

# Third Party's Assurance Statement

To the Readers of 2019/20 NEXEN TIRE CSR Report:

## Foreword

Korea Management Registrar Inc. (hereinafter "KMR") has been requested by of NEXEN TIRE to verify the contents of its 2019/20 NEXEN TIRE CSR Report (Hereby referred to as "the Report"). NEXEN TIRE is responsible for the collection and presentation of information included in the Report. KMR's responsibility is to carry out assurance engagement on specific data and information in the assurance scope stipulated below.

## Scope and standard

NEXEN TIRE describes its efforts and achievements of the corporate social responsibility activities in the Report. KMR performed a type2, moderate level of assurance using AA1000AS (2008) and SRV1000 from KMR Global Sustainability Committee as assurance standards. KMR's assurance team(hereinafter "the team") evaluated the adherence to Principles of Inclusivity, Materiality and Responsiveness, and the reliability of the selected GRI Standards indices as below, where professional judgment of the team was exercised as materiality criteria.

The team checked whether the Report has been prepared in accordance with the 'Core Option' of GRI Standards which covers the followings.

- GRI Standards Reporting Principles
- Universal Standards
- Topic Specific Standards
  - Management approach
  - Economic Performance : 201-1
  - Indirect Economic Impacts : 203-1, 203-2
  - Anti-Corruption : 205-2
  - Materials : 301-1, 301-2
  - Energy : 302-1, 302-4, 302-5
  - Emissions : 305-1, 305-2, 305-5
  - Effluents and Waste : 306-2, 306-3
  - Supplier Environmental Assessment : 308-2
  - Employment : 401-1, 401-2, 401-3
  - Occupational Health and Safety : 403-1, 403-2, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10
  - Training and Education : 404-2, 404-3
  - Freedom of Association and Collective Bargaining : 407-1

- Child Labor : 408-1
- Forced or Compulsory Labor : 409-1
- Human Rights Assessment : 412-2
- Local Communities : 413-1
- Supplier Social Assessment : 414-2
- Customer Health and Safety : 416-1

This Report excludes data and information of joint corporate, contractor etc. which is outside of the organization, i.e. NEXEN TIRE, among report boundaries.

## **Our approach**

In order to verify the contents of the Report within an agreed scope of assurance in accordance with the assurance standard, the team has carried out an assurance engagement as follows:

- Reviewed overall report
- Reviewed materiality test process and methodology
- Reviewed sustainability management strategies and targets
- Reviewed stakeholder engagement activities
- Interviewed people in charge of preparing the Report

## **Our conclusion**

Based on the results we have obtained from material reviews and interviews, we had several discussions with NEXEN TIRE on the revision of the Report. We reviewed the Report's final version in order to confirm that our recommendations for improvement and our revisions have been reflected. When reviewing the results of the assurance, the assurance team could not find any inappropriate contents in the Report to the compliance with the principles stipulated below. Nothing has come to our attention that causes us to believe that the data included in the verification scope are not presented appropriately.

- **Inclusivity**  
 Inclusivity is the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability
  - NEXEN TIRE is developing and maintaining stakeholder communication channels in various forms and levels in order to make a commitment to be responsible for the stakeholders. The assurance team could not find any critical stakeholder NEXEN TIRE left out during this procedure.
- **Materiality**  
 Materiality is determining the relevance and significance of an issue to an organization and its stakeholders. A material issue is an issue that will influence the decisions, actions, and performance

of an organization or its stakeholders.

- NEXEN TIRE is determining the materiality of issues found out through stakeholder communication channels through its own materiality evaluation process, and the assurance team could not find any critical issues left out in this process.

■ Responsiveness

Responsiveness is an organization's response to stakeholder issues that affect its sustainability performance and is realized through decisions, actions, and performance, as well as communication with stakeholders.

- The assurance team could not find any evidence that NEXEN TIRE's counter measures to critical stakeholder issues were inappropriately recorded in the Report.

We could not find any evidence the Report was not prepared in accordance with the 'Core Option' of GRI standards.

### **Recommendation for improvement**

We hope the Report is actively used as a communication tool with stakeholders and we recommend the following for continuous improvements.

- NEXEN TIRE reported in detail key issues closely related to sustainability such as risk management, co-growth and response to conflict minerals. It also interpreted financial and non-financial information to meet the interests and expectations of stakeholders and made it easier to understand compared to other sustainability report. We recommend that NEXEN TIRE set and expand sustainability KPIs for systematic implementation of sustainability

### **Our independence**

With the exception of providing third party assurance services, KMR is not involved in any other NEXEN TIRE's business operations that are aimed at making profit in order to avoid any conflicts of interest and to maintain independence.

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SRV1000  
Sustainability Committee Assurance



AA1000  
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