

Biodiversity Policy

Background and Purpose

Nexen Tire recognizes that addressing climate change and conserving biodiversity are critical tasks for ensuring the sustainability of the global ecosystem. The company shall identify and manage the potential impacts of its business activities on natural resources. This policy is intended to contribute to the global community by preserving the sustainability of natural resources through biodiversity conservation and forest destruction prevention.

Nexen Tire's biodiversity policy is based on internationally agreed standards such as the UN Convention on Biological Diversity (CBD) and the International Union for Conservation of Nature (IUCN), in alignment with the United Nations Environment Program (UNEP). The company shall contribute to the realization of the UN Sustainable Development Goals (SDGs), particularly the goal of conserving natural ecosystems, and will actively implement biodiversity conservation and forest protection activities at its sites and in surrounding communities.

Basic Principles

1. Nexen Tire shall not establish or operate business facilities or equipment in protected areas designated by the International Union for Conservation of Nature (IUCN Category I-IV protected areas).
2. Nexen Tire shall endeavor to achieve the No Net Loss (NNL) of biodiversity and the No Net Positive Impact (NPI). For this, specific monitoring of natural resource risks for forests owned by Nexen Tire or its affiliates will be carried out as follows to minimize negative impacts on natural resources:
 - ① Monitor the status of wild species subject to hunting/collection bans, as well as endangered/rare species in the area of the facility's location.
 - ② Monitor the impacts on environmentally sensitive areas, such as forests, species, and water ecosystems at the facility's location.
 - ③ Monitor and recommend improvements on biodiversity risks associated with the business operations of partners and suppliers, tracking progress on implementation.
 - ④ Expand investments and activities to conserve and restore biodiversity.
3. Nexen Tire shall build and strengthen strategic collaboration networks with industry, local communities, and specialized organizations to achieve its natural resource protection goals.

Forest Destruction Prevention Principles

1. Nexen Tire shall comply with forest-related laws and regulations in the region and country where the business is located, and will work with partners to manage and mitigate the risk of deforestation.
2. Nexen Tire shall cooperate with forest management agencies and stakeholders to promote and expand investments and activities related to forest protection and afforestation.
3. Nexen Tire shall minimize forest damage when launching new projects, and shall make efforts to restore forests and green areas, including forests, when withdrawing from existing operations.

Scope

This biodiversity policy applies to Nexen Tire and all its affiliated companies and business units operating globally. It encourages all stakeholders in business relationships, including Nexen Tire's partners (including workers within the value chain) and contractors, to comply with the biodiversity policy, spreading awareness of the need for biodiversity protection and forest destruction prevention. Nexen Tire will promote activities for biodiversity and forest conservation based on this policy and will prioritize compliance with local laws and regulations related to natural resource use where applicable.

Implementation Plan

Nexen Tire manages biodiversity conservation activities through an integrated environmental management governance system. Each facility will conduct a biodiversity assessment considering the local environmental characteristics if required by law or regulation, or if stakeholders raise reasonable concerns regarding negative impacts on biodiversity. Nexen Tire identifies the species and status of natural resources affected by its operations and plans and implements conservation, restoration, and expansion activities for species at high risk. Additionally, the company evaluates the performance of its conservation activities and strengthens improvement actions: 1) Identification of biodiversity risks based on the facility location and prioritization. 2) Clarification of biodiversity dependencies and impacts. 3) Implementation of biodiversity risk mitigation and prevention activities. 4) Monitoring of performance and development of plans.

Implementation System

① Governance

Nexen Tire's biodiversity conservation activities are overseen and managed through the ESG Strategy Committee, which includes key decision-makers. Depending on the materiality of the issue, matters are escalated to the highest decision-making authority for discussion on response directions, risk assessment, and strategy development. The ESG Operations Committee reviews current biodiversity issues, plans response strategies, identifies areas for improvement, and promotes biodiversity conservation and protection activities. Biodiversity is considered a critical issue across all facilities, and each site carries out activities through its designated operational teams.

② Implementation System

a. Protected Areas for Biodiversity Conservation

Type	Name	Definition
IUCN Category Ia	Academic (Strict) Nature Reserve	<ul style="list-style-type: none"> Areas designated primarily for scientific research and environmental monitoring.
IUCN Category Ib	Wilderness Area	<ul style="list-style-type: none"> Areas managed and protected to preserve their natural conditions on land or at sea
IUCN Category II	National Park	<ul style="list-style-type: none"> Areas providing opportunities for spiritual, scientific, and educational activities, as well as recreational and visitor activities.
IUCN Category III	Natural Monument or Feature	<ul style="list-style-type: none"> Areas containing natural or cultural features of outstanding rarity, representativeness, aesthetic, or cultural significance.
IUCN Category IV	Habitat/Species Management Area	<ul style="list-style-type: none"> Areas requiring active intervention to ensure the protection of particular species or habitats.
IUCN Category V	Protected Landscape /Seascape	<ul style="list-style-type: none"> Areas where the interaction of people and nature over time has produced a distinct character with significant ecological, biological, cultural, and scenic value.
IUCN Category VI	Protected Area with Sustainable Use of Natural Resources	<ul style="list-style-type: none"> Areas managed mainly for the sustainable use of ecosystems while providing necessary services and natural products to meet community needs.

Reference:* IUCN(1994), *Guidelines for Protected Area Management Categories*

b. Biodiversity Risk Assessment

- Nexen Tire conducts a LEAP analysis recommended by the Taskforce on Nature-related Financial Disclosures (TNFD) to assess interactions with ecosystems based on the locations of its business operations, identifying dependencies and impacts. The company surveys the overall status of species affected by its operations, including distribution, rare species, and endemic species, and compiles a list of biodiversity risks and opportunities identified for Nexen Tire. For key areas requiring focused management, Nexen Tire establishes response strategies and action plans aimed at conservation•protection•enhancement, and implements them accordingly.

③ Education and Awareness Expansion

a. Biodiversity Risk Assessment

Nexen Tire enhances awareness of the necessity for biodiversity conservation, protection, and enhancement through regular biodiversity education for employees. These awareness-raising activities encourage employees to consider biodiversity impacts in their daily work.

b. Information Disclosure

Nexen Tire transparently discloses information regarding its biodiversity conservation activities and achievements through ESG reports or other designated channels, improving information accessibility for internal and external stakeholders and strengthening trust.

Supplementary Provisions

- ① This Biodiversity Policy shall come into effect as of June 26, 2023.
- ② This policy is prepared in Korean, English, and Chinese, and in the event 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 Biodiversity 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.

Document Title	Nexen Tire Biodiversity Policy	Version	2.0
Date of Enactment	2023.06.26	Date of Revision	2024. 11. 01
Established by	SHE Planning Team	Managed by	ESG Team

< Revision History >

Ver	Date	Details	Drafting Department	Managing Department
V1.0	2023. 06. 26	Initial Establishment	SHE Planning Team	ESG Team
V2.0	2024. 11. 01	Revision to The Biodiversity Policy	SHE Planning Team	ESG Team