financial statements for FY2023 Approval of business report for FY2023 (66th fiscal year) Approval of ESG management committee regulations	Approved	6/7
		Report	Report on audit committee's self-assessment results     Report on evaluation of internal accounting management system for 2023	Report	
3rd	Mar 11, 2024	Resolution	Approval of 2023 safety and health performance report and 2024 plan     Approval of financial statements and business report for FY2023     (66th fiscal year)     Approval of convening of 66th general shareholders' meeting and agenda items	Approved	6/7
4th	Mar 26, 2024	Resolution	Reappointment of member of Independent Director Recommendation Committee	Approved	6/7
5th	May 9, 2024	Report	Report on Q1 2024 consolidated/separate financial statements     Report on 2024 annual operation plan for internal accounting management system     Report on corporate bond issuance results	Report	6/7
		Resolution	Delegation of guarantee limit for working capital of European subsidiary to CFO	Approved	-

subsidiary to CEO

**BOD Meetings Held** 

4th

Mar 26, 2025

Resolution

(As of the end of March 2025)

Approved

7/8

**APPENDIX** 

Responsible Board Operation Ethical and Compliance Management Information Security Enterprise Risk Management Shareholder Rights

## **Responsible Board Operation**

No.	Date	Туре	Agenda Items	Resolution	Attendanc
6th	Jul 25, 2024	Report	2024 H1 safety and health implementation status     2024 Q2 consolidated/separate financial statements     Compliance review report	Report	6/7
		Resolution	Reappointment of Compliance Officer     Approval of amendments to Audit Committee Regulations	Approved	-
741-	N12 2024	Report	2024 ESG progress report     2024 Q3 consolidated/separate financial statements	Report	6/7
7th	Nov 12, 2024	Resolution	Approval of transaction limits with related parties for 2025     Approval of electronic voting system adoption	Approved	- 6/7
		Report	• NCV operation and investment status	Report	
<b>1st</b> Jan 21, 2025	Resolution	Reporting and approval of FY2024 (67th fiscal year) separate financial statements     Approval of bond issuance and ceiling for debt guarantees of subsidiaries, and delegation of detailed matters to the CEO	Approved	5/7	
		Report	Report on the operation of the internal accounting management system in 2024 Report on amendments to the internal accounting management regulations	Report	
<b>2nd</b> Feb 11, 2025		Resolution	Report on 2024 safety and health performance and approval of 2025 plan Approval of submission of FY2024 (67th Fiscal Year) consolidated financial statements Approval of FY2024 (67th Fiscal Year) business report	Approved	5/7
		Report	Report on the Audit Committee's self-evaluation results Report on the evaluation results of the 2024 internal accounting control system Report on the result of JPY-denominated offshore bonds issuance	Report	
<b>3rd</b> Mar 11, 2025	Resolution	Approval of FY2024 (67th Fiscal Year) financial statements and business report     Approval of convocation and agenda for the FY2024 (67th Fiscal Year) shareholders' meeting     Setting of record date for regular dividend distribution for FY2024	Approved	5/7	

• Appointment/reappointment of the CEO · Change of chairperson of the Board of Directors

Recommendation Committee

• Reappointment of members of the Independent Director

• Appointment/reappointment of ESG Management Committee members

### **BOD Expertise**

NEXEN TIRE's Board of Directors is composed of competent directors nominated through the Independent Director Recommendation Committee in accordance with applicable laws, the Articles of Association, and the Regulations of the Board of Directors. Executive directors include leading experts not only in the tire industry but also in the automotive industry. Independent directors are also comprised of professionals with diverse experience across industries, academia, government policy, and finance. Accordingly, we disclose a Board competency matrix that provides visibility into the management expertise of our directors and executives in the tire industry. In addition, we continuously enhance the expertise of the Board by offering internal training programs and inviting external experts for specialized education.

**Board Skills Matrix** (As of the end of March 2025)

	Exec	utive Dir	ector		Indep	Independent Director				
	Byung- Joong Kang	Ho- Chan Kang	Hyeon Suk Kim	Seung- Wha Gweon	Kag- Gyu Hwang	Yong- Taek Hong	Han- Ick Ryu	Sumi Jung		
	Management	•	•	•	•	•		•	•	
	Finance/Accounting			•	•				•	
Competency	Risk Management			•		•				
Indicator	Marketing							•		
	Engineering						•			
	Related Industry	•	•	•						
General Status	Gender	Male	Male	Male	Male	Male	Male	Male	Female	
	Audit Committee				•	•	•	•	•	
Committee	Independent Director Recommendation Committee		•		•			•		
	ESG Management Committee			•		•	•			

## **Responsible Board Operation**

### **Independence and Diversity of the BOD**

#### Independence of the BOD

To build a transparent and sound organization, NEXEN TIRE adheres to strict governance standards. The three committees within the BOD are responsible for decision-making and oversight of the company's overall management and reinforce its check-and-balance functions. Directors are appointed in accordance with procedures stipulated by the Commercial Act and other relevant laws, and there are no separate internal criteria regarding the independence of appointments. The BOD is composed of eight directors, five of whom are independent directors, thereby maintaining independence. Independent directors are ultimately appointed at the General Shareholders' Meeting. In this way, the authority to appoint and dismiss the CEO is granted to the BOD, and by forming a majority with verified independent directors, the company secures both the authority and transparency of the BOD.

#### Diversity of the BOD

NEXEN TIRE ensures non-discrimination in the nomination of directors with respect to gender, ethnicity, nationality, religion, or origin. We actively consider diverse experiences and backgrounds to prevent bias toward specific characteristics. In line with our internal guidelines, we continuously verify whether the composition of the BOD reflects diversity, aiming to represent the interests of a broad range of shareholders and stakeholders and to promote social value.



### **Board Activities**

#### **Support for Independent Directors**

To operate the Board of Directors in alignment with the characteristics of its business, NEXEN TIRE designates the Treasury Team as the support organization for independent directors. The team provides human and material resources, management updates, key business issues, and, when necessary, field-specific information to the independent directors. In 2024, to strengthen their business understanding and professional capabilities needed for fulfilling their roles, NEXEN TIRE offered quarterly management briefings, explanations of the internal accounting management system, and opportunities for site visits. In addition, under Article 10, Section 10 of the Regulations for BOD Operation, the Board may seek expert advice when necessary, based on a resolution on professional assistance.

#### **Training to Enhance Board Expertise**

NEXEN TIRE provides independent directors with training on key topics such as the internal accounting management system, audit issues, and changes in accounting policies to help them develop expertise in the industry and business. A total of 10 training sessions were held in 2024, and 3 in 2025. Going forward, NEXEN TIRE plans to further enhance understanding of sustainability-related issues by offering relevant training programs.



#### 2024-2025 Education for Independent Directors and **Audit Committee Members** (As of the end of March 2025)

Date	Performing Entity	Education Details			
Jan 19, 2024	Business Management Business Sector, NEXEN TIRE	Management plan and mid-to- long-term strategy			
Mar 11, 2024	R&D Center, NEXEN TIRE	R&D status and future plans			
Mar 26, 2024	Global Production Business Group, NEXEN TIRE	Report on Yangsan manufacturing site operations and on-site visit			
May 9, 2024	Procurement Business Sector, NEXEN TIRE	Raw material management status and response strategy			
May 9, 2024	SCM Business Sector, NEXEN TIRE	Core strategies of global SCM			
Jun 20, 2024	EY Hanyoung Accounting Corporation	Training on Global Minimum Taxation*			
Jul 4, 2024	KPMG Korea	ACI (Audit Committee Institute) Seminar**			
Jul 25, 2024	Sales Planning Business Sector, NEXEN TIRE	Global sales issues and strategy			
Nov 12, 2024	Strategic Marketing Business Sector, NEXEN TIRE	Mid-to-long-term product operation status and strategy			
Dec 12, 2024	EY Hanyoung Accounting Corporation	IT audit training*			
Jan 21, 2025	Business Management Business Sector, NEXEN TIRE	2025 business plan			
Mar 11, 2025	SCM Business Sector, NEXEN TIRE	Key SCM strategies			
Mar 26, 2025	Global Production Business Group, NEXEN TIRE	Global productivity improvement performance and plan			

<sup>\*</sup>Training sessions were conducted as external training programs by accounting firms, while the remaining sessions were carried out through executive management briefings.

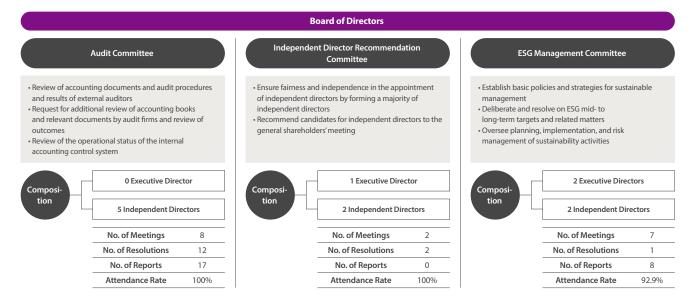
<sup>\*\*</sup>The training session was conducted by an accounting firm specifically for audit committee members, with only Director Kag-Gyu Hwang participating.

## **Responsible Board Operation**

### **Committee under the BOD**

**Operation of BOD Committees** 

(As of the end of March 2025)



#### **Audit Committee**

NEXEN TIRE's Audit Committee is composed entirely of independent directors, and financial and accounting experts participate in decision-making to minimize management risks. The committee continuously receives reports and reviews the operational status of the internal accounting management system to ensure the reliability of financial information. The Finance Department has established a monitoring system in collaboration with external experts to ensure that internal transactions are conducted within an appropriate range of market prices and profit margins. Additionally, the Ethics Management Team supports the committee's audit activities and provides ongoing training for Audit Committee members. The Audit Committee conducts an annual self-assessment, and the results are reported to the Board of Directors.

#### **Independent Director Recommendation Committee**

NEXEN TIRE operates the Independent Director Recommendation Committee in accordance with Article 542-8 (4) of the Commercial Act. Candidates for executive directors are recommended by the Board of Directors, while candidates for independent directors are recommended by the Independent Director Recommendation Committee. All directors serve a three-year term. In the event of a vacancy due to mid-term resignation or term expiration, individual appointments are made through the General Shareholders' Meeting. In addition, details of the committee's activities—including independent directors' attendance rates and voting results on agenda items—are transparently disclosed in the company's business report.

#### **ESG Management Committee**

To ensure more systematic and efficient sustainability management, NEXEN TIRE established the regulations for operating the ESG Management Committee in January 2024. The committee is in principle convened four times a year and may hold additional sessions as necessary. Notices for committee meetings are sent one week in advance. In January and February 2025, the ESG Management Committee reviewed and received reports on ESG strategies, sustainability disclosures, and material issues. Through these activities, the committee has jointly established and monitored implementation plans for the company's ESG strategies.

#### **BOD Assessment and Remuneration**

#### **BOD Assessment**

NEXEN TIRE does not currently have a formal evaluation process for Independent Directors. However, when recommending candidates, the company comprehensively considers their expertise, integrity, and ethical standards. Moving forward, NEXEN TIRE plans to establish and implement internal evaluation standards that take into account meeting attendance, independence, and contribution, within the scope of ensuring the independence of directors. The results of the assessment are being reviewed for potential application to remuneration decisions and reappointment considerations.

#### **BOD Remuneration**

Remuneration for directors at NEXEN TIRE is determined by comprehensively considering management performance—based on both financial and non-financial indicators—as well as the nature of the delegated tasks. Bonuses are paid with reference to the previous year's annual remuneration, the management performance coefficient, and the increase rate by evaluation grade. Compensation is paid within the annual limit of KRW 6 billion, which is approved at the general shareholders' meeting in accordance with internal regulations. The calculation standards for individual director remuneration are partially disclosed in the business report.

## **Ethical and Compliance** Management

NEXEN TIRE is committed to building a sound corporate culture and fostering ethical behavior and value-based decision-making among its employees.

To put this into practice, we operate a Code of Ethics and Code of Conduct, run whistleblowing channels, collect signed ethics pledges from employees, and conduct assessments of ethical management, Through these concrete activities, we are laying the foundation for a sound and ethical corporate culture.





#### MANAGEMENT APPROACH

#### IMPACT: Informative FINANCIAL: Minimal

#### **UN SDGs Targets**

- 10.5 Improve regulation and monitoring of financial markets and institutions
- 16.5 Substantially reduce corruption and bribery in all their
- 16.6 Develop effective, accountable, and transparent institutions at all levels

#### Impact

- Improves employee satisfaction and retention by fostering a sound corporate culture
- Strengthens trust from suppliers through transparent business operations



#### **Key Impacted Stakeholders**

- Suppliers
- Employees



#### **Risks and Opportunities**

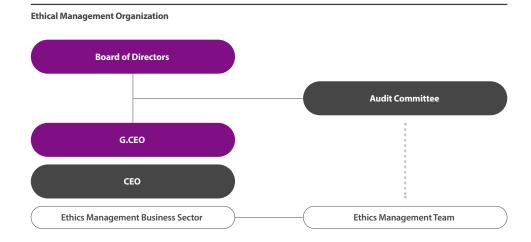
- Increased regulatory pressure and legal compliance burden due to stronger government transparency requirements
- Higher potential to attract investment from global investors through implementation of ethical management
- Reduced legal risks through improved compliance



#### Governance

#### **Ethical Management Department**

The Ethics Management Business Sector under the direct supervision of the CEO at NEXEN TIRE is responsible for overseeing the company's ethical management. It monitors and manages ethical and corruption-related issues and reports them to the Audit Committee, thereby fulfilling its supervisory function over internal risks. The Ethics Management BS plays a central role in promoting an ethical corporate culture by performing tasks such as assessing the status of internal accounting operations, operating the ethics whistleblowing channels, and inspecting employee misconduct. Ethical management issues are reported semiannually to the Board of Directors through the Audit Committee, following review by the CEO and Global CEO, thereby establishing a more advanced decision-making process.



### Strategy

#### **Code of Ethics and Conduct**

(C) Click. Code of Ethics and Conduct

On July 1, 2024, NEXEN TIRE implemented a revision of its ethical standards, enhancing the existing Code of Ethics and integrating the detailed rules of implementation and behavioral guidelines. The revised Code of Ethics and Conduct is publicly available on the company's website. NEXEN TIRE is making continuous efforts to internalize ethical awareness among employees and prevent ethical risks across the organization.





**BUSINESS OVERVIEW** 

Responsible Board Operation Ethical and Compliance Management Information Security Enterprise Risk Management Shareholder Rights

## **Ethical and Compliance Management**

### **Risk Management**

#### **Ethical Management Activities**

NEXEN TIRE practices ethical and compliance management based on its Code of Ethics and Conduct. As part of this effort, an "Ethics Newsletter" is sent out monthly to all employees, highlighting various case examples to raise ethical awareness. We also promote ethical culture by organizing activities such as viewing ethics-themed videos, conducting regular ethics management surveys and sharing the results, and operating whistleblowing channels. The operation status and outcomes of the whistleblowing channels are continuously reported to the Audit Committee, and key issues discussed by the committee are submitted to the Board of Directors.

#### Case Study

To enhance awareness and prevent ethical violations, NEXEN TIRE produces the monthly "Ethics Newsletter," which introduces a variety of real-life cases that could arise in the workplace. The company also develops an online education program titled "Smart Ethical Life," which addresses ethical dilemmas employees may face in the course of their work to help prevent potential issues. In particular, after watching video content featuring real scenarios, employees are encouraged to freely share their thoughts and opinions on the company's intranet bulletin board. This initiative not only helps raise awareness of ethical management and provides ongoing education, but also fosters a culture of voluntary participation where employees reflect on and empathize with ethical values.





Ethics Newsletter Vol. 10

#### 2024 Ethical Management Initiatives

Category	Title	Date		
CEO Message	[Ethics Newsletter Vol.16] A New Leap: Turning Change into Opportunity, Ethics into Value	Dec 12, 2024		
	[Ethics Newsletter Vol.6] Anti-Corruption and Guidelines for Preventing Corrupt Behavior	Jan 31, 2024		
	[Ethics Newsletter Vol.7] Practicing Transparent Ethical Management			
	[Ethics Newsletter Vol.8] Prohibition on Personal Use of Corporate Cards			
	[Ethics Newsletter Vol.9] Guidelines for Preventing Embezzlement in Daily Operations	Apr 24, 2024		
	[Ethics Newsletter Vol.10] Preventing Breach of Duty and Ensuring Transparent Management	May 27, 2024		
Ethics Newsletter	[Ethics Newsletter Vol.11] Respect for Diversity and Realization of Human Rights	Jul 29, 2024		
	[Ethics Newsletter Vol.12] Lost Conscience, Tarnished Reputation	Aug 28, 2024		
	[Ethics Newsletter Vol.13] Mutual Growth and Win-Win Partnerships with Suppliers	Sep 30, 2024		
	[Ethics Newsletter Vol.14] Respect for Customers and Building Corporate Trust	Oct 30, 2024		
	[Ethics Newsletter Vol.15] Basic Ethical Code for Employees: Preserving Dignity and Honor			
	[Ethics Newsletter Vol.17] Compliance with Fair Trade Practices	Dec 30, 2024		
	[Smart Ethical Life] Ep.1 Principles of Ethical Use of Corporate Cards in the Workplace	Mar 20, 2024		
	[Smart Ethical Life] Ep.2 Guidelines for Preventing Embezzlement in Daily Life	Apr 8, 2024		
	[Smart Ethical Life] Ep.3 Professional and Occupational Ethics	Apr 29, 2024		
	[Smart Ethical Life] Ep.4 Prohibited Acts During Working Hours	May 20, 2024		
Turketere	[Smart Ethical Life] Ep.5 Prohibition of Disclosure of Sensitive Information	Jun 17, 2024		
Training	[Smart Ethical Life Season 2] Ep.1 Ask Ethics Anything: Bribery and Entertainment	Sep 11, 2024		
	[Smart Ethical Life Season 2] Ep.2 Ask Ethics Anything: Ethical Budget Planning	Oct 7, 2024		
	[Smart Ethical Life Season 2] Ep.3 Ask Ethics Anything: Conflict of Interest and Political Engagement	Nov 5, 2024		
	[Smart Ethical Life Season 2] Ep.4 Ask Ethics Anything: Neglect of Duty	Nov 27, 2024		
	[Smart Ethical Life Season 2] Ep.5 Ask Ethics Anything: Corporate Card Usage	Dec 10, 2024		
	Results of the 2023 Ethical Management Survey	Jan 18, 2024		
Announcement	Notice on the 2024 Revision of the NEXENTIRE Code of Ethics (KOR/ENG, YouTube)	Aug 6, 2024		
	Notice on the 2024 Revamp of NEXEN TIRE's Ethical Management Whistleblowing Channel (KOR/ENG, YouTube)	Aug 14, 2024		

Responsible Board Operation Ethical and Compliance Management Information Security Enterprise Risk Management Shareholder Rights

## **Ethical and Compliance Management**

#### **Operation of the Whistleblowing Channel**

Click. Whistleblowing Site Click. How to Report

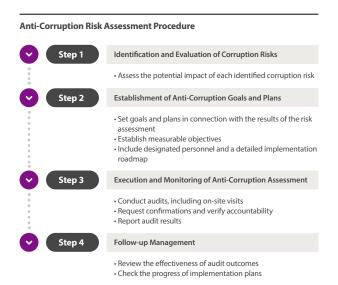
NEXEN TIRE actively listens to the voices and concerns of all stakeholders, including customers, employees, suppliers, and local communities. We operate dedicated whistleblowing channels to report unethical conduct such as human rights violations, unfair trade practices, poor working conditions, corruption, and violations of legal or ethical codes. Reports can be submitted via multiple channels, including the company website, e-mail, and written statements. Clear guidance is provided on the protection of whistleblowers. To ensure accessibility for foreign stakeholders, multilingual support is available in English, Czech, and other languages. We also strengthen awareness of the whistleblowing system through company-wide announcements and targeted communications to relevant departments, aiming to improve accessibility and encourage active use of the channel. Reports are reviewed and addressed in cooperation with relevant departments such as the Ethics Management Team, Human Resources Team, and Legal Affairs Team, depending on the nature of the case.

As of 2024, a total of six reports were received, including two related to human rights. All six reports were resolved, achieving a 100% resolution rate. In accordance with Article 24 of the Code of Ethics, we enforce rewards and disciplinary measures through the whistleblowing channel to reinforce our ethical management and demonstrate the management's commitment to its execution. We thoroughly respect the intentions of whistleblowers and ensure the confidentiality of their identity, report details, and investigation outcomes. Whistleblowers and cooperating parties are fully protected from any disadvantage, and in cases of exposure or retaliation, we implement restorative measures to ensure a safe reporting environment. Personal information collected during the reporting process is clearly disclosed in advance, including the purpose of collection and retention period. We are committed to the highest standards in protecting whistleblowers' personal data.

#### **Whistleblowing Process Legal Affairs Team Ethics Management Team** Step 4 Step 1 Step 2 Step 3 Report Submission Report Acknowledgment Investigation Legal review **Human Resources Team Ethics Management Team** and Related Departments Step 5 Step 6 Step 7 Step 8 Evaluation of necessity to Reporting of the **Human Resource** convene the Human Resource Case Closure investigation result Committee meeting Committee meeting

#### **Diagnosis of Anti-Corruption Risks**

NEXEN TIRE conducts annual regular and ad-hoc audits across all domestic and overseas operations to assess compliance with ethical management and detect any violations of anti-corruption policies. Through these audits, we rigorously manage company-wide risks and strengthen our risk management framework by addressing violations and implementing necessary improvements. In addition, we conduct ethics surveys among employees to monitor the current status of ethical awareness and identify areas for improvement. The results are used to assess the actual level of ethical conduct within departments and to inform institutional improvements and targeted training programs. In 2024, NEXEN TIRE carried out one regular audit, five special audits, and two ad-hoc audits. These audits evaluated the business processes and potential violations of the Code of Ethics within production and sales subsidiaries, as well as regional branch offices. Improvement measures and identified issues from audits are monitored on a quarterly basis and reported to the CEO. A summary is also submitted to the Audit Committee every six months.



## **Ethical and Compliance Management**

### **Compliance Management**

#### **Compliance Management and Fair Trade Training**

NEXEN TIRE continuously monitors revisions to major laws and emerging judicial precedents, including the Monopoly Regulation and Fair Trade Act, the Fair Transactions in Subcontracting Act, the Act on Fair Transactions in Franchise Business, the Financial Investment Services and Capital Markets Act, and the Serious Accidents Punishment Act. We provide compliance training to all employees to manage legal risks and promote compliance across business operations. In 2024, we conducted a total of 10 compliance education sessions. These included distribution of training materials related to fair trade practices and key precautions under the Unfair Competition Prevention and Trade Secret Protection Act. Additionally, we distributed regulatory updates and legal trends to relevant departments and conducted training accordingly. In 2024, we also delivered ethics and compliance training to staff responsible for fair trade compliance and plan to expand the scope of participants in future training sessions.

#### **Appointment of Compliance Officer and Operation**

NEXEN TIRE appoints a qualified Compliance Officer through a resolution of the Board of Directors and discloses the appointment in the business report. The Compliance Officer faithfully supports the company's organization and business through a wide range of compliance support activities and provides compliance training to strengthen the compliance awareness of both the management and all employees.

#### **Fair Trade and Unfair Competition Management Activities**

To prevent unfair trade practices in advance and promote shared growth with suppliers, NEXEN TIRE has established a "Checklist for Preventing Unfair Subcontracting Transactions" and manages compliance with the Subcontracting Act. In 2024, we conducted a compliance inspection targeting six departments related to subcontracting transactions to assess any unfair subcontracting and unfair competition practices. In addition, we are making continuous efforts to identify and improve issues through regular monitoring and to preemptively prevent unfair practices and corruption.



#### **Indices and Goals**

#### **Ethics and Compliance Training Status**

#### **Ethics Training Completion Status in 2024**

Category	Curriculum	Training Method	Target Employees	No. of Completed Employees
Legal Training	Sexual harassment prevention, Disability awareness improvement	Online	For all domestic office and production employees	4,087

<sup>\*</sup> Conducted post-training by sharing educational materials with non-participants in offline training

#### 2024 Compliance Training Overview

Торіс	Target Audience
Guidance on precautions when dealing with agencies	• All domestic sales departments
<ul> <li>Overview of revised labeling and advertising regulations to prevent greenwashing</li> </ul>	Domestic marketing-related departments
Guidelines for protecting trade secrets	- All domestic office and production employees
Protection of ideas and prevention of disputes (key points under the Unfair Competition Prevention Act)	All domestic office employees (Magok)
Distribution of checklist to prevent illegal dispatch risks	- All domestic executives and department heads
• Fair trade education for employees	All domestic office and production employees, and overseas assignees
Guidance on trademark protection and dispute prevention	All domestic office employees (Magok)
Guidelines on procedures and precautions when transacting with affiliates or registered executives	• Departments involved in affiliate transactions

## **Information Security**

NEXEN TIRE complies with all personal information-related laws, including the Act on Promotion of Information and Communications Network Utilization and Information Protection and the Personal Information Protection Act, both in Korea and overseas. In accordance with these laws, we operate an information security policy that aligns with regulatory requirements. Additionally, we have established an Information Security Management System (ISMS) based on the security framework of the International Organization for Standardization (ISO), thereby ensuring the stability and reliability of our information security practices.



#### MANAGEMENT APPROACH

#### IMPACT: Informative FINANCIAL: Minimal

#### **UN SDGs Targets**

• 16.10 Ensure public access to information and protect fundamental freedoms

#### **Key Impacted Stakeholders**

- Client companies
- General consumers



#### Impact

 Enhances protection of social infrastructure and strengthen safety through improved cybersecurity



#### **Risks and Opportunities**

- Increased litigation risk due to information security breaches
- Rising costs due to investments in information security
- Strengthened consumer trust and enhanced brand value through robust personal data protection efforts

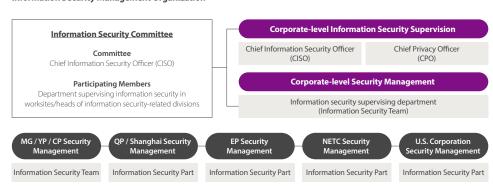


#### Governance

#### Information Security Governance

NEXEN TIRE has established a company-wide information security organization directly under the CEO to enhance its information security framework. The Chief Information Security Officer (CISO) and Chief Privacy Officer (CPO), both experts in information security and personal data protection, oversee the organization. The company fulfilled the CISO reporting requirement in March 2023. Under the leadership of the CISO and CPO, the designated corporate-level department is vested with responsibility and authority for managing information security. To encourage active participation in the information security management system, designated information security and privacy managers are appointed within each business unit. The information security organization holds quarterly meetings and convenes ad hoc meetings when necessary. Agenda items include planning for information security activities; review and revision of internal regulations, guidelines, and procedures; deliberation on specific methodologies and processes; decision-making on critical security incidents; review of audit findings; and disciplinary review for violations of security laws and internal policies. In November 2024, the Corporate Information Security Team held the first Information Security Council meeting centered in the Magok office, and plans are in place to expand its scope moving forward.

#### Information Security Management Organization



#### **Scope of Information Protection Policies and Guidelines**

NEXEN TIRE implements its information protection policies and activities across all business sites under the leadership of the Corporate Information Security Team. For the Qingdao Plant, a small number of dedicated personnel have been separately hired to oversee information protection operations. All other business sites apply the policies and standard documents developed by the headquarters.

## **Information Security**

### Strategy

#### Information Security Policy

To establish a systematic management system for information security and privacy protection, NEXEN TIRE continuously monitors updates to domestic and international regulations such as the Act on Promotion of Information and Communications Network Utilization and the Personal Information Protection Act. The company has recently revised its policies based on the security framework of the International Organization for Standardization (ISO). While its information security policies primarily comply with domestic standards such as the Information Security Management System (ISMS), NEXEN TIRE also reviews and applies enhanced legal requirements applicable to local jurisdictions, including China's national laws and the European Union's GDPR\*.

#### Information Security and Privacy Protection Regulations

Information Security Regulations				
SNX-P-0001	Staff Security Guidelines			
SNX-P-0002	Information Asset Management Guidelines			
SNX-P-0003	Security Incident Response Guidelines			
SNX-P-0004	Information Security Organization Operation Guidelines			
SNX-P-0005	User Security Guidelines			
SNX-P-0006	Technical Security Guidelines			
SNX-P-0007	Physical Security Guidelines			
SNX-P-0008	Information Security Risk Management Guidelines			
SNX-P-0009	Supplier Security Management Guidelines			
SNX-P-0010	Encryption Key Management Guidelines			

Privacy Protection Management System				
PKR-P-0001	Privacy Protection Guidelines			

#### **Privacy Protection Policy**

NEXEN TIRE monitors privacy laws in each country where it operates to ensure legal compliance, protect customer information, and uphold the rights of data subjects. In 2024, we conducted a consulting project based on the ISMS-P (Information Security and Personal Information Protection Management System) standards to assess and improve our privacy management framework. Additionally, we revised our Privacy Policy and Policy on the Operation and Management of Video Information Processing Devices to enhance our level of privacy protection.

#### **Privacy Protection Lifecycle**

To ensure the safe management of personal information, NEXEN TIRE actively applies the principles of the privacy protection lifecycle across the entire process—from collection and use to storage and destruction. We strengthen our security through comprehensive protection measures and publicly disclose our Privacy Policy on the company website, enabling data subjects to access the status of their personal information at any time. Furthermore, we strictly comply with domestic and international regulations, including the Personal Information Protection Act and the General Data Protection Regulation (GDPR), to provide a secure information protection environment.

#### **Collecting and Handling Privacy-Related Complaints**

NEXEN TIRE clearly outlines the procedures for handling personal information in its Privacy Policy on the company website. Customer inquiries and complaints are accepted through various channels, including the website, written letters, phone, and email. Submitted issues are reviewed promptly, and the results are communicated transparently. In addition, we have established an Ethical Management Reporting Center and an internal whistleblowing system to receive reports not only on violations of laws and company regulations but also on privacy breaches and ethical misconduct. These mechanisms enable us to resolve issues swiftly and continuously improve our systems.

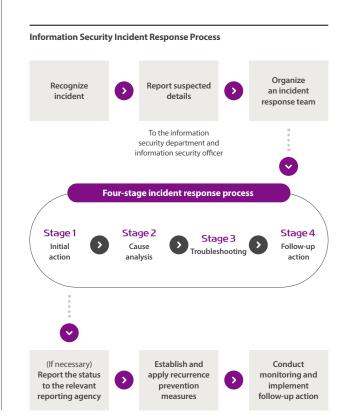
### **Risk Management**

SOCIAL

#### Information Security Management

Information Security Incident Response System

NEXEN TIRE operates an incident response system to prevent risks related to information security and minimize potential damage. We also conduct regular simulation training for employees to ensure swift and effective responses in the event of an actual incident. These efforts are part of our company-wide initiative to strengthen incident preparedness and reduce the impact of security breaches.



<sup>\*</sup> GDPR: General Data Protection Regulation

## **Information Security**

#### **Information Security Certification Management**

#### **TISAX Label Management**

In 2022, NEXEN TIRE obtained the global information security certification "TISAX (Trusted Information Security Assessment Exchange)" from the German Association of the Automotive Industry (VDA). TISAX is a global information security certification system based on ISO/IEC 27001 and evaluates four key areas: Information Security Management System (ISMS), supplier and supply chain security, data protection and privacy systems, and prototype and R&D protection systems. NEXEN TIRE has acquired the TISAX label for six of its global business sites, including the Czech Plant (EP), European R&D Center in Germany (NETC), R&D Center in Magok, Seoul, Qingdao Plant in China (QP), Shanghai Corporation, and North America Technical Center (NATC). The company has systematically implemented TISAX requirements and, through this certification, meets industry-level security standards and further strengthens trust in the global market. In addition, as of the first half of 2025, the Yangsan and Changnyeong plants have also newly obtained TISAX certification.

### Companies Subject to Information Protection Disclosure **Obligations**

Since June 2022, NEXEN TIRE has been designated as a company subject to information protection disclosure obligations. Accordingly, we disclose our annual status of information security investment. personnel, and activities through the Korea Internet & Security Agency (KISA) portal.

#### **Information Security Committee**

NEXEN TIRE has established an Information Security Committee to deliberate and make decisions on key security policies and measures. In the first meeting, the committee reviewed proposed revisions to the Information Security and Privacy Protection Regulations and Guidelines, and designated department-level information security managers and personnel.

#### Information Security Monitoring

To ensure the reliability of information protection, NEXEN TIRE conducts regular monitoring of data security and privacy protection. We also operate a high-level security system to prevent cyberattacks and implement regular risk assessments, vulnerability diagnostics, and remediation activities. As a result of these efforts, in 2024, there were zero incidents or financial damages related to information security, cyber security, or breaches of customer privacy.

#### **Information Security Audits**

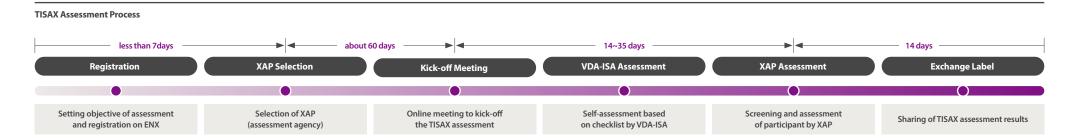
NEXEN TIRE secures objectivity and external reliability in its information security activities by conducting regular audits. In 2024, we carried out ISMS-P (Information Security and Privacy Management System) consulting and TISAX certification audits. These efforts led to enhanced reliability, improved stability of information assets, and a reduction in information security risks. A total of five business sites were audited—three in Korea and two in Europe—covering 62.5% of all NEXENTIRE sites.

#### **Activities to Improve Awareness of Information Security**

NEXEN TIRE enhances employee awareness of information security by producing and distributing information security posters annually across all worksites. In 2024, a "Generative Al Security Guidelines" poster was shared with all employees to highlight key precautions when using generative AI tools, thereby helping to prevent the leakage of personal data and corporate confidential information. Additionally, to strengthen the practice of information security, we continue to run the monthly "Security EasY!" campaign and carry out a range of awareness-raising activities company-wide.

#### Information Security Training for Employees

NEXEN TIRE conducts both online and offline information security training to raise employee awareness and strengthen capabilities in data protection. In Korea, training is provided through offline sessions and online courses via the NEXEN Learning Academy (NLA), while separate local training is conducted for overseas sites. As a result, a total of 1,050 employees completed the legally mandated information security training in 2024. In addition, employees who handle personal data received supplementary training on the Personal Information Protection Act to enhance their ability to manage privacy-related tasks. Since 2022, NEXEN TIRE has required all employees to sign an information security pledge and a personal information handler acknowledgment form each year to internalize a sense of responsibility and ensure that all employees recognize their role in protecting information.



Responsible Board Operation Ethical and Compliance Management Information Security Enterprise Risk Management Shareholder Rights

## **Information Security**

#### **Simulation Training on Response to Cyber Threats**

#### **APT Hacking Email Simulation Training**

To assess the company's information security management system and enhance employee awareness, NEXEN TIRE conducted simulation training on Advanced Persistent Threat (APT) hacking emails in both the first and second halves of 2024. In 2024, a total of 1,037 employees participated in the cyber crisis response simulation training organized by the Korea Internet & Security Agency (KISA). The training focused on educating employees about precautions to take when receiving malicious emails. As a result of continued training efforts, the infection rate has decreased by approximately 7% annually since 2022. This improvement reflects the company's enhanced readiness to respond promptly and effectively in the event of an actual cyberattack.

#### **Simulation Training for Cyber Incident Response**

NEXEN TIRE conducted simulation training to strengthen the company's recovery capabilities in the event of a cyber incident. The training was designed to establish and verify manual production switching procedures and data backup and recovery protocols. The exercise simulated a cyberattack targeting the production network and included restoring data from backups and transitioning production to manual operations. This training helped enhance our readiness to respond swiftly and effectively to actual cyber incidents.

### Office PC Security Inspection

To enhance employees' awareness of information security and establish a safe working environment, NEXEN TIRE conducts regular monthly office security inspections and PC security checks using the "My PC Keeper" program. Through these inspections, we verify compliance with security policies, such as preventing the unattended storage of sensitive data, and proactively prevent potential security incidents. In addition, PC security checks include applying the latest security updates and scanning for malicious software to maintain a secure IT environment for all employees.

### **Indices and Goals**

### Information Security Performance

Average Email Open and Infection Rates (2022-2024) (Unit: %) **Email Open Rate** Infection Rate Infection rates decreased by approximately 7% each year through continued training. 56.4 10.3 2022 2023 2024 2022 2023 2024



#### 2024 Information Security Monitoring Activities and Performance

Category	Operation of Information Security Management System	Measures for Ensuring Stability	Cybersecurity Incident Response Training	Information Security Awareness Activities
Content	Operation of systematic Information Security Management System (ISMS)	Pre-security review     Regular security assessment and improvements	External agency-led cyber incident simulation     Disaster recovery training	Employee training on information security and privacy protection     Information security campaigns
Key Activities and Achievements	Operation of a dedicated information security organization Strengthening of the security policy system Security risk assessment and improvement Revision of security policies (rules/guidelines) Operation of the Information Security Committee Acquisition of TISAX certification for the U.S. subsidiary Revision of Privacy Policy Establishment of CCTV operation and management policy	Server vulnerability inspection and remediation     Internal/external system penetration testing and remediation     Full encryption of all personal data databases (DB)     Access control and monitoring via security solutions	APT phishing simulation training for employees     Simulation of data backup and manual production in response to manufacturing network breaches     Business continuity drills to minimize damage from disasters and system downtime	Privacy and security training for all employees Targeted privacy training for handlers Privacy/security training for new hires Awareness campaigns using intranet and digital displays Office and PC security checks on the last Wednesday of every month ("Information Security Day")

## **Enterprise Risk Management**

To respond to the rapidly changing business environment and enhance its business strategies, NEXEN TIRE has established and is operating an integrated enterprise risk management system. The company conducts systematic and efficient risk management by identifying, assessing, analyzing, responding to, and monitoring risks that may arise across both financial and non-financial domains.







#### **MANAGEMENT APPROACH**

#### **UN SDGs Targets**

- 8.4 Improve global resource efficiency in consumption and production and decouple economic growth from environmental degradation, with developed countries taking the lead in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production
- 13.1 Strengthen resilience and adaptive capacity to climaterelated hazards and natural disasters in all countries
- 16.5 Substantially reduce corruption and bribery in all their forms

#### Impact

• Enhances investor trust through strengthened risk response capabilities

#### **Key Impacted Stakeholders**

- Client companies
- Suppliers
- General consumers
- Local communities
- Shareholders and investors



#### **Risks and Opportunities**

- Economic stability and sustainable growth through risk
- Gaining a competitive edge and seizing market opportunities through proactive risk response
- Enhanced corporate reputation and stakeholder trust through effective risk control



### Governance

#### **Enterprise Risk Management System**

With the expansion of its global operations, NEXEN TIRE is exposed to a range of risks including financial risks, foreign exchange fluctuations, liquidity issues, and tax policy changes. To address these, we continuously monitor and manage such risks. In parallel, we are establishing a stable financial foundation by expanding production capacity at our European manufacturing sites and enhancing productivity, while identifying and monitoring risks on an ongoing basis. Based on this process, we review key issues and establish appropriate response strategies. The status of our enterprise risk management system is reported to the CEO on a monthly basis.

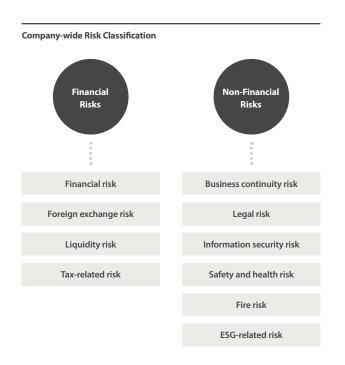
## **Risk Management Governance Structure G.CEO** CRO (Chief Risk Officer) **Business Management Risk Management Department** Strategy Planning Shares with Notifies to **Legal Affairs** Key Risk Indicator / Other Risks **Unexpected Risks Control and Recognition General Organization** Organization Others Kev Risk Indicator

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## **Enterprise Risk Management**

#### **Company-wide Risk Management Organization**

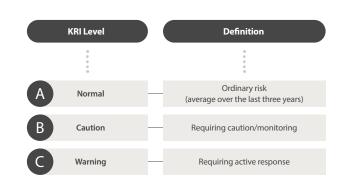
Since 2020, NEXEN TIRE has been operating a risk management system led by the Chief Risk Officer (CRO), along with a dedicated Risk Management Department, to proactively identify and analyze various risk factors in the business environment and to implement both preventive and responsive risk management. As of 2024, we are systematically monitoring a total of 60 risks across financial, credit, and operational areas. The monitoring results are reported to the CEO on a monthly basis to ensure a thorough understanding of and response to company-wide risk conditions. In addition, with the growing importance of ESG, we are strengthening our non-financial risk management capabilities through the ESG Management Committee and reinforcing the foundation of sustainable management by actively fulfilling our social responsibilities.

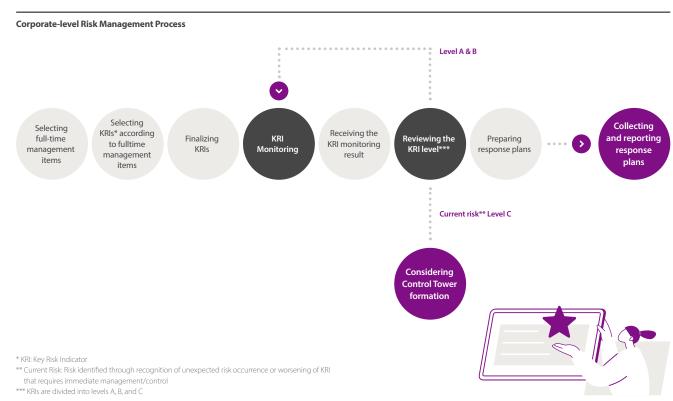


### **Risk Management**

### **Company-wide Risk Management Process**

NEXEN TIRE continuously monitors both financial and non-financial risks—including financial, credit, and operational areas—and has established a structured risk management process to systematically respond to unexpected business risks. We thoroughly analyze the likelihood and potential impact of various risks that may arise during business operations and prepare appropriate countermeasures accordingly.





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## **Enterprise Risk Management**

#### **Emerging Risks**

NEXEN TIRE conducts risk analysis on external environmental and social changes that may impact the achievement of corporate management goals and the execution of business activities. For emerging risks that pose significant impacts on business value and the socio-environmental landscape, we are committed to responding through a structured and proactive approach.

Issue Description	Impact	Response Activities
Diversifying requirements driven by innovation in mobility technologies such as autonomous driving, EVs, and car sharing	Delivery disruptions and reduced orders due to failure to meet customer quality standards     Risk of brand image deterioration and product recalls due to performance gaps between     products     Potential market share decline due to weakened technological competitiveness	<ul> <li>Pre-analysis of tire performance standards for EVs and autonomous vehicles and proactive technology development</li> <li>Standardization of production quality to minimize quality variation across plants</li> </ul>
Rise of protectionism and diversification of global economic networks	Continued increase in global trade regulations due to strengthening protectionist policies Rising complexity of global supply chains driven by the U.SChina trade conflict and economic bloc formation in key emerging markets Heightened price competition due to inflation and declining market purchasing power Significant direct impact on sales volume and profit due to tariff policies in the U.S. and EU	Development of new distribution channels to diversify sales networks     Establishment of global production and supply base operational strategies
Expansion of tire industry regulations due to EUDR* (EU Deforestation Regulation)  * EUDR: EU Deforestation Regulation	Increased demand for detailed data to ensure supply chain transparency Rising costs due to certification processes and system establishment Potential restrictions on EU market access and exports in case of non-compliance Need to distinguish between products manufactured before and after the regulation enforcement	Development of country-specific EUDR response strategies Trial purchasing under EUDR guidelines in 1H 2024 and evaluation for application at manufacturing sites in 2H 2024 Signing of long-term contracts for natural rubber under EUDR in 1H 2024 and EUDR-compliant product rollout in 2H 2024 Supplier readiness assessment for EUDR compliance Market research and monitoring of competitor responses to EUDR
Expansion of CBAM*, ESPR-DPP**, and EURO7 Regulations	Potential cost increases due to the need for product data digitalization	Establishment of Product Carbon Footprint (PCF) system     Participation in GRBP* working group for regulation review     Development and standardization of laboratory and in-vehicle test methods
* CBAM: Carbon Border Adjustment Mechanism ** ESPR-DPP: Ecodesign for Sustainable Products Regulation-Digital Product Passport		* GRBP: Working Party on Noise and Tyres
Strengthening of domestic and international information security laws and regulations	Potential cost increases associated with building security systems Potential decline in IT system efficiency and increased risk of security incidents if regulations are not followed	Implementation of security solutions (e.g., DLP, EDR, server vulnerability scanning)     Establishment of a response and prevention framework in line with ISMS-P certification criteria (Clause 2.11.1)
Need for advanced environmental incident response scenarios	Potential additional costs for dedicated personnel and scenario operation	Development of tailored response strategies for potential incidents by scenario     Establishment of emergency contact systems by site

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## **Enterprise Risk Management**

#### **Financial Risk Management**

With the expansion of its global operations, NEXEN TIRE is exposed to various risks, including financial, foreign exchange, liquidity, and tax-related risks. The company continuously monitors and manages these risks.

To enter a new phase of growth and establish a stable financial foundation through the expansion of its European manufacturing sites, we conduct frequent monitoring and establish appropriate response strategies.

Financial Risk	In 2024, global financial market volatility has intensified due to continued geopolitical conflicts in Ukraine and Israel, and the re-inauguration of the Trump administration in the U.S. In response to this volatility, NEXEN TIRE is continuously monitoring financial markets. At the same time, we are establishing a stable financial structure and financial risk management system by adjusting the ratio of short- and long-term borrowings and utilizing various financial techniques, including borrowings through swaps.
Foreign Exchange Risk	In 2024, approximately 84% of NEXEN TIRE's total sales was generated from exports. As a result, exposure to foreign exchange risks has increased due to the collection and operation of various foreign currencies. To minimize such risks, we adhere to the principle of matching assets and liabilities by currency. In addition, we manage foreign exchange risks for surplus currencies based on cash flow analysis by currency. Internally, we are reviewing strategies to manage currency risk through more sophisticated derivative products compared to existing ones, and plan to establish a more specialized risk management framework.
Liquidity Risk	NEXENTIRE is preparing for unexpected liquidity crises across global business sites by implementing integrated and flexible liquidity management. We focus on building a stable financial structure that enables prompt responses to global economic fluctuations by selling export bonds and utilizing large-scale limited credit lines for flexible borrowing and repayment. In addition, by distributing credit lines across multiple financial institutions, we reduce financial costs and mitigate risks associated with dependence on a single institution.
Tax-related Risk	NEXENTIRE recognizes that complying with tax laws and effectively managing tax risks contribute to increasing the value for various stakeholders, including customers, shareholders, society, and government finances. Accordingly, we disclose our tax policy on our official website and operate a decision-making governance structure involving the Accounting Team, Business Group for Management Support, and the CEO. To ensure fair transactions internally, we operate a monitoring and management process for transfer pricing on a monthly, quarterly, and annual basis, and publish related reports each year. These measures are designed to prevent excessive profits or losses from being concentrated in a specific entity and to maintain fairness within the range of market-level profit margins.

#### Non-financial Risk Management

NEXEN TIRE systematically manages a broad spectrum of non-financial risks, including business continuity risk, legal risk, information security risk, ESG-related risk, safety and health risk, and fire risk.

We continue to strengthen and supplement our risk management framework to preemptively respond to various risks that may arise during business operations at both domestic and overseas sites.

Business Continuity Risk	NEXENTIRE has established a structured process to respond to current risks—such as plant fires, natural disasters, infectious diseases, and war—by promptly forming a control tower under the supervision of the Chief Risk Officer (CRO) and designating a dedicated response department. Based on this framework, we strive to effectively manage and overcome risks while identifying new opportunities for growth. Through these efforts, we aim to achieve sustainable growth in collaboration with our key stakeholders, including employees, shareholders, and customers.
Legal Risk	NEXENTIRE proactively addresses various legal risks in both domestic and overseas operations, including product liability, privacy protection, fair trade, and e-commerce regulations. Prior to executing business activities, we conduct contract reviews and seek legal advice, and we identify potential legal issues in the early stages of new project development. We also monitor and analyze changes in laws and regulations, key court rulings, regulatory trends, and compliance violations in a timely manner. In addition, we provide regular compliance training and develop related materials, which are shared company-wide through emails and announcements to raise awareness and foster a voluntary culture of compliance.
Information Security Risk	NEXENTIRE has established an information security management system to protect customer data and proprietary technology from cyber threats. We carry out information security activities in compliance with both domestic and international regulations and security standards. Security risks across the organization are continuously monitored, and we develop improvement and remediation measures for identified vulnerabilities. In addition, each of our domestic and international business sites is equipped with dedicated security personnel who conduct regular security inspections and carry out improvement activities in coordination with the headquarters.
ESG-related Risk	Each year, the relevant departments at NEXENTIRE identify and select newly emerging ESG-related risks. The ESG Team continuously monitors global ESG regulations and industry trends to proactively detect potential risks. Identified ESG risks are managed through a structured process that includes establishing countermeasures, integrating them into strategic plans, coordinating with relevant departments, and deriving improvement tasks. We also regularly assess the implementation status to ensure the effectiveness of our risk response measures.
Safety and Health Risk	NEXENTIRE conducts regular risk assessments and workplace environment measurements to safeguard employee safety and health. We proactively identify harmful and hazardous factors and implement corrective actions. We also strengthen preventive measures for high-risk tasks such as working in confined spaces and handling hazardous chemicals, while raising employee awareness through safety and health training and campaigns. In 2024, we implemented customized improvement initiatives based on the results of risk assessments at each site and enhanced our system for preventing industrial accidents.
Fire Risk	NEXENTIRE conducts facility investments and fire inspections at least once a year and carries out inhouse fire drills. Fire risks at all business sites are managed based on our own fire safety equipment and disaster response systems. Monthly inspections are performed by professional fire safety firms, and we also conduct ad hoc inspections through an internal monitoring system. In particular, in December 2024, we conducted a company-wide fire response drill to review and refine our fire response procedures and evacuation plans by location.

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## **Shareholder Rights**

NEXEN TIRE places the highest priority on building trust with shareholders and stakeholders. To uphold this principle, we maintain a transparent dividend policy. We are committed to actively engaging with all shareholders and will continue open and consistent communication to safeguard their rights.





#### MANAGEMENT APPROACH

#### **UN SDGs Targets**

- 16.6 Develop effective, accountable, and transparent institutions at all levels
- 16.7 Ensure responsive, inclusive, participatory, and representative decision-making at all levels

#### Impact

· Enhances shareholder value by protecting shareholder rights



#### **Key Impacted Stakeholders**

Shareholders and investors



#### **Risks and Opportunities**

· Building investor trust and strengthen longterm capital stability through shareholder



### Strategy

#### Share Issuance

NEXEN TIRE grants one voting right per share for all issued shares. In addition to common shares, the company issues one class of non-voting preferred shares. Voting rights are limited for non-voting preferred shares and treasury shares. As of the end of September 2024, the total number of shares issued was approximately 104 million, consisting of around 97.67 million common shares and 6.5 million preferred shares.

### **Risk Management**

#### **Cash Dividends**

NEXEN TIRE determines the size and level of dividends by comprehensively considering the company's growth strategy, management performance, and cash flow. At the General Shareholders' Meeting in March 2024, we amended the Articles of Association to improve the dividend process, enabling shareholders to clearly understand the dividend amount in advance and use it as a reference when making investment decisions.

#### **Communication With Shareholders**

Click. Disclosure on the 2024 Q4 IR presentation

NEXEN TIRE holds guarterly earnings presentations to share detailed information on management performance trends and key business updates. The presentations are conducted via conference calls, allowing participation without time or location constraints, and the presentation materials are made available on our official website. We also continue to strengthen shareholder-friendly investor relations (IR) activities, including regular non-deal roadshows (NDRs), ongoing communication with domestic and overseas institutional investors, and the operation of a dedicated IR hotline for individual investors. In May 2024, we organized a factory tour for domestic institutional investors to provide in-depth insights into the tire manufacturing process and offer an immersive on-site experience. Through these efforts, NEXEN TIRE aims to establish two-way communication with shareholders and investors, actively listening to their inquiries and suggestions. Based on this approach, we will continue to expand and diversify our IR activities and do our utmost to enhance shareholder rights and improve access to information.

#### Convocation of the General Shareholders' Meeting

NEXEN TIRE complies with Article 361 of the Commercial Act regarding the convocation of the General Shareholders' Meeting and, in accordance with its Articles of Association, discloses relevant information two weeks prior to the meeting through the Data Analysis, Retrieval and Transfer System (DART) and the company website. A convocation notice is sent to shareholders to provide guidance and ensure that they are able to fully exercise their rights. Shareholders who are unable to attend the meeting may exercise their voting rights in writing (by proxy). To provide shareholders with a wider range of voting options, NEXEN TIRE introduced an electronic voting system in 2024 and implemented it for the first time at the 67th General Shareholders' Meeting in 2025.

# **ESG DATA**

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Environmental Performance	102
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## **Restatement of Information**

Some data in this report has been revised due to corrections of clerical errors or changes in calculation criteria. The details of these revisions are as follows.

### **Calculation Standards for Selected Indicators**

Category	Item	Calculation and Disclosure Criteria
Overall	Data not measured	-
	Measurement result is zero	0
	Water and waste data	Rounded and displayed as whole numbers
	GHG intensity, waste intensity	Displayed to the second decimal place Waste intensity is calculated based on waste generated per 1 ton of product manufactured
Environ- mental	Energy, air pollutants, water pollutants	Displayed to the first decimal place
	Other GHG emissions, reductions, and intensity	Data includes only domestic entities through 2022. From 2023 to 2024, data includes overseas corporations as well
	Number of employees	Based on headcount at the end of the reporting period
	Number of employees by region	Korea - Headquarters, Yangsan and Changnyeong manufacturing sites, Magok R&D Center, Daegu PG, and other domestic sales offices China - Qingdao plant, Shanghai Corporation, China Technical Center Czech Republic - Europe manufacturing site Others - European and U.S. Technical Centers and other overseas corporations
	Employee performance evaluations	Applied to full-time managers
Social	Workplace safety management	Displayed to the third decimal place
	Human rights training completion rate (all employees)	Based on domestic operations
	Flexible working hour usage (welfare item)	Survey conducted among employees at Magok office only. - Data includes employees using one of six alternative work schedules other than standard hours
	Labor union	Wage-related collective bargaining agreements apply to production workers only. Welfare benefits apply equally to both production and management employees

### **Changes in Data Calculation Standards**

Category	Indicator	Page	Details of Change	Reason	
Environ-	Resource circulation & circular economy	105	ESG data for sustainable raw material usage	Change in data coverage (2023: Domestic operations only → 2024: Domestic and global operations)	
mental	GHG Emissions (Scope 1 & 2)	102-103	ESG data for GHG (Scope 1 & 2) emissions	Change in certification scope to include overseas corporations in 2023 and 2024	
	GHG Emissions (Scope 3)	103	ESG data for Scope 3 emissions	Data recalculated and verified for 2024	
Social	Occupational safety & health	111	Safety training data for 2022–2023	Revision of calculation criteria for safety training	
Gover- nance	Ethics	113	ESG data on the number of employees completing the Code of Ethics Pledge		

#### **Data Corrections**

Category	Indicator	Page	Details of Change	Reason	
	Water resources	104	2022–2023 water withdrawal data	Correction of decimal point error	
	Water resources	104	Category label in table ("Water Withdrawal")	Terminology updated	
	Water resources	104	Water withdrawal at Changnyeong Plant	Classification criteria corrected (In the 2023/2024 ESG Report, previously classified as industrial water and domestic water; now integrated into municipal water supply)	
Environ-	Water resources	104	2022 water withdrawal data at Yangsan Plant	Data error corrected	
mental	Water resources	104	Reporting indicator for wastewater discharge (COD)	Reporting metric changed (Domestic COD indicator removed due to revisions in national water pollutant management standards)	
	Waste	105	2022 data for consigned landfill of general waste (Qingdao Plant)	Correction of numerical error	
	Waste tire recycling	105	2023 recycling rate and achievement rate	Updated to final confirmed value from Korea Environment Corporation (KECO) in 2024	
	Organizational size	107	2022–2023 total number of employees, 2023 number of business sites	Correction of numerical error	
	Employee profile	107	2022–2023 employee data	Correction of numerical error	
	New hires	107	2022–2023 new hire data	Correction of numerical error	
Social	Employee turnover	107	2022–2023 turnover data	Correction of numerical error	
	Workforce diversity	108-109	2022–2023 employee diversity data	Correction of numerical error	
	Parental leave	111	2022–2023 parental leave data	Correction of numerical error	
	Workplace safety management	115	2022–2023 workplace safety data	Correction of numerical error	
	Board operations	113	2022–2023 director remuneration data	Correction of numerical error	
Gover-	Personal information reporting	115	2023 Next Level service data	Correction of numerical error	
nance	Stakeholder value distribution	115	2022–2023 average salary data (excluding CEO)	Correction of numerical error	
	Stakeholder value distribution	125	Employee remuneration expense	Terminology updated	

## **Economic Performance**

#### **Financial Performance**

Category	Unit	2022	2023	2024
Sales	KRW 100 million	25,974.2	27,017.2	28,479.3
Cost of Sales	KRW 100 million	21,658.9	19,624.3	20,550.0
Gross Profit	KRW 100 million	4,315.3	7,392.9	7,929.3
Logistics Cost	KRW 100 million	765.5	941.1	1,241.9
Sales and Administrative Expenses	KRW 100 million	4,092.3	4,581.9	4,966.0
Operating Profit	KRW 100 million	-542.5	1,869.9	1,721.4
Net Profit Before Income Tax	KRW 100 million	-403.1	1,496.8	1,697.9
Continued Operating Profit	KRW 100 million	-275.1	1,031.2	1,267.2
Net Income	KRW 100 million	-275.1	1,031.2	1,267.2
Other Comprehensive Income	KRW 100 million	315.2	155.2	518.5
Total Comprehensive Income	KRW 100 million	40.1	1,186.4	1,785.7
Current Assets	KRW 100 million	14,420.9	15,560.8	18,750.6
Non-current Assets	KRW 100 million	25,022.5	26,765.8	26,994.2
Total Assets	KRW 100 million	39,443.4	42,326.6	45,744.7
Current Liabilities	KRW 100 million	14,317.2	13,299.6	14,542.9
Non-current Liabilities	KRW 100 million	9,163.8	11,978.2	12,485.8
Total Liabilities	KRW 100 million	23,481.0	25,277.8	27,028.7
Total Equity	KRW 100 million	15,962.4	17,048.8	18,716.0

### **Performance by Business Segments**

Category		Unit	2022	2023	2024
	Sales	KRW 100 million	39,803.5	42,072.0	44,272.9
Tire	Operating profit (loss)	KRW 100 million	-315.8	1,578.8	1,503.7
lire	Assets	KRW 100 million	52,672.3	57,267.2	63,613.3
	Liabilities	KRW 100 million	29,523.6	32,728.6	37,110.2
	Sales	KRW 100 million	139.8	149.0	147.3
Non-tire	Operating profit (loss)	KRW 100 million	20.4	22.4	20.8
(Transportation & Storage)	Assets	KRW 100 million	381.5	367.7	349.0
	Liabilities	KRW 100 million	136.5	106.5	71.8
	Sales	KRW 100 million	30.0	32.0	54.9
NI 4i (NA - I-I-)	Operating profit (loss)	KRW 100 million	-5.3	-4.6	0.2
Non-tire (Molds)	Assets	KRW 100 million	41.2	38.5	47.9
	Liabilities	KRW 100 million	2.7	3.4	7.5
	Sales	KRW 100 million	11.3	11.8	13.9
Non-tire	Operating profit (loss)	KRW 100 million	-1.7	-3.0	-1.2
(Bakery, etc.)	Assets	KRW 100 million	83.1	88.9	100.9
	Liabilities	KRW 100 million	2.3	2.2	2.3

<sup>\*</sup> All segment figures for sales, operating profit (loss), assets, and liabilities are stated before elimination of internal transactions.

### **Audit Expenses for External Auditors**

Category	Unit	2022	2023	2024
Remuneration for Audit Services	KRW 100 million	5.3	6.7	6.5
Remuneration for Non-audit Services	KRW 100 million	0	0	0
Ratio of Remuneration for Non-audit Services to Audit Services	%	0	0	0

<sup>\*</sup> Reporting scope of financial performance: Consolidated

Restatement of Information Economic Performance Environmental Performance Social Performance Governance Performance

## **Economic Performance**

#### **R&D Innovation**

Category		Unit	2022	2023	2024
	Total amount	KRW 100 million	905	866	872
DOD Fun on dituus	Operating R&D expenses	KRW 100 million	903	863	870
R&D Expenditure	Externally commissioned projects	KRW 100 million	2	3	2
	R&D expenditure as a percentage of sales	%	3.5	3.2	3.1
R&D Employees		Persons	469	443	453
Datant Danistration	Domestic	Coses	99	114	32
Patent Registration	Overseas	- Cases —	1	1	3
Data and Assault and assault	Domestic	C	39	26	23
Patent Application	Overseas	- Cases —	3	0	4
Industry-academia collaboration	Tire technology and design projects	Cases	5	8	6

### \* Reporting scope of financial performance: Consolidated

## **Environmental Performance**

#### **Greenhouse Gas (GHG) Emissions**

Category		Unit	2022	2023	2024
Total GHG Emission	ons <sup>1)</sup>	tCO₂eq	364,719	339,226	362,361
	Total	tCO₂eq	72,872	70,212	80,237
	Yangsan Plant	tCO₂eq	14,786	4,746	8,440
Direct GHG Emissions	Changnyeong Plant	tCO₂eq	23,629	24,311	25,029
(Scope 1)	Qingdao Plant	tCO₂eq	22,283	23,531	24,598
	Europe Plant <sup>2)</sup>	tCO₂eq	11,952	16,995	21,495
	Others <sup>5)</sup>	tCO₂eq	222	629	675
	Total	tCO₂eq	291,847	269,014	282,124
	Yangsan Plant	tCO₂eq	111,294	122,229	122,600
Indirect GHG Emissions	Changnyeong Plant	tCO₂eq	59,032	61,333	62,454
(Scope 2) - Location-Based	Qingdao Plant	tCO₂eq	60,783	51,072	54,682
Location-based	Europe Plant	tCO₂eq	57,353	30,862	39,223
	Others <sup>5)</sup>	tCO₂eq	3,385	3,518	3,164
	Total	tCO₂eq	-	220,339	210,023
	Yangsan Plant	tCO₂eq	-	117,626	115,787
Indirect GHG Emissions	Changnyeong Plant	tCO₂eq	-	57,860	56,068
(Scope 2) - Market-Based 3)	Qingdao Plant	tCO₂eq	-	12,466	0
iviai ket-baseu-	Europe Plant	tCO₂eq	-	29,000	35,141
	Others <sup>5)</sup>	tCO₂eq	-	3,387	3,027
	Total	tCO₂eq	3,577	-25,493	23,135
	Yangsan Plant	tCO₂eq	-5,387	895	4,066
GHG Emissions Reductio <sup>4)</sup>	Changnyeong Plant	tCO₂eq	-949	2,983	1,838
	Qingdao Plant	tCO₂eq	8,047	-8,463	4,678
	Europe Plant	tCO₂eq	2,411	-21,448	12,861
	Others <sup>5)</sup>	tCO₂eq	-545	540	-308

<sup>1)</sup> Total GHG emissions (Scope 1 and 2, location-based).

<sup>2)</sup> Differences may arise due to discrepancies in emission boundaries and calculation standards compared to the EU ETS.

<sup>3)</sup> Calculated by applying the amount of Green Premium purchased.

<sup>4)</sup> If the total GHG emissions (Scope 1+2) decrease compared to the previous year, the value is recorded as a positive number.

<sup>5)</sup> Data includes only domestic corporations (Magok R&D Center, Daegu PG, and domestic sales offices) through 2022. From 2023 onward, it includes additional overseas corporations.

<sup>\*</sup> Errors in the 2023/24 ESG Report Scope 1 and 2 emissions data have been identified and corrected (boundary adjustments in 2023).

GOVERNANCE

## **Environmental Performance**

#### **Greenhouse Gas (GHG) Emissions**

Category			Unit	2022	2023	2024
	Total		ton	425,317	434,398	461,895
		Yangsan Plant	ton	192,408	188,019	190,514
		Changnyeong Plant	ton	106,544	108,195	110,330
	Total production weight	Qingdao Plant	ton	79,984	92,208	98,213
GHG Emissions		Europe Plant	ton	46,381	45,976	62,838
Intensity		Others <sup>1)</sup>	ton	0	0	0
(Scope 1 and 2)	Total		tCO <sub>2</sub> eq/ton	0.86	0.78	0.78
		Yangsan Plant	tCO <sub>z</sub> eq/ton	0.66	0.68	0.69
intensi	GHG emissions	Changnyeong Plant	tCO <sub>z</sub> eq/ton	0.78	0.79	0.79
	(Scope 1 and 2)	Qingdao Plant	tCO₂eq/ton	1.04	0.81	0.81
		Europe Plant	tCO <sub>2</sub> eq/ton	1.49	1.04	0.97

<sup>1)</sup> Data includes only domestic corporations (Magok R&D Center, Daegu PG, and domestic sales offices) through 2022. From 2023 onward, it includes additional overseas corporations.

#### **Scope 3 Greenhouse Gas Emissions**

Category		Unit	2022	2023	2024
	Total	tCO₂eq	-	16,684,416	17,365,553
	Category 1 Purchased Goods and Services	tCO₂eq	-	1,039,876	1,013,380
	Category 2 Capital Goods	tCO₂eq	-	10,621	20,833
	Category 3 Fuel- and Energy-Related Activities	tCO₂eq	-	53,077	57,884
	Category 4 Upstream Transportation and Distribution	tCO₂eq	-	76,326	78,666
	Category 5 Waste Generated in Operations	tCO₂eq	-	5,521	7,048
ndirect	Category 6 Business Travel	tCO₂eq	-	1,696	1,787
Greenhouse	Category 7 Employee Commuting	tCO₂eq	-	9,374	9,659
Gas Emissions	Category 8 Upstream Leased Assets	tCO₂eq	-	12,337	12,629
Scope 3)	Category 9 Downstream Transportation and Distribution	tCO₂eq	-	5,000	1,534
	Category 10 Processing of Sold Products	tCO₂eq	-	2,404	2,442
	Category 11 Use of Sold Products	tCO₂eq	-	14,769,667	15,442,240
	Category 12 End-of-Life Treatment of Sold Products	tCO₂eq	-	695,587	712,923
	Category 13 Downstream Leased Assets	tCO₂eq	-	1,450	2,570
	Category 14 Franchises	tCO₂eq	-	328	793
	Category 15 Investments	tCO₂eq	-	1,152	1,165

<sup>\*</sup>The Scope 3 emissions data has been updated in the 2023/24 ESG Report. Scope 3 recalculation and verification were completed following the reporting period.

#### **Air Pollutant Emissions**

Category		Unit	2022	2023	2024
Total		ton	106.7	112.5	123.4
	Total	ton	26.4	32.9	28.2
	Yangsan Plant	ton	5.1	6.9	4.9
NOx Emissions	Changnyeong Plant	ton	8.5	7.5	8.6
	Qingdao Plant	ton	7.7	13.7	9.4
	Europe Plant	ton	5.0	4.8	5.3
	Total	ton	0.2	0.9	0.6
	Yangsan Plant	ton	0	0.4	0.4
SOx Emissions	Changnyeong Plant <sup>1)</sup>	ton	0	0	0
	Qingdao Plant	ton	0.2	0.2	0.1
	Europe Plant <sup>1)</sup>	ton	0	0.3	0
	Total	ton	11.5	11.6	11.9
	Yangsan Plant	ton	1.4	1.5	2.3
Particulate Matter (PM) Emissions	Changnyeong Plant	ton	4.7	9.9	6.6
	Qingdao Plant	ton	4.8	0.2	1.8
	Europe Plant	ton	0.6	0	1.1
	Total	ton	68.7	67.1	82.7
VOC	Yangsan Plant	ton	0.7	1.7	0.02)
(Volatile Organic Compound)	Changnyeong Plant	ton	0.1	0.6	0.2
Emissions	Qingdao Plant	ton	35.0	34.7	43.7
	Europe Plant	ton	32.9	30.2	38.8

<sup>1)</sup> The Changnyeong and Europe Plants conduct self-monitoring using SEMS (Stack Emission Management System). The concentration of each emission  $substance \ was \ confirmed \ to \ be \ 0. These \ figures \ are \ recorded \ based \ on \ statutory \ measurement \ standards \ and \ indicate \ either \ no \ actual \ emissions \ or \ actual \ emi$ emissions below measurable limits.

<sup>2)</sup> The VOC emissions at the Yangsan Plant in 2024 were recorded as 0.03 tons.

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## **Environmental Performance**

#### **Energy**

Category		Unit	2022	2023	2024
Total		ĽΙ	5,352.3	5,631.1	5,935.9
	Total	LT.	1,324.6	1,297.1	1,483.6
	Yangsan Plant	TJ.	288.8	90.4	163.1
Fuel Consumption	Changnyeong Plant	TJ.	464.1	477.3	491.3
(LNG, LPG, Diesel, etc.)	Qingdao Plant	TJ.	352.4	417.9	436.9
	Europe Plant	TJ.	215.9	302.5	382.5
	Others	TJ.	3.4	9.1	9.7
	Total	ĽΙ	3,456.3	3,564.1	3,689.6
	Yangsan Plant	ŢJ	1,651.6	1,658.0	1,675.1
Purchased Electricity	Changnyeong Plant	TJ.	1,233.5	1,281.6	1,305.
Consumption	Qingdao Plant	TJ.	272.0	300.0	321.2
	Europe Plant	TJ.	240.1	261.6	332.5
	Others	TJ.	59.1	62.9	55.
	Total	LT.	571.4	769.9	762.
	Yangsan Plant	TJ.	571.4	759.6	751.
Purchased Steam	Changnyeong Plant	TJ.	0	0	(
Consumption	Qingdao Plant	TJ.	0	0	(
	Europe Plant	TJ.	0	0	(
	Others	TJ.	0	10.3	11.0
	Total	TJ/ton	0.01	0.01	0.0
	Yangsan Plant	TJ/ton	0.01	0.01	0.0
Energy Intensity	Changnyeong Plant	TJ/ton	0.02	0.02	0.02
	Qingdao Plant	TJ/ton	0.01	0.01	0.0
	Europe Plant	TJ/ton	0.01	0.01	0.0
Investment in Energy Reduction Projects	Total	KRW 100 million	3.6	10.7	21.
	Total	ĽJ	341.8	411.4	634.
Renewable Energy	Green premium	ŢJ	160.0	168.8	275.
Procurement	Purchase of Energy Attribute Certificates (EACs)	ΤJ	181.8	242.6	358.6
Renewable Energy	Geothermal	kWh	-	519,368	409,932
Generation <sup>1)</sup>	Solar power	kWh	-	158,861	124,017

 $<sup>1)\,</sup>Magok\,R\&D\,Center\,began\,generating\,renewable\,energy\,from\,its\,newly\,installed\,generation\,facilities\,in\,2023.$ 

#### **Water Resources**

Category				Unit	2022	2023	2024
		Total		m³	2,015,239	2,042,964	2,024,414
			Total	m³	1,073,813	1,051,821	1,032,854
		Yangsan Plant <sup>1)</sup>	Groundwater	m³	1,035,071	1,012,132	982,013
Water Withdrawal			Municipal Water	m³	38,742	39,689	50,841
		Changnyeong Plant <sup>2)</sup>	Municipal Water	m³	520,507	521,672	473,701
		Qingdao Plant	Municipal Water	m³	294,506	317,551	317,862
		Europe Plant	Municipal Water	m³	126,413	151,920	199,997
Water Use In	tensity per Unit o	f Product Output		m³/ton	4.74	4.70	4.38
	Total			ton	32.8	23.8	19.1
	Concentration	Domestic		ton	6.2	5.3	0.2
	of Suspended Solids (SS)	Overseas		ton	6.4	2.5	1.9
Water Pollutants	200	Domestic		ton	2.5	3.2	0.2
	BOD	Overseas		ton	4.6	0.7	1.6
	COD <sup>3)</sup>	Overseas		ton	11.2	9.8	14.7
	TOC	Domestic		ton	1.9	2.3	0.5
		Total		ton	299,498	366,294	420,679
		Yangsan Plant		ton	13,087	9,478	9,678
Wastewater Discharge	Changnyeong Plant		ton	69,879	106,903	117,774	
	Qingdao Plant		ton	143,827	158,179	153,984	
		Europe Plant		ton	72,705	91,734	139,243
Water Consu	ımption <sup>4)</sup>			m³	2,015,239	2,042,964	2,024,414

<sup>1)</sup> Correction of data errors in the 2023/24 ESG report (error in 2022 data)

<sup>\*</sup> Errors in the 2023/24 ESG Report energy data have been identified and corrected (boundary adjustments in 2023).

<sup>2)</sup> Reclassified as municipal water in 2023/24 ESG report. Previously categorized as industrial and domestic water.

<sup>3)</sup> Due to revision of domestic water pollutant management standards,

TOC (Total Organic Carbon) replaced COD (Chemical Oxygen Demand) for regulatory compliance starting in 2022.

<sup>4)</sup> Water consumption = Water withdrawal

## **Environmental Performance**

#### Waste

Category			Unit	2022	2023	2024
Total			ton	10,047	9,677	10,79
	Total		ton	9,013	8,569	9,472
	Waste Intensit	y <sup>2)</sup>	ton/ton	0.02	0.02	0.0
		Yangsan Plant	ton	2,882	2,713	2,669
	Consigned	Changnyeong Plant	ton	2,563	2,569	2,31
	Recycling	Qingdao Plant	ton	1,036	1,080	1,05
		Europe Plant	ton	1,772	1,289	2,48
General Waste		Yangsan Plant	ton	0	0	5
Discharge	Consigned	Changnyeong Plant <sup>1)</sup>	ton	0	0	
	Incineration	Qingdao Plant	ton	0	92	10
		Europe Plant <sup>1)</sup>	ton	0	0	
	Consigned Landfill	Yangsan Plant	ton	66	75	3
		Changnyeong Plant	ton	39	46	4
		Qingdao Plant	ton	0	10	1
		Europe Plant	ton	656	696	80
	Total		ton	1,034	1,108	1,32
	Waste Intensit	y <sup>2)</sup>	ton/ton	0.002	0.003	0.00
		Yangsan Plant	ton	191	222	26
	Consigned	Changnyeong Plant	ton	189	219	21.
	Recycling	Qingdao Plant	ton	120	130	12
		Europe Plant	ton	214	223	22
Hazardous Waste		Yangsan Plant	ton	0	53	5
Discharge	Consigned	Changnyeong Plant	ton	138	77	18
	Incineration	Qingdao Plant	ton	126	129	16
		Europe Plant	ton	57	56	9
		Yangsan Plant	ton	0	0	0.
	Consigned	Changnyeong Plant	ton	0	0	
	Landfill	Qingdao Plant	ton	0	0.5	
		Europe Plant	ton	0	0	

<sup>1)</sup> For general waste treatment, the Changnyeong and Europe Plants utilize only recycling and landfill methods; consigned incineration volumes are zero for all three years.

#### **Waste Tire Recycling Status**

Category	Unit	2022	2023	2024
Government Recycling Target 1)	%	80.0	80.0	80.0
Recycling Rate <sup>2)</sup>	%	81.7	82	833)
Achievement Rate	%	102.2	102.4	103.7

<sup>1)</sup> This figure is subject to annual updates based on the official announcement by the Ministry of Environment.

#### • Recognized recycling volume:

Some weight from thermal recovery methods is excluded in accordance with the criteria set for waste tire recycling, which recognizes only up to 70% of the mandatory recycling volume for thermal recovery.

• Waste tire generation = New product shipment volume  $\times$  Wear rate (0.85)

#### **Tire Raw Material Usage**

	Unit	2022	2023	2024
Total	ton	370,001	378,227	401,507
Natural rubber	ton	93,826	96,150	101,651
Synthetic rubber	ton	90,852	92,373	98,363
Carbon black	ton	83,434	84,210	88,439
Silica	ton	30,734	32,051	34,349
Textile	ton	19,484	20,014	21,362
Steel cord	ton	34,384	35,593	38,242
Bead wire	ton	17,286	17,836	19,101
	Natural rubber Synthetic rubber Carbon black Silica Textile Steel cord	Total ton  Natural rubber ton  Synthetic rubber ton  Carbon black ton  Silica ton  Textile ton  Steel cord ton	Total         ton         370,001           Natural rubber         ton         93,826           Synthetic rubber         ton         90,852           Carbon black         ton         83,434           Silica         ton         30,734           Textile         ton         19,484           Steel cord         ton         34,384	Total         ton         370,001         378,227           Natural rubber         ton         93,826         96,150           Synthetic rubber         ton         90,852         92,373           Carbon black         ton         83,434         84,210           Silica         ton         30,734         32,051           Textile         ton         19,484         20,014           Steel cord         ton         34,384         35,593

<sup>\*</sup>Tire raw material usage reflects the global total, including Yangsan, Changnyeong, Qingdao, and Europe manufacturing sites.

<sup>2)</sup> Waste intensity refers to the amount of waste generated per ton of product produced.

<sup>\*</sup> Errors in the 2023/24 ESG Report general waste emissions data have been identified and corrected (correction of 2022 Qingdao Plant commissioned landfill figures).

<sup>2)</sup> Mandatory recycling volume = Waste tire generation × Mandatory recycling rate

<sup>3)</sup> The 2024 recycling rate is an estimated figure. The final figure will be officially confirmed by the Korea Environment Corporation in August 2025.

<sup>\*\*</sup> Errors in the 2023/24 ESG report raw material usage data have been identified and corrected (revision of calculation boundary).

## **Environmental Performance**

### **Environmental Management**

Category		Unit	2022	2023	2024
	Total applicable worksites	ea	4	4	4
ISO 14001 Certification Rate	Certified worksites	ea	4	4	4
	Certification rate	%	100	100	100
	Total applicable worksites	ea	4	4	4
Environmental Risk Assessment Rate	Certified worksites	ea	4	4	4
	Certification rate	%	100	100	100

### **Environmental Training**

Category			Unit	2022	2023	20241)
Environmental Training Completion Rate	Total environmental training hours	Domestic	Hours	7,162	7,258	12,828
	Total target personnel	Domestic	Persons	3,598	3,629	3,919
	Number of persons who completed training	Domestic	Persons	3,598	3,629	3,919
	Training completion rate	Domestic	%	100	100	100

<sup>1)</sup> Calculated based on training hours completed for hazardous chemicals and waste management

### **Environmental Compliance**

Category		2022	2023	2024
	Violations	Failure to report changes to wastewater discharge facilities     Exceeding permissible levels of water pollutants at N'zel Withus	Detection of new designated air pollutants     Failure to report changes to wastewater discharge facilities	Oil spill into a river near the Changnyeong Manufacturing Site
Domestic	Corrective Actions	Completed additional reporting of ABS items for wastewater discharge     Achieved compliance with permissible levels by using eco-friendly detergents	Submitted revised reports on chromium and hydrogen cyanide discharge from the exhaust press     Completed updated wastewater discharge reporting	Reorganized risk management system     Conducted training for wastewater spill response     Strengthened facility inspections for extreme weather conditions     Conducted regular inspections of stormwater drains
	Violations	Delay in submission of GHG emissions data	-	Incomplete waste classification
Overseas	Corrective Actions	Designated personnel for GHG emissions calculation and reporting	-	Reestablished waste classification system

#### **Environmental Control**

Category		Unit	2022	2023	2024
Environmental Investment Cost	Total	KRW 100 million	15.1	20.0	19.9
	Total Violations	Cases	3	2	2
Number of Environmental Regulation Violations	Domestic	Cases	2	2	1
<b>3</b>	Overseas	Cases	1	0	1
Fines for Violations of Environmental Regulations	Total	KRW thousand	3,922	1,080	2,000
Eco-friendly Vehicle Ownership Rate <sup>1)</sup>	Total	%	-	17.6	77.7

<sup>1)</sup> Includes hybrid vehicles from 2024 onward.

## **Social Performance**

### **Size of Organization**

Category	Unit	2022	2023	2024
Total Number of Employees	Persons	6,951 <sup>1)</sup>	7,186¹)	7,340
Total Number of Worksites	ea	19	221)	20
Number of Products / Services Launched	ea	474	366	385

<sup>1)</sup> Errors in the 2023/24 ESG Report have been identified and corrected (numerical correction).

#### **Employee Overview**

Category		Unit	2022	2023	2024
Total		Persons	6,951	7,186	7,340
Pu Candar	Male	Persons	6,242	6,379	6,443
By Gender	Female	Persons	709	807	897
	Under 30	Persons	948	1,088	1,031
By Age	30–50	Persons	5,203	5,192	5,341
	Over 50	Persons	800	906	968
By Region	Domestic	Persons	4,193	4,207	4,276
	Overseas	Persons	2,758	2,979	3,064
	Total	Persons	6,951	7,186	7,340
	Executives	Persons	11	17	17
	R&D Personnel	Persons	458	444	468
By Job Function	Technical / Production	Persons	5,493	5,745	5,804
	Sales	Persons	639	602	647
	Administrative Support	Persons	336	368	392
	Procurement	Persons	14	10	12
Average Years of Service					
Average		Years	10.2	10.4	10.6
	Male	Years	10.9	11.2	11.5
By Gender	Female	Years	4.4	4.3	4.5

<sup>\*</sup> Employee data is based on headcount as of the end of each reporting period.

#### **New Recruitment**

Category		Unit	2022	2023	2024
Total		Persons	1,080	1,316	1,393
Py Condor	Male	Persons	754	958	1,030
By Gender	Female	Persons	326	358	363
	Under 30	Persons	577	781	587
By Age	30–50	Persons	469	477	780
	Over 50	Persons	34	58	26
By Region	Domestic	Persons	310	355	420
	Overseas	Persons	770	961	973

<sup>\*</sup> Errors in the 2023/24 ESG Report on new recruitment figures have been identified and corrected (for 2022 and 2023 data).

### **Employee Turnover**

Category			Unit	2022	2023	2024
Total			Persons	923	1,055	1,130
	D. Condor	Male	Persons	683	802	869
	By Gender	Female	Persons	240	253	261
		Under 30	Persons	387	475	444
Number of Turnovers	By Age	30–50	Persons	472	494	606
		Over 50	Persons	64	86	80
	D. Matianalita	Domestic	Persons	265	326	312
	By Nationality	Overseas	Persons	658	729	818
		Total Employees	Persons	6,951	7,186	7,340
Turnover Rate		Number of Turnovers	Persons	923	1,055	1,130
		Turnover Rate	%	13.3	14.7	15.4
		Total Employees	Persons	6,951	7,186	7,340
Voluntary Turnover Rate		Number of Voluntary Turnovers	Persons	781	866	962
		Voluntary Turnover Rate	%	11.2	12.1	13.1

<sup>\*</sup> Errors in the 2023/24 ESG Report turnover data have been identified and corrected (data errors for 2022 and 2023).

<sup>\*\*</sup> Errors in the 2023/24 ESG Report regarding employee data have been identified and corrected (for 2022 and 2023 figures).

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## **Social Performance**

### **Employee Diversity**

Category			Unit	2022	2023	2024
	Total		Persons	6,951	7,186	7,340
		Total	Persons	6,242	6,379	6,443
	Male	Under 30	Persons	689	786	735
	iviale	30–50	Persons	4,788	4,732	4,797
Total Number of Employees by Gender		Over 50	Persons	765	861	911
,	-	Total	Persons	709	807	897
		Under 30	Persons	259	302	296
	Female	30–50	Persons			544
		Over 50	Persons	35	45	57
	Total		Persons	6,951	7,186	7,340
		Total	Persons	4,193	4,207	4,276
	South Korea	Under 30	Persons	366	383	424
	South Korea	30–50	Persons	3,202	3,146	3,154
Total Number of Employees by Nationality		Over 50	Persons	625	678	698
		Total	Persons	2,758	2,979	3,064
		Under 30	Persons	582	705	607
	Overseas	30–50	Persons	2,001	2,046	2,187
		Over 50	Persons	175	228	270

<sup>\*</sup> Employee diversity data is based on year-end figures for each reporting period.

Category			Unit	2022	2023	2024
	Total		Persons	6,951	7,186	7,340
		Total	Persons	6,242	6,379	6,443
	Male	Under 30	Persons	689	786	735
Number of Employees	iviale	30–50	Persons	4,788	4,732	<b>7,340</b> 6,443
by Employment Type and		Over 50	Persons	765	861	911
Gender (Full-time) 1)	Female	Total	Persons	709	807	897
		Under 30	Persons	259	302	296
		30–50	Persons	415	460	544
		Over 50	Persons	35	45	57
	Number	of female executives	Persons	0	0	0
Female Workforce	Ratio of f	emale employees	%	10.2	11.2	12.2
	Ratio of female managers 2)		%	7.3	7.8	9.6
	Total		Persons	77	84	90
Employment of Persons with Disabilities	NEXEN TIRE		Persons	61	63	69
	N'zel Wit	hus	Persons	16	21	21
Ratio of Internal Recruitment			%	98	98	98

<sup>1)</sup> The number of part-time employees is 0.

<sup>\*\*</sup> Errors in the 2023/24 ESG Report employee diversity data have been identified and corrected (errors in 2022 and 2023 figures).

<sup>2)</sup> The ratio of female managers is calculated based on positions at the manager level or above.

## **Social Performance**

## **Employee Diversity**

Category				Unit	2022	2023	2024
	Total			Persons	6,951	7,186	7,340
		Total		Persons	6,674	6,778	6,86
			Total	Persons	3,863	3,894	3,949
		14	Under 30	Persons	262	294	334
	Permanent Employees  wher of ployees by ion and ployment attract	Korea	30-50	Persons	3,046	2,991	2,985
			Over 50	Persons	555	609	630
			Total	Persons	1,404	1,390	1,40
		CI ·	Under 30	Persons	150	126	12
		China	30-50	Persons	1,224	1,230	1,24
			Over 50	Persons	30	34	3
	Permanent Employees  mber of ployees by gion and ployment ntract be <sup>1)</sup> Temporary Employees <sup>2)</sup>		Total	Persons	1,128	1,176	1,15
		Czech	Under 30	Persons	377	388	32
		Republic	30–50	Persons	652	657	67
			Over 50	Persons	99	131	15
umber of		Other Countries	Total	Persons	279	318	35
mployees by egion and			Under 30	Persons	36	70	9
mployment			30-50	Persons	192	185	17
ontract ype¹)			Over 50	Persons	51	63	8
, 1		Total		Persons	222	350	42
			Total	Persons	190	169	17
		.,	Under 30	Persons	104	88	8
		Korea	30–50	Persons	76	70	7
			Over 50	Persons	10	11	1
			Total	Persons	32	181	24
		CI ·	Under 30	Persons	19	122	6
	Litipioyees	China	30–50	Persons	12	55	17
			Over 50	Persons	1	4	
			Total	Persons	0	0	
		Other	Under 30	Persons	0	0	
		Countries	30–50	Persons	0	0	
			Over 50	Persons	0	0	
	Executives / Ad	visors		Persons	55	58	5

<sup>1)</sup> The classification of employee regions is based on the criteria outlined in the "Data Calculation Standards" section (p. 100).

## **Organizational Culture**

	Unit	2022	2023	2024
nber of employees subject to labor union mbership	Persons	2,953	2,979	3,015
mber of employees who have joined the or union	Persons	2,945	2,971	3,008
centage of unionized employees ong those eligible)	%	99.7	99.7	99.8
nber of items handled	Cases	20	21	27
al number of labor-management representatives	Persons	18	18	18
line)				
cessing rate	%	100	100	100
mber of complaints received	Cases	4	3	2
mber of complaints handled	Cases	4	3	2
	mber of employees who have joined the or union  tentage of unionized employees ong those eligible)  mber of items handled al number of labor-management representatives  ine)  tessing rate  mber of complaints received	mber of employees who have joined the persons  mentage of unionized employees ong those eligible)  mber of items handled  Cases  al number of labor-management representatives  ine)  cessing rate  %  mber of complaints received  Cases	mber of employees who have joined the persons 2,945  method of unionized employees ong those eligible)  mber of items handled Cases 20  all number of labor-management representatives Persons 18  mine)  method of complaints received Cases 4	mber of employees who have joined the persons 2,945 2,971  meter of employees who have joined the persons 2,945 2,971  meter tage of unionized employees ong those eligible)  meter of items handled Cases 20 21  all number of labor-management representatives Persons 18 18  ine)  meter of complaints received Cases 4 3

<sup>1)</sup> Includes complaints related to workplace harassment and sexual harassment.

## **Employee Benefits**

Category		Unit	2022	2023	2024
Status of	Medical expense support	KRW million	511	564	592
Employee Welfare Tuition assistance		KRW million	2,294	2,338	2,385
Programs	Vacation expense support	KRW million	2,373	2,385	2,386
	Number of career counseling participants	Persons	8	0	20
Reemployment	Number of applicants for career transition support	Persons	5	8	17
Support Programs	Number of individuals who successfully found employment or started a business	Persons	0	4	0
Flexible Working Hours System	Flexible working hours usage rate 1)	%	16	58	60

<sup>1)</sup> Based on a survey of employees at the Magok R&D Center; percentage represents employees using one of six alternate working hour types aside from standard arrival time.

<sup>2)</sup> Refers to dispatched employees who are not directly employed by the company.

**APPENDIX** 

Restatement of Information Economic Performance Environmental Performance Social Performance Governance Performance

## **Social Performance**

## **Talent Development and Management**

Category		Unit	2022	2023	2024
Talent Development an	d Capacity-Building Training				
	Total number of employees trained	Persons	4,150	4,164	4,277
Number of Employees Trained	Male	Persons	3,958	3,954	4,037
	Female	Persons	192	210	240
Number of Training	Total number of training sessions	Sessions	11,398	11,003	16,183
Sessions	Average number of sessions per person	Sessions/person	3	3	4
Tunining Francisco	Total training expenses	KRW thousand	794,000	1,160,900	1,169,275
Training Expenses	Average training expense per person	KRW thousand	190	280	273
Training Hours per	Total training hours	Hours	69,372	86,510	126,772
Exployee	Average training hours per person	Hours/person	16.7	20.8	29.64
Human Rights Training	1)				
Total Human Rights Tra	ining Hours	Hours	2	3	3
	Total number of employees <sup>2)</sup>	Persons	4,042	4,039	4,130
Human Rights Training Completion Rates	Number of employees who completed the training	Persons	4,026	4,039	4,087
	Training completion rate	%	99.6	100	99

<sup>1)</sup> Includes sexual harassment prevention and disability awareness training

## **Performance Evaluation and Compensation**

Category		Unit	2022	2023	2024
Performance Evaluation <sup>1)</sup>					
	Female	%	16.7	17.2	18.7
Percentage of Employees	Male	%	83.3	82.8	81.3
Who Received Regular	Staff-Assistant Manager	%	39.1	39.4	40.0
Performance Evaluations	Manager	%	33.8	31.5	30.3
	Senior Manager	%	27.1	29.1	29.7
Compensation					
	Total	KRW million	297,029	318,982	333,362
Total Annual Salary	Male	KRW million	290,768	311,542	324,410
	Female	KRW million	6,261	7,440	8,952
	Total	KRW million	68	72	74
Average Annual Salary per Employee <sup>2)</sup>	Male	KRW million	70	74	76
	Female	KRW million	39	40	44

<sup>1)</sup> Applies to regular employees

<sup>2)</sup> Based on the total number of employees at domestic worksites

<sup>2)</sup> Regardless of gender, equal pay is applied based on job grade and responsibilities. However, wage differences may arise depending on risk level of duties, expatriate status, patent allowances, or certifications.

Restatement of Information Economic Performance Environmental Performance Social Performance Governance Performance

## **Social Performance**

## **Parental Leave**

Category		Unit	2022	2023	2024
Makamikalana	Male	Persons	181	101	21
Maternity Leave	Female	Persons	2	101 4 105 101 96 71 5 76 64 84 64 59 5 100 92.2	3
	Total	Persons	140	105	24
Rate of Return After Maternity Leave	Employees who returned after maternity leave	Persons	140	101	21
	Return rate	%	100	96	87.5
Parental Leave <sup>1)</sup>	Male	Persons	72	71	82
Parental Leave "	Female	Persons	3		5
	Total number of employees	Persons	75	76	87
Rate of Return After Parental Leave 1)	Employees who returned after parental leave	Persons	57	64	51
	Return rate	%	76	84	59
Employees Retained for Over	Total	Persons	57	64	51
12 Months After Returning	Male	Persons	55	59	50
from Parental Leave	Female	Persons	2	5	1
from Parental Leave  Retention Rate After 12  Months from Parental Leave	Total	%	100	100	100
	Male	%	98.0	92.2	96.5
Return	Female	%	Persons         140         105           Persons         140         101           %         100         96           Persons         72         71           Persons         3         5           Persons         75         76           Persons         57         64           %         76         84           Persons         57         64           Persons         55         59           Persons         2         5           %         100         100           %         98.0         92.2	7.8	3.5

<sup>1)</sup> Errors in the 2023/24 ESG Report parental leave data have been identified and corrected (data errors in 2022 and 2023).

## **Health and Safety Training**

Category		Unit	2022	2023	2024
	Domestic	Hours	79,560	89,408	81,632
Total Health and Safety Training Hours	Qingdao Plant	Hours	-	-	12,302
3	Europe Plant	Hours	-	-	34,716
Hoolth and Cafety Training	Target persons	Persons	3,315	3,905	3,455
Health and Safety Training Completion Rate	Persons who completed training	Persons	3,315	3,905	3,455
(Domestic)	Training completion rate	%	100	100	100
Hazardous Materials	Total hazardous materials training hours	Hours	2,560	1,504	2,608
Training Completion	Average training hours per person	Hours	16	89,408 - - 3,905 3,905 100	16

## **Workplace Safety Management**

Category			Unit	2022	2023	2024
Lost Time Injury	Employees	Domestic	Cases / one million working hours	3.857	3.123	2.833
Frequency Rate (LTIFR)	Suppliers	Domestic	Cases / one million working hours	1.992	6.887	3.193
		Domestic	%	0.905	0.717	0.628
	Employees	Qingdao Plant	%	0.301	0.229	0.299
Accident Rate		Europe Plant	%	0.735	0.570	1.602
Accident Rate		Domestic	%	0.398	0.810	0.766
	Suppliers	Qingdao Plant	%	-	-	-
		Europe Plant	%	-	-	-
Working Environment	Number of Cases	Domestic	Cases	0	0	0
Measurement	Surpassing the Criteria	Overseas	Cases	0	0	0

<sup>\*</sup> Errors in the 2023/24 ESG Report workplace safety data have been identified and corrected (2022 and 2023 data revisions).

## **Health and Safety Management**

Category		Unit	2022	2023	2024
Health and	All target worksites	ea	4	4	4
Safety System	Target worksites for application	ea	4	4	4
Application Rate	Application Rate Application rate		100	100	100
Internal Audit	All target worksites	ea	4	4	4
Implementation	Worksites subject to implementation	ea	4	4	4
Rate	Implementation rate	%	100	100	100
	All target worksites	ea	4	4	4
KOSHA-MS Certification Rate	Target worksites for certification	ea	4	4	4
	Certification rate	%	100	100	100
Health and	All manufacturing sites	ea	4	4	4
Safety Risk	Manufacturing sites subject to implementation	ea	4	4	4
Assessment Rate	Implementation rate	%	100	100	100

**APPENDIX** 

Restatement of Information Economic Performance Environmental Performance Social Performance Governance Performance

## **Social Performance**

## **Customer Satisfaction and Quality Management**

Category		Unit	2022	2023	2024
	Complaints received	Cases	1,930	2,168	2,534
Number of Customer Complaints Received and Resolution Rate	Complaints resolved	Cases	1,928	2,168	2,534
	Resolution rated	%	99.9	100	100
Customer Satisfaction Survey Score	Customer satisfaction	Points	99	93	92

### **Social Contribution Activities**

Category		Unit	2022	2023	2024
	NEXEN Wolsuk Cultural Foundation	KRW million	621	529	580
Scholarship Support	KNN Scholarship Program	KRW million	184	175	155
Expenses	Wolsuk Busan Leading Scholarship Committee	KRW million	60	60	60
	NEXEN Wolsuk Cultural Foundation	Persons	483	437	475
Number of Scholarship Beneficiaries	KNN Scholarship Program	Persons	184	175	155
Beneficiaries	Wolsuk Busan Leading Scholarship Committee	Persons	80	80	80
Welfare Support Expenses	NEXEN Wolsuk Cultural Foundation	KRW million	260	260	330
Franksiss Valuntası	Annual number of volunteers (cumulative)	Persons	272	440	762
Employee Volunteer Participation	Total volunteer hours	Hours	1,808	2,560	2,856
	Monetary value of volunteer hours	KRW million	17	529 175 60 437 175 80 260 440	28

## **Supply Chain Management**

Category		Unit	2022	2023	2024
	Total number of suppliers <sup>1)</sup>	ea	135	207	183
Percentage of Suppliers Pledged to Sustainable	Number of suppliers pledged to agreement	ea	72	72	72
Procurement Agreements	Rate of suppliers pledged to agreement	%	53.3	34.8	39.3
	Total number of suppliers	ea	135	330	166
Percentage of Suppliers Assessed for ESG <sup>2)</sup>	Number of suppliers assessed	ea	76	171	97
	Percentage of suppliers assessed	%	135 72 53.3 135 76 56.3 26 100 11,224 13 12 - 12 - 0 16 100	51.8	58.4
Environmental/Social Assessment for New Raw Material Suppliers	Number of new raw material suppliers	ea	26	31	15
	Assessment rate for new raw material suppliers	%	100	100	100
Purchasing Cost <sup>3)</sup>		KRW 100 million	11,224	10,229	11,407
Suppliers Participated in ESG	Management Training	ea	13	51	474)
Number of Suppliers Participated in Safety	On-site	ea	12	13	20
Support Training	Off-site <sup>5)</sup>	ea	-	4	604
Number of Suppliers Implemented Health and	On-site	ea	12	26	20
Safety Level Evaluation	Off-site <sup>5)</sup>	ea	-	106	169
Supplier Communication Cha	nnels				
	Number of grievances received	Cases	0	5	0
Supplier Grievance Handling	Number of grievances handled	Cases	16)	5	0
	Grievance resolution rate	%	100	100	-
Mutual Growth Cooperation					
Companies Signed Fair	Targeted companies	ea	74	85	46
Trade Agreement	Purchase amount	KRW 100 million	5,816.0	4,281.8	626.3

<sup>1)</sup> Raw and subsidiary material suppliers

<sup>2)</sup> Self-assessment

<sup>3)</sup> Based on consolidated purchasing cost of raw materials for tires

<sup>4)</sup> Includes 17 training sessions conducted during on-site audits

<sup>5)</sup> From 2023, managed by supplier type

<sup>6)</sup> The grievance received in 2021 was resolved in 2022 due to the time required for facility improvement work.

GOVERNANCE

## **Governance Performance**

## **Operation of the Board of Directors**

Category		Unit	2022	2023	2024
	Number of BOD meetings	Sessions	9	9	7
Number of BOD Meetings Held	Attendance rate	%	100	86	86
	Number of agenda items	Items	14	13(1)1)	14
Attendance Rate of Independent Directors	Total number of independent directors	Persons	4	4	4
	Attendance rate	%	100	86	100

<sup>1)</sup> The number in parentheses indicates the number of cases in which revision suggestions were made. ("Revision suggestions" refer to instances where revisions were proposed during the board meeting.

### **Director Remuneration**

Category		Unit	2022	2023	2024
	Total	KRW million	2,104	2,049	2,472
Total Remuneration Paid	Executive directors	KRW million	1,936	1,929	2,280
	Independent directors	KRW million	168	120	192
Average Remuneration Per Person	Executive directors	KRW million	645	643	760
	Independent directors	KRW million	45	30	48

<sup>\*</sup> Errors in the director remuneration data in the 2023/24 ESG Report have been identified and corrected (errors in 2022 and 2023 figures).

## **Committees Under the Board of Directors**

Category			Unit	2022	2023	2024
Number of Audit Committee M	eetings		Sessions	7	7	6
	Number of indepe	ndent directors	Persons	4	4	4
Attendance Rate and Voting	Attendance rate		%	100	97	100
Record of Independent Directors on the Audit Committee	Total number of agenda items	Total	Items	21	15	20
		In favor	Items	3	5	6
		Against	Items	0	0	0
	Number of indepe	ndent directors	Persons	2	2	2
Attendance Rate and Voting Record of Independent	Attendance rate		%	100	100	100
Directors on the Independent Director Recommendation Committee	Total number of	Total	Items	2	1	1
		In favor	Items	2	1	1
	agenaa items	Against	Items	0	0	0

## **Ethical Management**

Category		Unit	2022	2023	2024
Completion Status of	Target persons	Persons	4,042	4,039	4,130
Ethical Management	Persons completed	Persons	4,026	4,039	4,087
Training	Completion rate	%	99	100	99
	Target persons	Persons	-	115	197
Completion Status of ESG Training	Persons completed	Persons	-	115	153
3	Completion rate	%	-	100	77.7
Performance in Handling Ethical Management- related Whistleblowing	Processing rate	%	100	100	100
Actions Taken in	Total number of whistleblowing reports	Cases	8	6	6
	Human rights-related reports	Cases	4	3	2
Response to Ethical	Reports processed	Cases	8	6	6
Whistleblowing	Investigations (audits)	Cases	8	6	5
	Transferred to relevant departments	Cases	0	0	1
	Target worksites	ea	3	2	6
Ethical Risk Assessment Implementation Rate	Worksites assessed	ea	3	2	6
	Implementation rate	%	100	100	100
Code of Ethics	Persons signed	Persons	179	885	1,843
Compliance Pledge <sup>1)</sup>	Completion rate	%	97.2	77.5	92.2

<sup>1)</sup> The number and rate of Code of Ethics Compliance Pledge in 2024 reflect the total across both domestic and overseas worksites.

In 2023, this includes one item that was withheld and not approved, as disclosed in the business report.)

<sup>\*</sup> Errors in the 2023/24 ESG Report Code of Ethics Compliance Pledge data have been identified and corrected (revision to scope of calculation).

**APPENDIX** 

Restatement of Information Economic Performance Environmental Performance Social Performance Governance Performance

## **Governance Performance**

## **Compliance Management**

Category		Unit	2022	2023	2024
	Total	Cases	0	0	0
	Violations of fair trade laws	Cases	0	0	0
	Violations of anti-corruption/bribery laws	Cases	0	0	0
Legal Violations 1)	Violations of marketing and communication laws	Cases	0	0	0
	Violations related to product / service information and labeling	Cases	0	0	0
	Violations of internal transaction regulations	Cases	0	0	0
	Violations of subcontracting transaction laws	Cases	0	0	0
	Total	Cases	0	1	3
Confirmed Cases of	Cases where employees were dismissed or disciplined due to corruption	Cases	0	1	3
Corruption	Number of contract terminations by partners due to corruption	Cases	0	0	0
	Number of legal actions taken due to corruption	Cases	0	0	0
Monetary Sanctions	Total monetary losses from unfair trade practices (e.g. anti-competition, monopoly)	KRW 100 million	0	0	0
	Monetary losses from anti-corruption / bribery issues	KRW 100 million	0	0	0
	Number of ongoing or concluded legal proceedings related to unfair trade	Cases	0	0	0

<sup>1)</sup> Based on domestic operations and counted by the number of monetary sanctions.

### **Information Protection Activities**

Category		Unit	2022	2023	2024
Business Continuity /	DDoS simulation training	Cases	1	0	0
Security Threat Tests	Phishing email simulation training	Cases	1	2	2
	Security inspection of external services / systems	Cases	1	1	1
External Inspection and Vulnerability Analysis	Security inspection of internal services / systems	Cases	1	1	1
	Security inspection of personal information processors	Cases	0	1	1
	Number of training sessions	Cases	1	1	1
Information Security / Privacy Training <sup>1)</sup>	Number of participants	Persons	999	1,094	1,050
,	Average training hours per person	Hours	1	2	1
	Total IT budget	KRW million	16,976	15,977	16,635
Information Security Investment	Total information security budget	KRW million	315	928	685
	Percentage of information security budget to total IT budget	%	1.9	5.8	4.1
Information Protection Co	ertified Worksites <sup>2)</sup>	ea	5	5	6

<sup>1)</sup> Information security/privacy training includes education on the Personal Information Protection Act and statutory security education

<sup>2)</sup> Magok R&D Center, Europe R&D Center, Europe Manufacturing Site, Qingdao Manufacturing Site, Shanghai Branch, U.S. Corporation

<sup>\*</sup>The above information protection activities are based on domestic operations

<sup>\*\*</sup> In 2024, there were 0 cases of customer information leakage or personal information protection violations at NEXENTIRE.

GOVERNANCE

## **Governance Performance**

## **Personal Information-Related Grievance Handling Status**

Category		Unit	2022	2023	2024
	Number of reported grievances	Cases	0	0	0
External Stakeholders	Number of resolved grievances	Cases	0	0	0
	Response rate	%	-	-	-
Regulatory Agencies	Number of reported grievances	Cases	0	0	0
	Number of resolved grievances	Cases	0	0	0
	Response rate	%	-	-	-
Next Level Service 1123	Number of reported grievances	Cases	13	106	110
	Number of resolved grievances	Cases	13	106	110
	Response rate	%	100	100	100

<sup>1)</sup> Based on customer complaints received via the Korea Internet & Security Agency (KISA) and forwarded to the company

### **Shareholders and Investors**

	Unit	2022	2023	2024
NEXEN Corp.	Shares	43,904,160	43,904,160	43,904,160
Byung-Joong Kang	Shares	19,001,037	19,001,037	19,001,037
Ho-Chan Kang	Shares	3,174,222	3,174,222	3,174,222
Other shareholders	Shares	31,588,458	31,588,458	31,588,458
Byung-Joong Kang	Shares	19,001,037	19,001,037	19,001,037
NEXEN Corp.	Shares	43,904,160	43,904,160	43,904,160
Byung-Joong Kang	Shares	19,001,037	19,001,037	19,001,037
Ho-Chan Kang	Shares	3,174,222	3,174,222	3,174,222
	Byung-Joong Kang Ho-Chan Kang Other shareholders Byung-Joong Kang NEXEN Corp. Byung-Joong Kang	NEXEN Corp. Shares  Byung-Joong Kang Shares  Ho-Chan Kang Shares  Other shareholders Shares  Byung-Joong Kang Shares  NEXEN Corp. Shares  Byung-Joong Kang Shares	NEXEN Corp.Shares43,904,160Byung-Joong KangShares19,001,037Ho-Chan KangShares3,174,222Other shareholdersShares31,588,458Byung-Joong KangShares19,001,037NEXEN Corp.Shares43,904,160Byung-Joong KangShares19,001,037	NEXEN Corp.         Shares         43,904,160         43,904,160           Byung-Joong Kang         Shares         19,001,037         19,001,037           Ho-Chan Kang         Shares         3,174,222         3,174,222           Other shareholders         Shares         31,588,458         31,588,458           Byung-Joong Kang         Shares         19,001,037         19,001,037           NEXEN Corp.         Shares         43,904,160         43,904,160           Byung-Joong Kang         Shares         19,001,037         19,001,037

(As of the end of December 2024)

## Shareholders Holding 5% or More (Excluding Largest Shareholders and Related Parties)

Category		Unit	Details
	Number of shares	Shares	6,603,000
National Pension Service	Ownership ratio	%	6.8
	Business relationship with the company	-	None

## Stakeholder Performance Distribution

Category			Unit	2022	2023	2024
Purchasing Cost <sup>1)</sup>			KRW 100 million	11,354.0	10,368.9	11,563.2
	Employee salary cost	2)	KRW 100 million	4,234	4,640	4,952
salary <sup>3)</sup>	Employee annual	Median	KRW	69,527,000	74,886,900	77,834,529
	(excluding CEO)	Average	KRW	68,479,917	72,468,595	74,435,281
	Dividends and intere	st payments	KRW 100 million	384	727	1,085
	Treasury share purch	ase	-	0	0	0
Shareholder Return	Treasury share retire	ment	-	0	0	0
	Total shareholder ret	urn amount	KRW 100 million	103	118	134
	Shareholder return ra	atio	%	_ 4)	11.5	32.8
Corporate Tax			KRW 100 million	-128.1	465.7	430.7

<sup>1)</sup> Sum of tire and non-tire segment purchase costs reported in the business report

<sup>2)</sup> Handling of member withdrawal requests related to the Next Level service has been in progress since November 2022

<sup>\*</sup> Errors in Next Level data for 2023 have been identified and corrected in the 2023/24 ESG Report.

<sup>2)</sup> Includes four major insurances, health checkups, and other welfare expenses based on consolidated employee salary costs in the business report

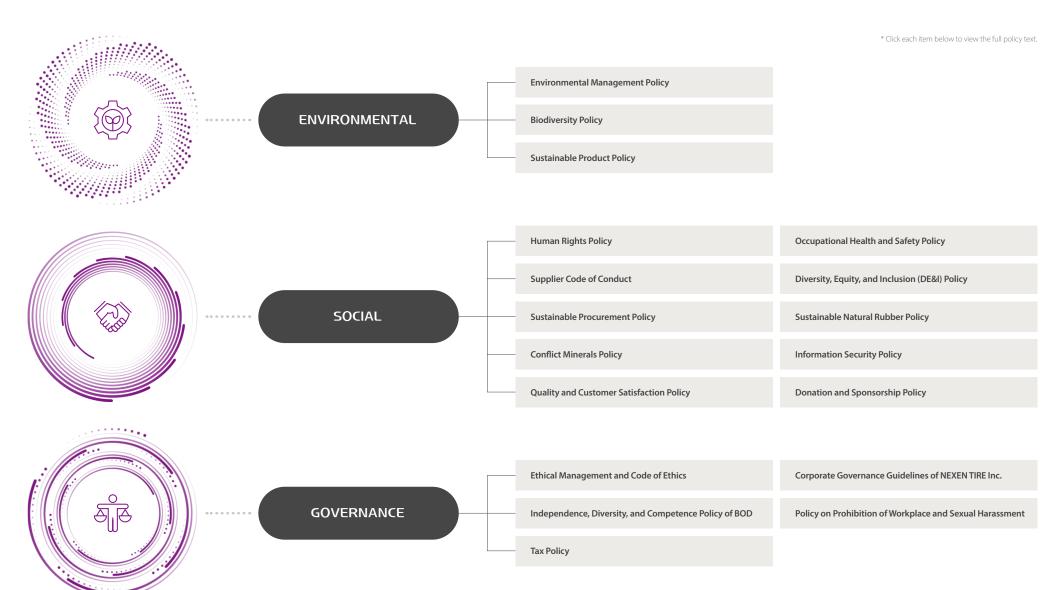
<sup>3)</sup> Data errors for 2022 and 2023 were identified and corrected in the 2023/24 ESG Report

<sup>4)</sup> Shareholder return ratio not calculated in 2022 due to net loss

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## **ESG Policies and Guidelines**



## **GRI Content Index**

Statement of use	NEXEN TIRE has reported the sustainability-related information for the period from January 1, 2024 to December 31, 2024 in accordance with the GRI Standards 2021.			
GRI 1 used	GRI 1: Foundation 2021			
Applicable GRI Sector Standard	As of the reporting date, the applicable GRI Sector Standards corresponding to NEXEN TIRE's GICS and industry classification have not yet been published; therefore, the Sector Standards have not been applied.			

Indicator	Description	Page	Remarks				
General Dis	General Disclosures						
GRI 2: Gene	GRI 2: General Disclosures						
Organizatio	Organizational Details and Reporting Practices						
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2-3	Reporting period, frequency and contact point	2					
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2-11	Chair of the highest governance body	82					
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2-19	Remuneration policies	85, 113	Corporate Governance Report (2024) (Detailed Principle 7-1)				
			Business Report (2024), pp. 172–173				
2-20	Process to determine remuneration	85					
2-21	Annual total compensation ratio	115	Business Report (2024), Section VIII. Matters Related to Executives and Employees, 2. Remuneration of Executives				

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2-30	Collective bargaining agreements	109			
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3-1	Process to determine material topics	21-22			
3-2	List of material topics	22			
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GRI 3: Mat	erial Topcis 2021				
3-3	Management of material topics	22-24			
GRI 305: E	missions (2016)				
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305-3	Other indirect (Scope 3) GHG emissions	103			
305-4	GHG emissions intensity	102			
305-5	Reduction of GHG emissions	33-34			

## **GRI Content Index**

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302-2	Energy consumption outside of the organization	103				
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Material To	pic 2. Resource Use and Circular Economy					
GRI 3: Mate	erial Topcis 2021					
3-3	Management of material topics	22-24				
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306-3	Waste generated	105				
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Indicato	r Description	Page	Report
Material 1	Topic 4. Workplace Safety and Health		
GRI 3: Ma	iterial Topcis 2021		
3-3	Management of material topics	22-24	
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403-3	Occupational health services	57	
403-4	Worker participation, consultation, and communication on occupational health and safety	51, 56	
403-5	Worker training on occupational health and safety	55	
403-6	Promotion of worker health	57	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	56	
403-8	Workers covered by an occupational health and safety management system	111	
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Material 1	Topic 5. Natural Capital Management (Forest Protection)		
GRI 3: Ma	terial Topcis 2021		
3-3	Management of material topics	22-24	
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304-2	Significant impacts of activities, products and services on biodiversity	40-42	
304-3	Habitats protected or restored	42	
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Material 1	Topic 6. Customer Satisfaction and Quality Management		
GRI 3: Ma	terial Topcis 2021		
3-3	Management of material topics	22-24	
GRI 416: 0	Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	68	
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## **GRI Content Index**

Indicator	Description	Page	Report				
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GRI 3: Mate	GRI 3: Material Topcis 2021						
3-3	Management of material topics	22-24					
GRI 404: Tra	aining and Education						
404-1	Average hours of training per year per employee	110					
404-2	Programs for upgrading employee skills and transition assistance programs	60-61					
404-3	Percentage of employees receiving regular performance and career development reviews	110					
Disclosure	of Non-Material ESG Topics						
Ethical and	Compliance Management						
GRI 205: Ar	nti-Corruption						
205-2	Communication and training about anti-corruption policies	89, 113					
205-3	Confirmed incidents of corruption and actions taken	113					
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GRI 301: M	aterials						
301-1	Materials used by weight or volume	105					
301-2	Recycled input materials used	35, 105					
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GRI 303: W	ater and Wastewater						
303-1	Interactions with water as a shared resource	39-40, 43-44					
303-2	Management of water discharge-related impacts	43-44					
303-3	Water withdrawal	104					
303-4	Water discharge	104					
303-5	Water consumption	104					
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305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	103					

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405-2	Ratio of basic salary and remuneration of women to men	110						
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406-1	Incidents of discrimination and corrective actions taken	72-74, 109						
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401-1	New employee hires and employee turnover	107						
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	61, 109	Four major national insurance, health management, disability and injury compensation, parental leave, retirement benefits, and long-service awards					
401-3	Parental leave	111						
Other Issue	s							
GRI 201: Ec	onomic Performance (2016)							
201-1	Direct economic value generated and distributed	20, 101						
201-2	Financial implications and other risks and opportunities due to climate change	30-32						
201-4	Government financial assistance	29						
GRI 203: Inc	direct Economic Impacts							
203-1	Infrastructure investments and services supported	75-79						
203-2	Significant indirect economic impacts	20, 75-79						
GRI 207: Tax	X							
207-1	Approach to Tax	97, 117						
207-2	Tax governance, control, and risk management	94, 97, 117						
GRI 413: Lo	cal Communities							
413-1	Operations with local community engagement, impact assessments, and development programs	42,77						
GRI 415: Pu	blic Policy							
415-1	Political contributions	127	Political donations to political organizations are prohibited under applicable laws, including the Political Funds Act.					
GRI 417: Ma	arketing and Labeling							
417-3	Incidents of non-compliance concerning marketing communications	-	None (0 case)					
GRI 418: Cu	stomer Privacy							
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	114-115						

# **ESRS Disclosure Requirements**

We have documented the report locations for disclosure requirements under ESRS 2 and the relevant Topical Standards. However, the tables for disclosure requirements under E2, E3, and S3—which were not identified as material topics—have been omitted.

### **ESRS 2 - General Disclosures**

Disclosure Re	equirement	Report
Indicator NO	Disclosure	Page
BP-1	General basis for preparation of the sustainability statement	2
BP-2	Disclosures in relation to specific circumstances	-
GOV-1	The role of the administrative, management and supervisory bodies	15-16
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	15-16
GOV-3	Integration of sustainability-related performance in incentive schemes	27
GOV-4	Statement on due diligence	48
GOV-5	Risk management and internal controls over sustainability reporting	15-16, 95
SBM-1	Strategy, business model and value chain	8-11
SBM-2	Interests and views of stakeholders	25
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	23-24
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	15-16, 95
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	121-123

## **ESRS E1 - Climate Change**

Integration of sustainability-related performance in incentive schemes  Transition plan for climate change mitigation  Material impacts, risks and opportunities and their interaction with strategy and business model(s)  Description of the processes to identify and assess material climate-related impacts, risks and opportunities  Policies related to climate change mitigation and adaptation	Page 27 31-32 32 32
Transition plan for climate change mitigation  Material impacts, risks and opportunities and their interaction with strategy and business model(s)  Description of the processes to identify and assess material climate-related impacts, risks and opportunities	31-32 32 32
Material impacts, risks and opportunities and their interaction with strategy and business model(s)  Description of the processes to identify and assess material climate-related impacts, risks and opportunities	32
Description of the processes to identify and assess material climate-related impacts, risks and opportunities	32
risks and opportunities	
Policies related to climate change mitigation and adaptation	
·	117
Actions and resources in relation to climate change policies	33
Targets related to climate change mitigation and adaptation	28
Energy consumption and mix	104
Gross Scopes 1, 2, 3 and Total GHG emissions	102-103
GHG removals and GHG mitigation projects financed through carbon credits	-
Internal carbon pricing	-
Potential financial effects from material physical and transition risks and potential	32
	GHG removals and GHG mitigation projects financed through carbon credits

# **ESRS Disclosure Requirements**

## **ESRS E4 - Biodiversity and Ecosystems**

Disclosure Requirement		Report
Indicator NO	Disclosure	Page
E4-1	Transition plan on biodiversity and ecosystems	41-42
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	40-41
IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	41
E4-2	Policies related to biodiversity and ecosystems	39, 117
E4-3	Actions and resources related to biodiversity and ecosystems	41-42
E4-4	Targets related to biodiversity and ecosystems	-
E4-5	Impact metrics related to biodiversity and ecosystems change	40
E4-6	Potential financial effects from biodiversity and ecosystem-related impacts, risks and opportunities	-

## **ESRS E5 - Resource Use and Circular Economy**

Disclosure Re	Report	
Indicator NO	Disclosure	Page
IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	-
E5-1	Policies related to resource use and circular economy	35, 117
E5-2	Actions and resources related to resource use and circular economy	28-29, 35-38, 105
E5-3	Targets related to resource use and circular economy	28-29, 38
E5-4	Resource inflows	28-29, 104-105
E5-5	Resource outflows	105
E5-6	Anticipated financial effects from material resource use and circular economy-related risks and opportunities	-

### **ESRS S1 - Own Workforce**

Disclosure Re	equirement	Report
Indicator NO	Disclosure	Page
SBM-2	Interests and views of stakeholders	25
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	24
S1-1	Policies related to own workforce	117
S1-2	$Processes for engaging \ with own \ workforce \ and \ workers' representatives \ about \ impacts$	62
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	88
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	88
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	-
S1-6	Characteristics of the undertaking's employees	108
S1-7	Characteristics of non-employees in the undertaking's own workforce	109
S1-8	Collective bargaining coverage and social dialogue	62, 109
S1-9	Diversity metrics	108
S1-10	Adequate wages	110
S1-11	Social protection	61
S1-12	Persons with disabilities	108
S1-13	Training and skills development metrics	110
S1-14	Health and safety metrics	57, 111
S1-15	Work-life balance metrics	61, 111
S1-16	Remuneration metrics (pay gap and total remuneration)	-
S1-17	Incidents, complaints and severe human rights impacts	109

# **ESRS Disclosure Requirements**

### **ESRS S2 - Workers in the Value Chain**

Disclosure Requirement		
Indicator NO	Disclosure	Page
SBM-2	Interests and views of stakeholders	46-50
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	48-50
S2-1	Policies related to value chain workers	47, 50, 117
S2-2	Processes for engaging with value chain workers about impacts	48-50, 112
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	49, 112
S2-4	Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	48-50, 112
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	-

## **ESRS S4 - Consumers and End-users**

Disclosure Requirement			
Indicator NO	Disclosure	Page	
SBM-2	Interests and views of stakeholders	25	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	24	
S4-1	Policies related to consumers and end-users	117	
S4-2	Processes for engaging with consumers and end-users about impacts	-	
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	66, 68, 112	
S4-4	Taking action on material impacts on consumers and end-users and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	65-69	
S4-5	Approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users	-	

### **ESRS G1 - Business Conduct**

Disclosure Re	Disclosure Requirement	
Indicator NO	Disclosure	Page
GOV-1	The role of the administrative, management and supervisory bodies	81-85
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	86
G1-1	Business conduct policies and corporate culture	86-89
G1-2	Management of relationships with suppliers	46-50
G1-3	Prevention and detection of corruption and bribery	88, 113-114
G1-4	Incidents of corruption or bribery	114
G1-5	Political influence and lobbying activities	-
G1-6	Payment practices	-

## **SASB INDEX**

## **Domestic and Overseas Manufacturing Sites**

Category	SASB Disclosure Item	Unit	Code	2024	Report
	(1) Total energy consumed	GJ		5,944,141	
<b>Energy Management</b>	(2) Percentage grid electricity	%	TR-AP-130a.1	72.7	
	(3) Percentage renewable	%	-	10.7	
	(1) Total amount of waste from manufacturing	Metric ton		10,795.10	
Waste Management	(2) Percentage hazardous	%	TR-AP-150a.1	12.3	
	(3) Percentage recycled	%	-	86.8	
Product Safety	Number of announced product recalls and total quantity recalled	Cases	TR-AP-250a.1	0	
Design for Fuel Efficiency	Revenue from products designed to increase fuel efficiency and/or reduce emissions	KRW 100 million	TR-AP-410a.1	6,608	Global sales of products that acquired certification of compliance with the EU labeling requirements converted into KRW
Materials Sourcing	Description of management of risks associated with the use of critical materials	-	TR-AP-440a.1	-	Refer to the NEXEN TIRE's Conflict Minerals Policy
	Percentage of products sold that are recyclable (based on sales)	%	TR-AP-440b.1	100	
Materials Efficiency	Percentage of input materials from recycled or remanufactured content	%	TR-AP-440b.2	2.4	2021–2022: Recycled butyl rubber as % of input materials 2023: Recycled butyl rubber and recycled bead wire* 2024: Recycled butyl rubber, recycled bead wire, and recovered carbon black * Made from recycled scrap steel
Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	KRW 100 million	TR-AP-520a.1	0	

Category	SASB Disclosure Item	Unit	Code	2024	Report
Activity Metrics	Number of products/parts produced by the company	1,000	TR-AP-000.A	44,193	Based on the production of tires
	Weight of products/parts produced by the company	Metric ton	TR-AP-000.B	461,894	Based on the production of tires
	Area of manufacturing plants	m3	TR-AP-000.B	1,858,134	Based on the site area (Yangsan, Changnyeong, Qingdao, Europe (Czech Republic))

## **TCFD INDEX**

	Category	TCFD Disclosure Item	CDP Index	Page
Governance	Disclose the organization's governance around climate-related	a. Describe the board's oversight of climate-related risks and opportunities	C1.1b, C1.2, C1.2a	27
dovernance	risks and opportunities	b. Describe management's role in assessing and managing climate-related risks and opportunities	C1.10, C1.2, C1.2a	27
		a. Describe the climate-related risks and opportunities identified by the organization over the short, medium, and long terms		32
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	C2.1a, C2.3, C2.3a, C2.4, C2.4a, C3.1, C3.2, C3.2a, C3.2b, C3.3, C3.4, C-FS3.7, C-FS3.7a	32
		c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario		31-32
		a. Describe the organization's processes for identifying and assessing climate-related risks		32
Risk Management	Disclose how the organization identifies, assesses, and manages climate-related risks	b. Describe the organization's processes for managing climate-related risks	C1.2, C2.1, C2.2, C2.2a, C-FS2.2b, C-FS2.2c, C-FS2.2d, C-FS2.2e	32
		c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management		31-32, 95, 97
		a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process		31
Metrics and Targets	Disclose the metrics and targets used to assess and manage the relevant climate- related risks and opportunities where such information is material	unities b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and related risks C4.2, C4.2a, C4.2b, C6.1, C6.3, C6.5, C6.5a, C9.1, C-FS14.1b, C-FS14.1b, C-FS14.1b, C-FS14.1b, C-FS14.1b		32, 102, 103
		c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets		27

## **UN SDGs**

Su	stainable Development Goals	Key Activities	Page
3 GOOD HEALTH AND WELL-BEING	Good Health and Well-Being Ensure healthy lives and promote wellbeing for all at all ages	Reducing the emission of environmental pollutants Managing and monitoring hazardous chemicals Conducting employee health management and health education Providing employee welfare programs	44, 56-57, 60-61
4 QUALITY DEPOSIT OF THE PROPERTY OF THE PROPE	Quality Education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Ensuring fair recruitment practices Supporting job transition and re-employment Implementing employee capacity-building programs	60
5 GENDER EQUALITY	Gender Equality Achieve gender equality and empower all women and girls	Conducting human rights impact assessments     Providing diversity training     Operating the reporting center     Implementing flexible work arrangements	72-74
6 CLEAN WATER AND SANTIATION	Clean Water and Sanitation Ensure access to water and sanitation for all	Managing wastewater and preventing water pollution     Conducting environmental impact surveys on groundwater	39, 43-44
7 AFFORDABLE AND CLEAN ENERGY	Affordable and Clean Energy Ensure access to affordable, reliable, sustainable and modern energy for all.	Actively using and purchasing renewable energy     Developing sustainable tire technologies     Enhancing energy efficiency and promoting energy-saving initiatives	9, 30, 33-34
8 DECENT WORK AND ECONOMIC GROWTH	Decent Work and Economic Growth Promote inclusive and sustainable economic growth, employment and decent work for all	Promoting future business opportunities through Next Century Ventures     Strengthening workplace health and safety at manufacturing sites     Conducting human rights impact assessments     Conducting company-wide risk analysis and response	13, 54-57, 72-74
9 MOUSTRY ANOVATION AND PARASTRUCTUSE	Industry, Innovation and Infrastructure Build resilient infrastructure, promote sustainable industrialization and foster innovation	Analyzing and managing climate-related risks     Ensuring manufacturing quality and product safety     Strengthening the internal quality system     Developing sustainable products and services     Managing raw and subsidiary materials for a circular economy	8-9, 11, 30-32, 68-69
10 REDUCED INEQUALITIES	Reduced Inequalities Reduce inequality within and among countries	Ensuring fair recruitment and performance-based compensation     Promoting employee donation and volunteer activities     Operating a foundation to support talent development     Signing the Code of Ethics and providing ethics training	60-61, 77-78,88

Su	ustainable Development Goals	Key Activities	Page
1 SUSTAINABLE CITIES AND COMMUNITIES	Sustainable Cities and Communities Make cities inclusive, safe, resilient and sustainable	Monitoring the discharge of environmental pollutants     Conducting social contribution activities tailored to the characteristics of the tire industry     Implementing community-specific social contribution initiatives	44, 78
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible Consumption and Production Ensure sustainable consumption and production patterns	Developing sustainable raw materials     Recycling end-of-life batteries     Managing waste to promote the circular economy     Implementing the conflict minerals management policy	10, 35-38 50
13 CLIMATE ACTION	Climate Action Take urgent action to combat climate change and its impacts	Establishing a carbon neutrality roadmap     Expanding the use of renewable energy     Developing eco-friendly product technologies     Developing sustainable raw materials     Managing non-financial risks	9, 10, 30, 96-97
14 LIFE BELOW WATER	Life Below Water Conserve and sustainably use the oceans, seas and marine resources	Monitoring wastewater and water pollution     Reducing the discharge of water pollutants	43-44
15 UTE ONLAND	<b>Life on Land</b> Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss	Conducting environmental impact surveys at manufacturing sites Engaging in forest preservation efforts by NEXENTIRE Managing and reducing emissions of environmental pollutants	42, 44
PEACE, JUSTICE AND STRONG INSTITUTIONS	Peace, Justice and Strong Institutions Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels	Holding board of directors and committee meetings     Providing employee ethics and compliance training     Monitoring information security practices     Operating anti-corruption and anti-bribery reporting channels     Protecting shareholder rights and ensuring communication with shareholders	82-85, 87-88, 92-93, 97-98
17 PARTNERSHIPS FOR THE GOALS	Partnerships for the Goals Revitalize the global partnership for sustainable development	Participating as a member of the UN Global Compact (UNGC) Joining the Global Platform for Sustainable Natural Rubber (GPSNR) Holding board of directors and subcommittee meetings	19, 50, 82-85

## **Initiatives and Awards**

## **Status of Initiative and Association Memberships**

## **Membership in Sustainability Initiatives**

Initiative	Year Joined	Description
UNGC (United Nations Global Compact)	2023	The world's largest corporate sustainability initiative under the UN, which encourages businesses to align with ten universally accepted principles in the areas of human rights, labor, environment, and anti-corruption.
ETRMA (European Tyre and Rubber Manufacturers' Association)	2021	An industry association that facilitates joint tire-related research and regulatory discussions in Europe. Membership is open to companies with manufacturing operations above a certain scale in the region.
K-ESG Alliance	2021	An ESG coalition launched by the Federation of Korean Industries to promote responsible environmental, social, and governance practices.
GPSNR (Global Platform for Sustainable Natural Rubber)	2020	A global multi-stakeholder platform for sustainable natural rubber, composed of tire manufacturers, NGOs, rubber growers, and processors.

### **Association Membership Status**

Initiative	Year Joined	Description
Korea Tire Manufacturers Association (KOTMA)	1956	Established jointly by domestic tire manufacturers, this association represents the Korean tire industry by promoting industrial development, technological advancement, export growth, and waste tire recycling.
Korea International Trade Association (KITA)	1987	A major economic organization founded by stakeholders in the trade and business sectors to advocate for the rights of the trade industry, expand the export base, and promote trade through digital infrastructure development.
Federation of Middle Market Enterprises of Korea (FOMEK)	2013	Established under the Act on the Promotion of Growth and the Strengthening of Competitiveness of Middle Market Enterprises, the federation supports the rights, growth, and global competitiveness of middle-market companies.
Korea Enterprises Federation (KEF)	2016	A comprehensive economic organization formed by Korean enterprises to enhance corporate competitiveness and promote improvements in employment and labor systems.

## **Certification Status**

## **Certifications by Site**

Cert	tification	2022	2023	2024
Environmental Management Certification	ISO 14001 – Environmental Management System	100%	100%	100%
Occupational Health and Safety Management	ISO 45001 – Occupational Health and Safety Management System	100%	100%	100%
Certification	KOSHA-MS	100%	100%	100%
Quality Management Certification	Automotive Quality Management System IATF16949	100%	100%	100%
Information Security Certification <sup>1)</sup>	Trusted Information Security Assessment Exchange (TISAX)	Magok R&D Center, Europe Manufacturing Site, NETC	Qingdao Manufacturing Site, Shanghai Corporation	U.S. Corporation

<sup>1)</sup> Certifications for the Yangsan and Changnyeong Manufacturing Sites are scheduled for acquisition in 2025.

## **Sponsorship Status**

### **Political Contributions**

NEXEN TIRE complies with Article 31 (Restriction on Contributions) of Chapter 6 of the Political Funds Act, which prohibits corporations and organizations from making political donations. In line with this, the company strictly refrains from providing any political or campaign funds, or lobbying contributions to specific political parties or political groups. Instead, NEXEN TIRE supports associations that maintain political neutrality, contributing to the advancement of public interests. Recognizing that expenditures related to political influence may pose mid- to long-term risks, we proactively manage the full scope and details of our donations to mitigate potential risks.

	Unit	2022	2023	2024
Donations	KRW thousand	157,367	106,949	125,767

<sup>\*</sup>The scope of ISO 14001, ISO 45001, and IATF 16949 certifications includes the Yangsan Manufacturing Site, Changnyeong Manufacturing Site, European Manufacturing Site, and Qingdao Manufacturing Site.

## **Initiatives and Awards**

## **Awards**

## **Performance in External Initiative Responses**

	2023	2024
alytics	Low Risk	Low Risk
	BB	BB
is	Silver	Gold
Overall	B+	В
Environment	А	Α
Social	А	A+
Governance	В	С
Climate Change	В	В
Water Security	С	В
	Overall Environment Social Governance Climate Change	BB           is         Silver           Overall         B+           Environment         A           Social         A           Governance         B           Climate Change         B



#### **Awards**

Date	Description
March 2025	Won the Grand Prix in the Digital Content category of the Digital Advertising Campaign & Content sector at the A.N.D.Award 2024
December 2024	Awarded the Minister's Commendation from the Ministry of Trade, Industry and Energy on Trade Day
December 2024	Head of Changnyeong Branch of the labor union won the Gold Prize at the 2024 Gyeongnam Industrial Peace Award
December 2024	Won the Excellence Award in the Large Enterprise category at the Safety Culture Innovation Awards
November 2024	Selected as a newly recognized institution under the 2024 Community Contribution Recognition Program
November 2024	Received the Order of Industrial Service Merit (Steel Tower) at the 50th National Quality Management Convention
November 2024	Won the Tire Manufacturer Championship at the 2024 CJ O-NE Superrace Championship for the second consecutive year
January 2024	Received the 'Brand of the Year' Award from the Korean Advertising Society at the 2024 Brand Awards
July 2024	Ranked No. 1 in the tire category in the 2024 GCSI (Global Customer Satisfaction Index) for 15 consecutive years
July 2024	Won the National Service Award in the Comprehensive Tire Service category by IPS for 5 consecutive years
April 2024	Won the Main Prize in the Product Design category at the Red Dot Design Award 2024 in Germany
April 2024	Won the Grand Prize and Main Prize in the Communication category at the Asia Design Prize 2024
March 2024	Won the Grand Prize in the Product Placement category at the 31st Korea Advertising Awards
March 2024	Won the Main Prize at the iF Design Award 2024 in Germany
February 2024	Received a Plaque of Appreciation from the Korea Ski Association at the 2024 Skiers' Day

## **Design Awards**



## **GERMAN RED DOT DESIGN AWARD**

N'ELUE 4Season Van

DANDELION

GREENHive

N'FERA Sport N'FERA AUT

N'FERA SUR4 N'FERA RUI

ROADIAN AT PRO RAS NO 000



## **GERMANY IF DESIGN AWARD**

N'FERA Primus N'FERA AUT

N'FERA Sport S N'FERA SUI

ROADIAN HTX2 ~8 ...

WINGUARD Sport WINGUARD Sport 2





## **AMERICA'S IDEA DESIGN AWARD**

N'FERA NEXUS PUREBACK

\*GREENHIVE CONQUEROR



## **JAPANESE GOOD DESIGN AWARD**

N'BLUE 4Season & N'BLUE + Plus

N'FERA RUI

WINGUARD Sport 2 N9000



AMERICA'S GREEN GOOD **DESIGN AWARD** 



AMERICA'S GOOD DESIGN AWARD



**GERMAN** DESIGN AWARD



PRODUCT DESIGN AWARD



A'DESIGN











## **Verification Opinion Statement**

Scope 1, 2

## **NEXEN TIRE CORP.** ISO 14064-1:2018



The Korea Management Registrar Inc. (hereinafter "KMR") has conducted the verification on the greenhouse gas (hereinafter "GHG") emission of NEXEN TIRE CORP.

### SCOPE

Verification of places of business and emission facilities under the control of NEXEN TIRE CORP.

#### **STANDARDS**

- ISO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National Greenhouse Gas Inventories
- Operational guidelines for reporting and certification of the Greenhouse Gas emissions trading scheme
- Verification Guidelines for GHG Emissions Trading Scheme Operation
- Guidelines for GHG Target Management Scheme Operation

### **GHG** emissions & Energy consumption

Direct emissions (Scope 1) 33,631.141	Indirect emission (Scope 2) 187,835.185		<b>Total (tCO₂eq)</b> 221,463
Fuel	Electricity	Steam	Total (TJ)
656.973	3,030.528	762.779	4,447

<sup>\*</sup> Note: There are a differences in the total amount of greenhouse gas emissions and workplace emissions. (Emissions at each workplace, rounded off by decimal point, are combined at the company level)

May 12th, 2025







## **NEXEN TIRE CORP.** ISO 14064-1:2018



The Korea Management Registrar Inc. (hereinafter "KMR") has conducted the verification on the greenhouse gas (hereinafter "GHG") emission of NEXEN TIRE.

### SCOPE

Verification of NEXEN TIRE overseas factories and Sales corporations

#### **STANDARDS**

- SO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National Greenhouse Gas Inventories
- Operational guidelines for reporting and certification of the Greenhouse Gas emissions trading scheme
- WRI/WBCSD GHG Protocol

#### **GHG** emissions

	Direct emissions (Scope 1)	Indirect emission (Scope 2)		Total (tCO₂eq)	
		Location basis	Market basis	Location basis	Market basis
2019	29,434.338	68,325.097	68,325.097	97,758	97,758
2023	40,978.876	82,319.583	41,720.241	123,286	82,686
2024	46,606.299	94,288.578	35,386.724	140,883	81,981

<sup>\*</sup> Note: There are a differences in the total amount of greenhouse gas emissions and workplace emissions. (Emissions at each workplace, rounded off by decimal point, are combined at the company level)

May 29th, 2025

























<sup>\*</sup> Waste and incineration were not included in greenhouse gas emissions.

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Independent Assurance Opinion Statement Participating Teams

## **Verification Opinion Statement**

Scope 3

## **NEXEN TIRE CORP.** ISO 14064-1:2018



The Korea Management Registrar Inc. (hereinafter "KMR") has conducted the verification on the greenhouse gas (hereinafter "GHG") emission of NEXEN TIRE.

### **SCOPE**

Verification of NEXEN TIRE workplaces and facilities in the consolidated accounting standards for 2023 and 2024

### **STANDARDS**

- ISO 14064-1:2018, ISO 14064-3:2019
- IPCC Guidelines for National Greenhouse Gas Inventories
- · Operational guidelines for reporting and certification of the Greenhouse Gas emissions trading scheme
- WRI/WBCSD GHG Protocol

#### **GHG** emissions

Other indirect emissions	2023	2024
(Scope 3)	16,684,416	17,365,553

\*The total amount and the sum of emissions by item may differ due to abandonment processing by category











Apr 30th, 2025



# **Independent Assurance Opinion Statement**

#### To: The Stakeholders NEXEN TIRE CORPORATION

#### Overview

BSI (British Standards Institution) Group Korea (hereinafter referred to as the "Assurer") was requested to verify the 2024/25 NEXEN TIRE Sustainability Report (hereinafter referred to as the "Report"). The Assurer is independent of NEXEN TIRE and has no major operational financial interest other than the assurance. This assurance opinion statement is intended to provide information related to the assurance of the NEXEN TIRE report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any purpose other than the purpose of publication. This assurance opinion statement was prepared based on the information presented by the NEXEN TIRE and the assurance was carried out under the assumption that presented the information and data were complete and accurate.

NEXEN TIRE is responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to NEXEN TIRE only.

The Assurer is responsible for providing NEXEN TIRE management with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of NEXEN TIRE. The Assurer shall not bear any other responsibility, including legal responsibility, to any third party other than NEXEN TIRE in providing the assurance opinion and shall not be liable to any other purpose, purpose or stakeholders related thereto for which the assurance opinion may be used.

#### Scope

The scope of engagement agreed upon with NEXEN TIRE includes the following:

- Reporting contents during the period from January 1st to December 31st 2024 included in the report, some data included the half of 2025.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- In Accordance with the four principles of AA1000 AccountAbility in the report, based on the type of Sustainability Assurance based on AA1000AS v3 and if applicable, the reliability of the sustainability performance information contained in the report.

The following contents were not included in the scope of assurance.

- Financial information in Appendix.
- Index items related to other international standards and initiatives other than the GRI.
- Other related additional information such as the website, business annual report.

### **Assurance Level and Type**

The assurance levels and types are as follows;

Moderate level based on AA1000 AS and Type 2
 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018 and quality and reliability of specific performance information published in the report.)

#### Description and sources of disclosures covered

Based on the scope and methodology of assurance applied, the assurer reviewed the following Disclosures based on the sampling of information and data provided by NEXENTIRE.

#### [Universal Standards]

2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-8 (Activities and workers), 2-9 to 2-21 (Governance), 2-22 to 2-28 (Strategy, policies and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)

#### [Topic Standards]

201-2, 201-4, 203-1~2, 205-2~3, 207-1~2, 301-1~2, 302-1~4, 303-1~5, 304-1~4, 305-1~5, 305-7, 306-1~5, 308-1~2, 401-1~3, 403-1~9, 404-1~3, 405-1~2, 406-1, 413-1, 414-1~2, 415-1, 416-1~2, 417-3, 418-1

Independent Assurance Opinion Statement Participating Teams

# **Independent Assurance Opinion Statement**

### Methodology

As a part of its independent assurance, the Assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The Assurer has performed the following activities;

- A top-level review of issues raised by external parties that could be relevant to organizations policies to provide a check on the appropriateness of statements made in the report.
- · Discussion with managers and staffs on organization's approach to stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible departments.
- Review of the system for sustainability management strategy process and implementation
- Review of materiality issue analysis process and prioritization by reviewing materiality issue analysis process and verifying the results.
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures where available.
- An assessment of the company's reporting and management processes concerning this reporting against
  the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 Account Ability
  Principles Standard (2018).
- Visit of the Magok Office of NEXEN TIRE to confirm the data collection processes, record management practices.

#### Limitations and approach used to mitigate limitations

The Assurer performed limited verification for a limited period based on the data provided by the reporting organization. It implies that no significant errors were found during the verification process, and that there are limitations related to the inevitable risks that may exist. The Assurer does not provide assurance for possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

#### **Competency and Independence**

BSI (British Standards Institution) is a leading global standards and assessment body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with almost 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with NEXEN TIRE. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.

### **Opinion Statement**

The assurer was carried out by a team of sustainability report assurors in accordance with the AA1000 Assurance Standard v3. Assurer planned and performed this part of our work to obtain the necessary information and explanations assurer considered to provide sufficient evidence that NEXEN TIRE's description of their approach to AA1000 Assurance Standard and their self-declaration of compliance with the GRI standards were fairly stated.

On the basis of our methodology and the activities described above, it is our opinion that the information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement. We believe that the economic, social and environment performance indicators are accurate and are supported by robust internal control processes.

#### Conclusions

The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards). The detailed reviews against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards are set out below.

## Inclusivity: Stakeholder Engagement and Opinion

NEXEN TIRE defined employees, general consumers, OEM customers(carmakers), local community/media, suppliers, shareholders/investors and government agencies/NGOs as a Key Stakeholder Groups. In order to collect opinions by each stakeholder groups in the context of sustainability, operated the stakeholder engagement process. NEXEN TIRE conducted a review of the stakeholder engagement process in order to reflect the major issues derived through the process in sustainability strategy and goals. NEXEN TIRE disclosed the results related to the process in the Report.

### Materiality: Identification and reporting of material sustainability topics

NEXEN TIRE implemented its own materiality assessment process in consideration of the major business and operational characteristics to derive important reporting issues related to sustainability. In the materiality assessment, NEXEN TIRE conducted the analysis of global sustainability reporting or assessment standards, analysis of benchmarking the same industry to derive the impact and financial materiality. NEXEN TIRE derived 7 material issues through the relevant process, and disclosed GRI topic standards disclosures related to material issues in the Report.

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## **Independent Assurance Opinion Statement**

### Responsiveness: Responding to material sustainability topics and related impacts

NEXEN TIRE operated a management process for material issues in the context of sustainability derived from the materiality assessment. NEXEN TIRE established mid- to long-term sustainability plans and goals in according to the management methodology established to effectively reflect the expectations of key stakeholders. NEXEN TIRE reviewed through major management organizations, disclosed the IRO (Impact, Risk & Opportunity) including policy, indicator, activity and response performance on material issues in the Report.

Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders

NEXEN TIRE identified the scope and extent of the impacts to the organization and key stakeholders in the context of the sustainability of the material issues reported. NEXEN TIRE established sustainability strategies and objectives based on the analysis results of major impacts, including risks and opportunities for material issues at the governance level, disclosed mid- to long-term plans and strategic system in the Report.

## Findings and conclusions concerning the reliability and quality of specified performance information

Among the GRI Topic Standards, the following disclourse were carried out in a assurance Type 2 based on the information and data provided by the reporting organization. In order to verify the reliability and accuracy of the data and information, internal control procedures related to data processing, processing, and management were verified through interviews with the responsible department, and accuracy was verified through sampling. Errors and intentional distortions in sustainability performance information included in the report were not found through assurance processes. The reporting organization manages the sustainability performance information through reliable internal control procedures and can track the process of deriving the source of the performance. Errors and unclear expressions found during the assurance process were corrected during the assurance process and prior to the publication of the report, and the assurer confirmed the final published report with the errors and expressions corrected.

• GRI Topic Standards: 201-2, 203-1, 205-2~3, 301-1~2, 302-1~4, 303-1~5, 304-1~4, 305-1~5, 305-7, 306-1~5, 308-1~2, 401-1~3, 403-1~9, 404-1~3, 405-1~2, 406-1, 414-1~2, 416-1~2

### **Recommendations and Opportunity for improvement**

The assurer will provide the following comments to the extent that they do not affect the result of assurance;

- It may be helpful to advance the sustainability management system by establishing a sustainability
  performance indicator management system for subsidiaries of consolidated such as overseas subsidiaries and
  strengthening internal control procedures.
- It may be helpful to advance the sustainability management system by embodying unique sustainability goals
  and strategies based on its sustainability goals and strategies across the value chain, and internalizing
  the indirect value impact measurement process of NEXENTIRE' sustainability performance.

#### **GRI-reporting**

NEXEN TIRE provided us with their self declaration of compliance within GRI Standards. Based on our review, we confirm that social responsibility and sustainable development indicators with reference to the GRI Index. The Assurer confirmed that the Report was prepared in accordance with the GRI Standards and the disclosures related to the Universal Standards and Topic Standards Indicators based on the data provided by NEXEN TIRE. The sector standard was not applied.

Issue Date: 22/05/2025

For and on behalf of BSI (British Standards Institution):

**BSI** representative

Jungwoo Lee

Lead Assurer, LCSAP

Seonghwan Lim

Managing Director of BSI Korea



# **Participating Teams**

Information Security Team
SHE Planning Team
Ethics Management Team
Planning & Coordination Team
Future Strategy Team
Corporate Communication Team
ESG Team
Brand Communication Team
Product Planning Team
Procurement Team
Accounting Team
Finance Team
Talent Development Team
Human Resources Team
Magok Company Culture Team
Legal Affairs Team
Public Affairs Team
Domestic Sales Planning Team

NEXT LEVEL Team
11011 22122 15011
Korea Customer Satisfaction Office
OE Sales Planning Team
OE Overseas Sales Team
Domestic OE PM Team
(EU) OE PM Team
Production Planning Team
Global Production Technology Team
Facility Support Team
(YP) Global Safety & Environment Team
(YP) Engineering Team
(CP) Global Safety & Environment Team
(CP) Engineering Team
(CP) Production Management Team
(EP) Mechatronics Team
(QP) Human Resources Team
Labor Relations Team
YP Company Culture Team

CP Human Resources Management Team
Quality Management Team
Quality Assurance Team
Global OE Quality Team
R&D Planning Team
Material Research Team
Vehicle Dynamics Team
Compound Development Team
Raw Material Development Team
Pattern NVH Team
Racing Tire Project Team
Design Project Team
Design Analysis Research Team
RE Development Team 1
RE Development Team 2
Product Test Team
Business Management Team

NEXEN TIRE WE: reBORN



