

## Establishing an Ethics Management System

To ensure that ethics management becomes firmly established in our corporate culture, we operate a system of ethics management. This system consists of regulations, pledges, risk self-assessments and whistleblowing.

### Establishing ethics regulation practice guides

As a way to reinforce our business ethics regulations, ethics regulation practice guides were set forth to outline detailed action guidelines for employees to follow when addressing ethical dilemmas. These guides consist of 20 provisions in the three categories of receiving rewards from stakeholders or vice versa, unlawfully disclosing information regarding corporate assets or using this information for personal gain, and/or disrupting a sound and stable corporate culture. To publicize these newly-created guides among employees, news cards were distributed through the intranet, posts were made regarding the ethics management helpdesk, and training was provided.

### Signing the ethics management pledge and the anti-graft law pledge

Our employees have signed the ethics management pledge to faithfully commit their compliance with ethics management. Our office workers were also engaged in signing the anti-graft act pledge to establish business ethics of transparency and fairness, and this was extended to domestic operators in 2018. For those who have yet to vow their pledges and for new hires, ethics management training is provided to alert these individuals to the importance of ethics management and encourage them to sign the pledges.

### Perform ethics management self-assessments

Ethics management self-assessments are performed annually for office workers to identify necessary improvements and future ways forward. To gather diverse feedback from employees and increase the accuracy of assessments, we have doubled the number of survey respondents since 2019 (965 out of 1,000 office workers in attendance, with 96.5% in response rate). In 2019, the self-assessment score amounted to 68.5 points, which places us in the intermediary 'institutionalization' stage in the development of ethics management just as we had last year. The areas in need of improvement chosen in the self-assessments are reviewed and then reflected in the list of tasks to be undertaken by the Ethics Management Committee. In addition, we share incidents that occurred and disciplinary actions taken in relation to ethics management, reinforce ethics training for employees, and offer our ethics management guides to suppliers.

### Whistleblower Reports on Ethics Management



### Introducing ethics management risk assessments

Risk assessment management tools are under development to enable respective organizations across the company to independently review risks on their own. In 2019, these organizations developed their own self-review checklist on risks that could possibly occur in business operations. This will be followed and paired with the assessment system, including the assessment criteria and the scoring system, and its pilot trial will be undertaken at the Headquarters. This will surely allow us to establish an annual cycle of risk identification - assessment - improvement planning - implementation - monitoring in order to operate a system to preemptively review and manage our internal ethics management risks.

### Improving the whistleblowing system

The whistleblowing system was expanded to all the other national websites under the integrated management of the Headquarters to ensure the global dissemination and integrated operation of our system, which had been previously only been operated on Korean, Chinese and global websites. Furthermore, an anonymous bulletin board was created to promote interactive communication on inquiries made on ethics management and relevant business risks.

## Internalizing Ethics Awareness

We provide regular business ethics training and conduct a range of promotional events and campaigns to help develop employees' ethics awareness.

### Providing regular ethics management training

We provide regular ethics management training once a year to highlight the importance of ethics management and embed ethics management awareness into the day-to-day behaviors of our employees. Training videos were internally developed on the topics of basic ethics management, details on ethics regulations and the newly-created ethics regulation practice guides and ethics management case studies, and were used to provide online ethics management training to more than 2,100 employees including domestic office workers and expatriates. Offline training was offered to nearly 4,200 operators at our domestic plants.

### Developing employees' ethics awareness (promotion, campaign)

To build consensus on ethics management among employees, monthly emails are sent out to individual employees to share the past assessments made and the case studies on ethics management guides and related media articles, and this content is also posted on the ethics management helpdesk page within our intranet for employees to refer to anytime. Questions and issues on ethics management are addressed in FAQ format, and an interactive communication system is up and running to immediately respond to any inquiries raised by employees. We also encourage all employees to join the 'No Giving/No Taking of Holiday Gifts' and 'voluntary reporting of bribery' campaigns.

## Disseminating Ethics Management to Affiliates

Ethics management campaigns and training programs are simultaneously conducted both at Hankook Tire & Technology and its affiliates to promote their qualitative and quantitative growth.

### Conducting ethics management campaigns and training for affiliates

Across the four affiliates of Hankook Precision Works, Hankook Engineering Works, Hankook Networks and Hankook AtlasBX, the in-house bulletin boards have served to post the 'E-Ethics Letters' to share internal/external case studies and relevant articles on ethics management and to launch the 'No Giving/No Taking of Holiday Gifts' and 'voluntary reporting of bribery' campaigns. Furthermore, Hankook Tire & Technology's online ethics management training content was used to provide ethics management training to both office workers/operators at affiliates.

Measures Taken against the Violation of Code of Conduct in 2019

Category	No. of Violations	No. of violators	Measures Taken
Embezzlement of money and valuables	1	9	5 reprimands, 1 suspension, 3 admonitions
Inappropriate use of budget	2	2	1 reprimand, 1 admonition
Conflicts of interest	1	1	1 reprimand
<b>Total</b>	<b>4</b>	<b>12</b>	