

## Environmental Management Policy

### Purpose

Nexen Tire has established this environmental policy to fulfill its corporate responsibility in response to global environmental crises such as accelerated climate change and environmental pollution. Through environmental management, we shall minimize negative environmental impacts that may arise throughout our business operations and value chain.

### Basic Principles

Nexen Tire shall pursue the following in order to establish and accomplish environmental management goals and plans, and to promote sustainable development and corporate social responsibility:

1. It shall create corporate value and fulfill its social responsibility through environmental management to grow as a sustainable company.
2. It shall establish feasible, step-by-step targets and detailed strategies to achieve carbon neutrality by 2045, and evaluate performance against these goals.
3. It shall actively expand the use of renewable energy across all business operations and make proactive efforts to reduce pollutants.
4. It shall support environmental management activities throughout the entire supply chain and implement ESG management policies and strategies to ensure effective execution.
5. It shall comply with global environmental regulations and agreements, and establish specific policies to enhance environmental management.
6. It shall establish policies to protect biodiversity and preserve ecosystems.
7. It shall transparently disclose environmental management performance and data to stakeholders in accordance with global disclosure standards and relevant laws and regulations.

## Scope

This Environmental Management Policy applies to Nexen Tire's global operations, including all of its subsidiaries and business units. It also recommends that suppliers within the value chain (including contract partners and workers employed by them) comply with Nexen Tire's environmental policy.

All companies and business sites under Nexen Tire shall primarily comply with the environmental laws and regulations of the respective countries in which they operate. In cases where local environmental laws or regulations do not address specific issues or lack particular provisions, the environmental management activities shall be carried out in accordance with this policy.

Furthermore, all members of Nexen Tire, as part of the local community, take into account the potential negative impacts of the company's business activities on the community and establish and implement appropriate response and mitigation measures to manage them. Nexen Tire transparently discloses environmental information to stakeholders through its ESG report and official website, and collects stakeholder feedback to improve its environmental management practices.

## Implementation Plan

Nexen Tire manages its environmental practices through a sustainable management system. The company's environmental management is implemented through the following six key elements: 1) compliance with global environmental laws and regulations, 2) establishment and declaration of the environmental management policy, 3) implementation of an environmental management system (ISO 14001), 4) monitoring of environmental activities and performance, 5) identification of environmental risks and establishment of improvement tasks, and 6) execution of risk mitigation measures. Nexen Tire shall continue to refine its strategies by regularly reviewing relevant environmental laws and regulations through its environmental management governance framework and responding to internal and external environmental changes.

## Specific Policies

Nexen Tire shall practice climate change response and natural capital protection through the creation of eco-friendly workplaces. To achieve specific goals such as managing the input of raw and auxiliary materials, developing eco-friendly products and services, and promoting a circular economy, Nexen Tire has defined and included specific principles for each environmental factor.



### ① Sustainable Use of Raw and Auxiliary Materials

- We shall promote the use of raw and auxiliary materials with eco-friendly or socially responsible certifications in the product production process. Based on biodiversity and natural rubber usage policies, we shall migrate risks to natural capital during the purchasing and procurement of raw and auxiliary materials
- By improving product/service production processes, we optimize the use of input resources and strive to enhance the value of resource circulation by either recycling waste and by-products generated in the production process or linking them with other industries where recycling is possible.

### ② Greenhouse Gases and Energy

- Nexen Tire has set a carbon-neutral target for 2045 to contribute to international goals such as the 1.5°C global temperature rise target under the Paris Climate Agreement and national greenhouse gas reduction targets. To achieve this, we have established detailed strategies and plans for climate change mitigation, adaptation, energy efficiency, and renewable energy implementation, which will be realized in stages.
- We shall achieve carbon neutrality by actively implementing measures to reduce direct and indirect greenhouse gas emissions generated at business sites, such as expanding the use of clean energy<sup>1</sup>(solar, solar thermal, wind, hydropower, etc.) and sustainable energy<sup>2</sup> solutions, as well as optimizing energy efficiency in the product production process.
- We shall promote the reduction of greenhouse gas emissions through the establishment of greenhouse gas inventories and emissions management by our partners. If necessary, we shall provide support based on our capabilities and experience to help reduce greenhouse gas emissions within the supply chain.
- We shall implement measures to expand the energy and greenhouse gas monitoring system across the entire value chain and conduct performance management through an integrated management system, including energy consumption and greenhouse gas emissions.

### ③ Water Resources

- Water resources are an environmental factor that interacts with climate change and have significant impacts on corporate operations and the supply chain. To improve sustainability, we shall optimize water usage by expanding process improvements, increasing the installation of water purification/treatment facilities at business sites to minimize wastewater discharge, and expanding water recycling measures.
- We shall monitor Water Stress (quantity, quality, etc.) in the regions where our business sites are located and

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1 Energy with no or very little greenhouse gas emissions. Energy with little or no environmental pollutants or carbon emissions in the process of generating or using it.

2 Energy that can be used continuously without depletion of energy resources and is balanced in the economic/social/stability sector as well as its environmental impact.

evaluate the potential risk factors that our business activities may cause to local water resources. We shall then establish and implement mitigation strategies.

#### ④ Waste

- Based on our 'Sustainable Product Policy' Nexen Tire actively develops and implements strategies to reduce waste and discarded products generated during business operations and product production, and aims to recycle resources into environmentally friendly products and services.
- We classify the types of waste generated during business operations and conduct hazard assessments. We determine appropriate and legal disposal methods according to the associated environmental impact during disposal, ensuring proper tracking and management.

#### ⑤ Environmental Pollutants

##### a. Air Pollutants

We monitor the emissions of nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>x</sub>), particulate matter, volatile organic compounds (VOC), and actively promote the introduction of reduction facilities and new technologies to manage emissions below legal limits.

##### b. Water Pollutants

We monitor biochemical oxygen demand (BOD), total organic carbon (TOC), suspended solids (SS), and manage them to meet legal standards through investments in non-point source pollution reduction facilities and the management of wastewater treatment facilities.

##### c. Soil Pollutants

We conduct soil contamination tests to check and monitor for any leakage of pollutants, and manage the facilities subject to soil contamination testing to prevent any leakage of pollutants, ensuring legal compliance.

##### d. (Hazardous) Chemicals

We identify the status of (hazardous) chemicals that may be used or generated in the product and service production processes, and manage them according to standards stricter than legal requirements to reduce potential negative impacts on employees and the local community. Relevant information is transparently provided to stakeholders.

##### e. Noise & Vibration

We efficiently manage noise and vibration equipment and facilities used within the workplace to ensure a comfortable working environment for employees and a pleasant living environment for local residents.

##### f. Odor

We manage odor-causing substances generated during operations within the workplace efficiently to ensure a comfortable working environment for employees and a pleasant living environment for local residents.



## 4. Implementation System

### (1) Responsible Organization (Role of Management)

The ESG Management Committee, under the Board of Directors, makes the final decisions on matters related to environmental management across the company. Its main roles include overseeing environmental management risks and performance that may arise during business activities, reviewing and revising the environmental management policy, establishing response strategies for environmental risks and opportunities, and deciding on measures to spread and promote awareness throughout the company. Specifically, detailed strategies for environmental management are developed through the ESG Operational Committee and ESG Strategy Committee and are finalized by the ESG Management Committee.

### (2) Implementation Organization (Dedicated/Management Organization Role)

Through a specialized environmental management team, Nexen Tire carries out the environmental management plan set forth by the ESG Management Committee. The key roles of this team include identifying strategic tasks for building and operating the environmental management system, managing environmental performance, and carrying out necessary activities to implement the strategy across the company. The environmental management team works in collaboration with the ESG Operational Committee, which consists of subcommittees on climate change, eco-friendly products, and site environments, to serve as a control tower for achieving the company's eco-friendly business goals.

### (3) Education and Dissemination

#### a. Environmental Education

Nexen Tire provides training for key stakeholders, including employees and suppliers, who are directly involved in the company's business activities, to promote the implementation of environmental management and raise awareness. Through environmental management education, we guide key stakeholders to effectively implement environmental management with an eco-friendly mindset in their work processes.

#### b. External Collaboration

When necessary, Nexen Tire collaborates with external environmental expert organizations to internalize the capabilities and experience of these specialized institutions, thereby strengthening our environmental management system.



#### **(4) Key Stakeholder Communication Channels**

##### **① Government Agencies**

Nexen Tire complies with the government policies of the countries where its business operations are located and regularly monitors the policy directions of various government ministries to respond proactively. Additionally, when necessary, the company shares its environmental management performance with government agencies.

##### **② Shareholders and Investors**

Nexen Tire discloses information on environmental management activities and performance required by shareholders and investors through ESG reports and the company website. We strengthen trust with stakeholders to facilitate increased investment by enhancing corporate competitiveness.

##### **③ Supply Chain**

Partners and suppliers are considered collaborative partners for mutual growth. Nexen Tire shares its environmental management expertise and experience with them to create eco-friendly value across the entire value chain. We also provide continuous support when necessary to ensure successful implementation of environmental management practices.

##### **④ Customers**

Nexen Tire transparently provides environmental information about its products and services. Feedback received through customer communication channels is actively reflected in the process of improving the environmental performance of products and services.

##### **⑤ Local Communities**

To mitigate and prevent potential negative environmental impacts from business activities, Nexen Tire regularly communicates with local governments and community organizations. We strive to address any concerns raised by these entities.

##### **⑥ Employees**

To ensure company-wide implementation of environmental management, Nexen Tire shares and disseminates the environmental management policy in an easily accessible manner. Regular environmental education, reflecting both internal and external requirements, is conducted to enhance employee awareness. Any areas that require improvement in environmental management are addressed through the responsible departments and the ESG Management Committee.



## Supplementary Provisions

- ① This Environmental Management Policy shall come into effect as of June 26, 2023.
- ② This Policy is prepared in Korean, English, and Chinese, and in the case of any discrepancy between the Korean version and the translated foreign versions, the Korean version shall prevail.
- ③ The detailed risk management policies referenced in this Environmental Management Policy shall be governed by Nexen Tire's internal guidelines and procedures.

This policy has been confirmed as stated below and is implemented with the approval of the CEO of Nexen Tire Corporation.

**Hyeon Suk Kim**

Chief Executive Officer

Nexen Tire Corporation



<b>Document Title</b>	Nexen Tire Environmental Management Policy	<b>Version</b>	2.0
<b>Date of Enactment</b>	2023.06.26	<b>Date of Revision</b>	2024.10.31
<b>Established by</b>	SHE Planning Team	<b>Managed by</b>	ESG Team



## &lt; Revision History &gt;

Ver	Date	Details	Drafting Department	Managing Department
V1.0	2023. 06. 26	Initial Establishment	SHE Planning Team	ESG Team
V2.0	2024. 10. 31	Revision to Detail Policy	SHE Planning Team	ESG Team

