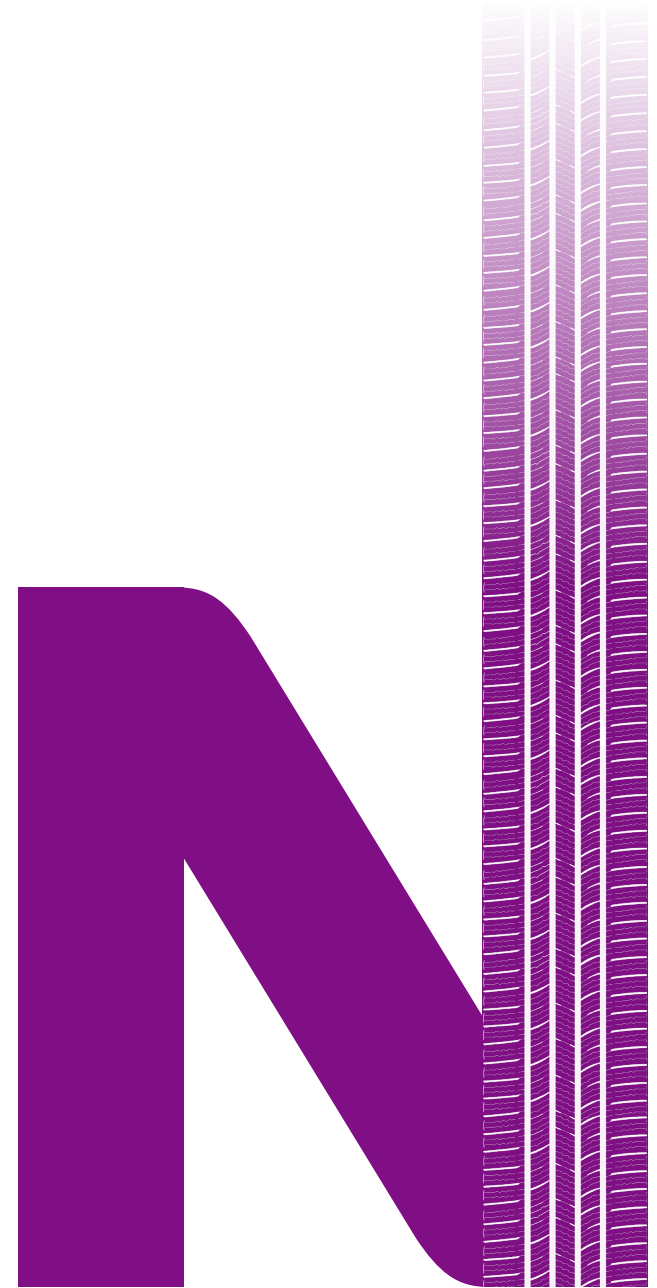


2024/25 NEXEN TIRE Sustainability Report



About this Report

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.

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 stakeholder. 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.

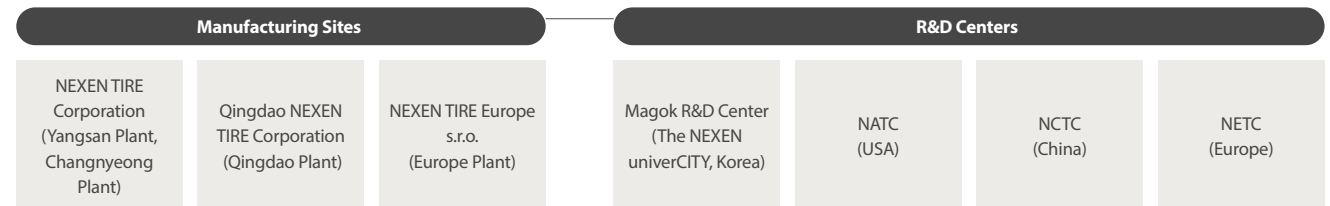
Responsible Department: NEXEN TIRE ESG Team

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.



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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 AI-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 long-term 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.

Hyun-Seok 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.

나부터, 우리 모두, 새로운 넥센을!

WE: reBORN

(As of December 31, 2024)

NEXEN TIRE Corporation

Main Business	Tire manufacturing, sales, and rental
Established	April 11, 1958
Listed	May 19, 1976
CEO	Hyun-Seok Kim
Operating Profit	KRW 172.1 billion
Operating Profit Margin	6.04%
Total Assets	KRW 4.5745 trillion
Total Equity	KRW 1.8716 trillion
Credit Rating	A (NICE Credit Rating), A (Korea Investors Service (KIS) Credit Rating)
Head Office Address	355 Chungnyeol-ro, Yangsan-si, Gyeongsangnam-do, Korea
Main Phone	+82-55-370-5114

NEXEN UNIVERSE

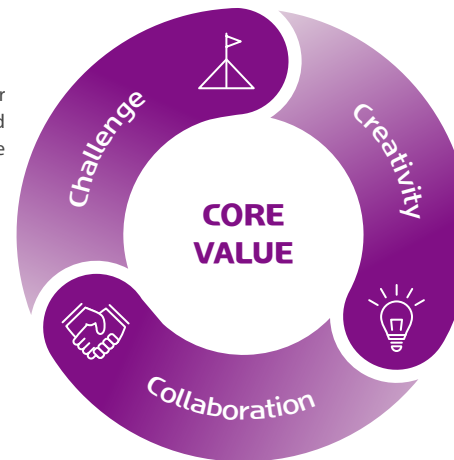
MISSION

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

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

Code of Conduct

Humanity Principle:	We aim to benefit humanity and contribute to the betterment of the world.
Action Principle:	We constantly explore, collaborate, and strive for a better future.
Employee Principle:	We take pride in our competitiveness and ability to benefit the world by enhancing people's life.
Product Principle:	We build trust in our products through our leading technological innovation that puts life first.

Entrepreneurship

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

Company Overview

Global Network

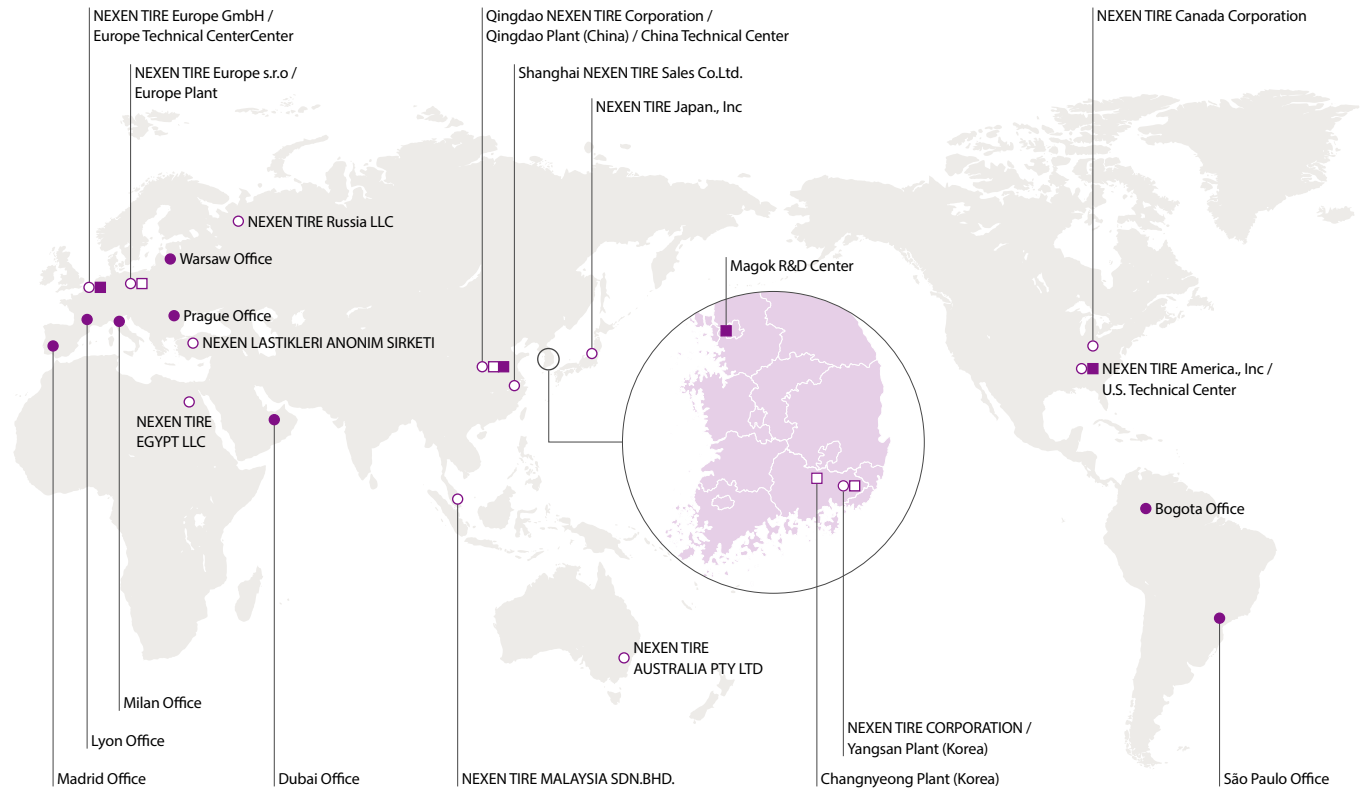
Global Market Outlook

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 vehicles market, thereby securing differentiated competitiveness in the future mobility market.

○ Headquarters / Overseas corporations ● Branch Office □ Manufacturing Sites ■ R&D



Headquarters
NEXEN TIRE CORPORATION

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

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

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

* 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

[Click. NEXEN TIRE Product Introduction Page](#)

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



N'FERA AOT EV

N'PRIZ S EV

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

560,000 units

Number of EV Tire Models Supplied
Domestically

11 models

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.



N'FERA Sport EV

ROADIAN GTX EV

Number of OE supply models
(as of the end of December 2024)

120 models

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

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 EV

N'FERA AUS

N'FERA Supreme SUV

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.



WINGUARD Sport 2 SUV

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.

NEXEN TIRE 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

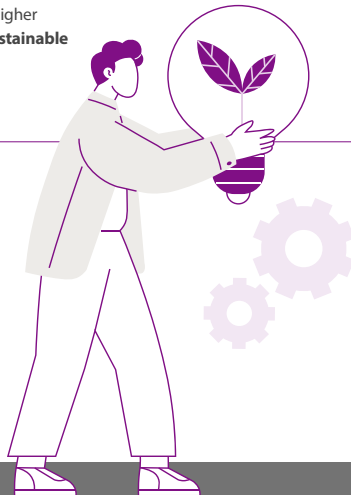
② Products with Enhanced Wear Resistance

Tires developed with enhanced abrasion resistance to reduce the generation of tire wear particles.

- UTQG Wear Index: 600 or higher

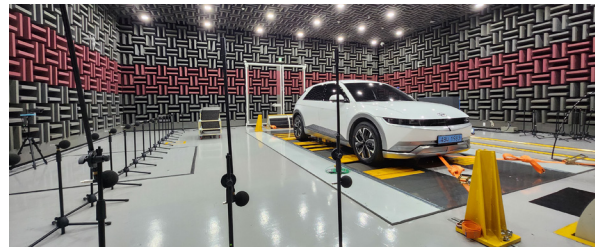
③ Products Incorporating Sustainable Raw Materials

* PBN: Pass-By Noise



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.

* FEM: Finite Element Method

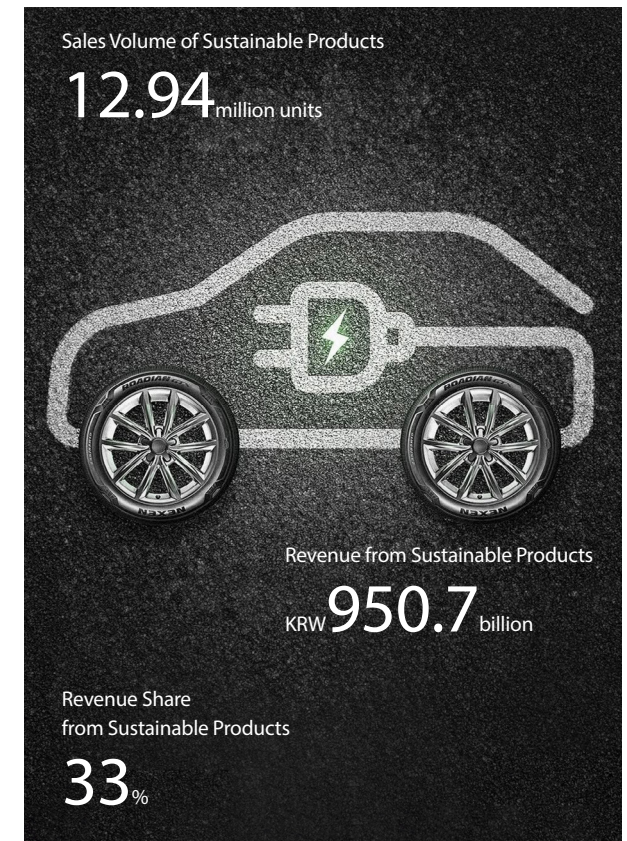
** TATF (Tire Abrasion Task Force): Focused on regulatory methods and intergovernmental/industry cooperation

*** TAPP (Tire Abrasion Post Processing): Focused on evaluating regulatory thresholds

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)

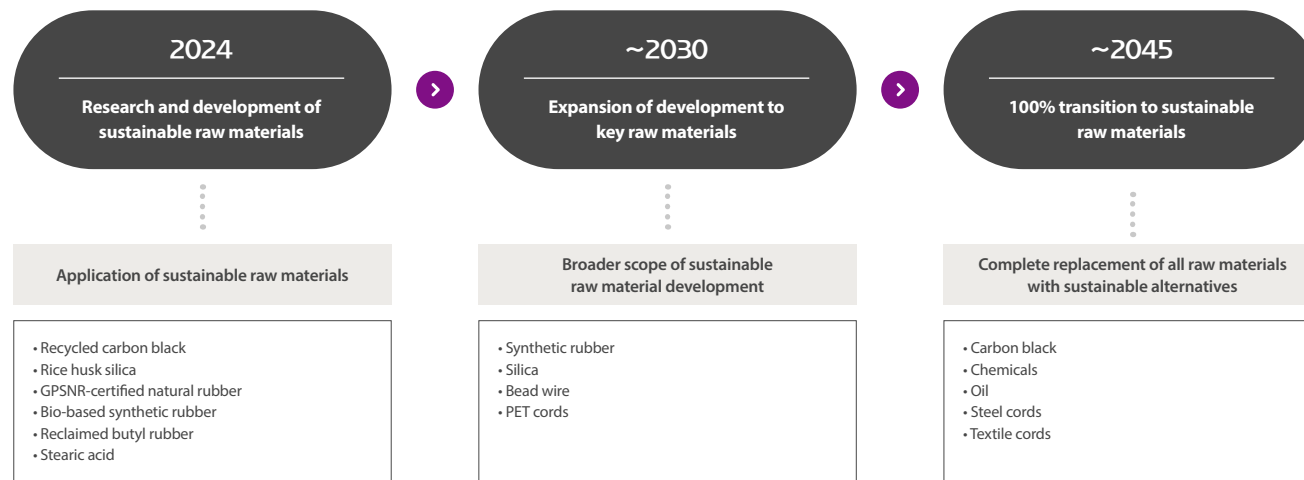


Strengthening R&D for Sustainable Raw Materials

NEXEN TIRE 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.



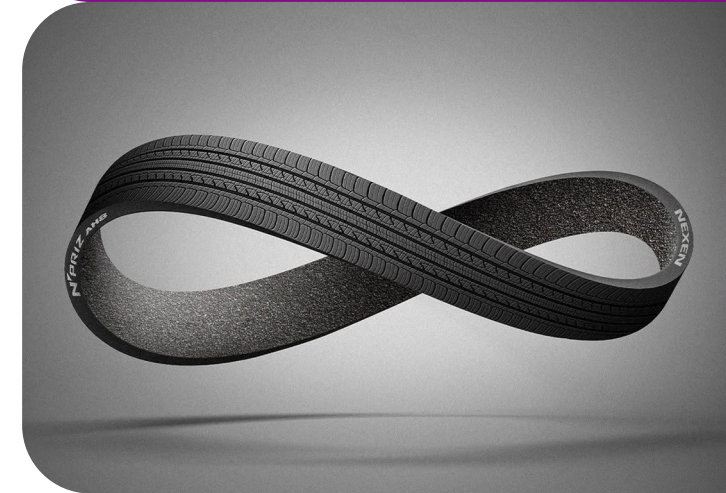
2024 Sustainable Raw Material Development Initiatives

- 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

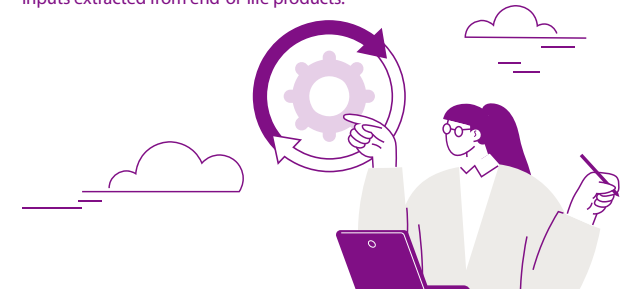
Share of Sustainable Raw Materials in Total Raw Material Usage	27%
Recycled/Renewable Materials Identified	10 Categories, 23 ea

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.

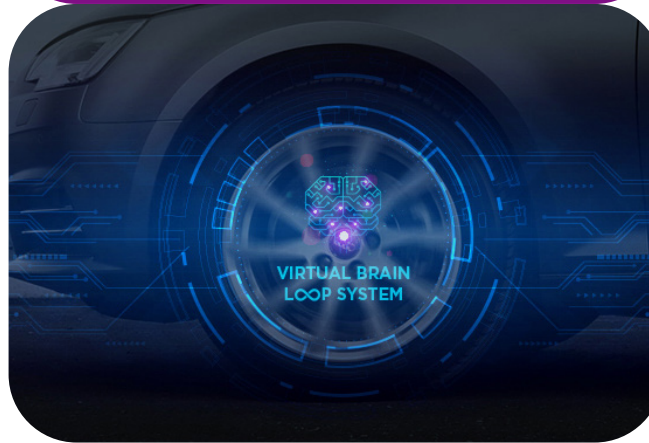
Operation of Tire Performance Prediction Simulation Programs

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.

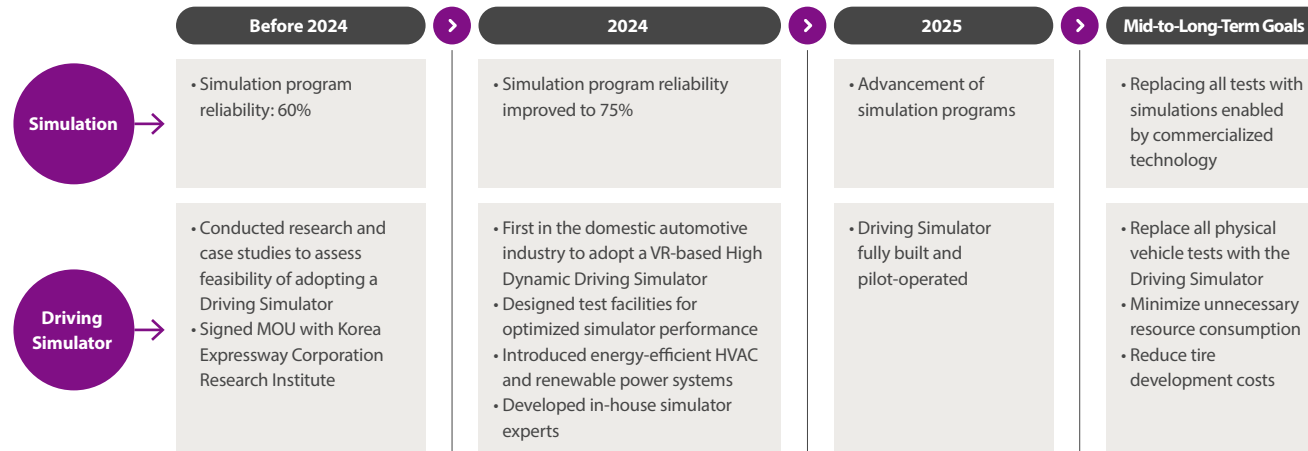
Tire Models Developed Using Simulation

7 types

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

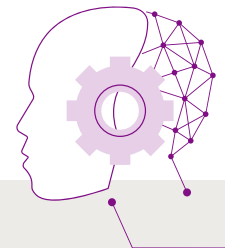


Virtual Tire Development Roadmap



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 AI 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 (AI) technologies, we are advancing our R&D capabilities. The application of VR and AI allows for reduced reliance on physical testing and prototype production, leading to lower carbon emissions in the development process. This reflects our commitment to technology innovation aligned with sustainability principles.



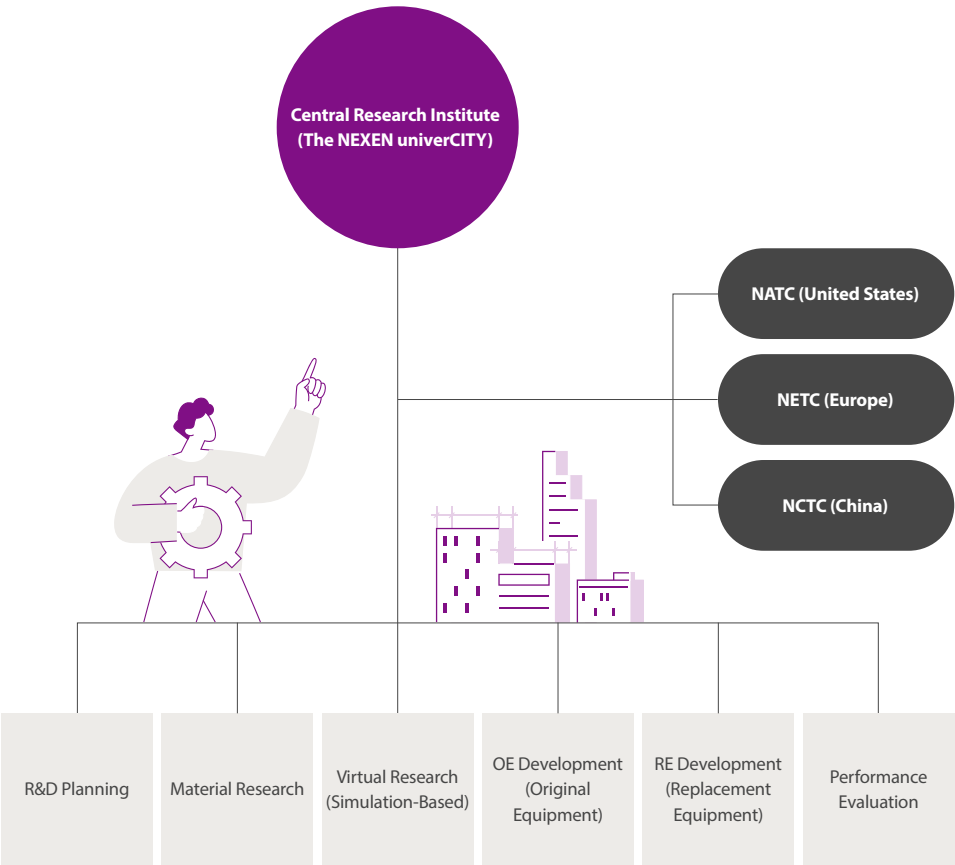
Global R&D Network

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 AI-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.

NEXEN TIRE R&D Organization Structure

(As of March 24, 2025)



Mid- to Long-Term Roadmap for Tire Technology Development

Category	Short-Term	Mid-to-Long-Term (Post-2030)
Enhancing Competitiveness in Future Mobility	<ul style="list-style-type: none"> Establish clear vision and strategic goals Develop innovative products based on customer needs 	<ul style="list-style-type: none"> Continuously adapt to evolving R&D trends and market shifts Lead in tire technology for EVs and autonomous vehicles
Advancing Innovation and Research Efficiency	<ul style="list-style-type: none"> Build collaboration framework between future strategy team and R&D centers Begin early-stage adoption of AI-driven design automation 	<ul style="list-style-type: none"> Rapidly translate research outcomes into product development Operate high-performance anechoic chambers
Integrating Sustainability Management and Strengthening ESG Practices	<ul style="list-style-type: none"> Incorporate sustainability management principles into corporate management Initiate greenhouse gas emissions reduction measures 	<ul style="list-style-type: none"> Expand use of sustainable raw materials Scale up sustainable production processes
Global Collaboration and Market-Specific Product Development	<ul style="list-style-type: none"> Strengthen cooperation with R&D centers in the U.S., Germany, and China Initiate region-specific product development 	<ul style="list-style-type: none"> Enhance global R&D network Deliver tailored solutions for each regional market
Talent Development and Knowledge Sharing	<ul style="list-style-type: none"> Launch R&D Academy Implement training programs to strengthen technical expertise 	<ul style="list-style-type: none"> 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, AI 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
R&D Academy	1 session	<ul style="list-style-type: none">• Analysis of tire pattern/design• Tire design optimized for EV characteristics• Types and characteristics of natural rubber
Technical Exchange Seminar	3 sessions	<ul style="list-style-type: none">• 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 style="list-style-type: none">• Prototype uniformity improvement activities and sharing correlation factor analysis• Case studies on quality issues and improvement in current tires• AI-based tire development research and reviews from overseas trips, such as to Spain's IDIADA

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 markets
- 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 perspective
- 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 AI-Based Curbside Traffic Management Solutions

Automotus is a startup offering curbside traffic congestion mitigation and emissions reduction solutions using camera-based AI 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.





SUSTAINABILITY VISION

ESG Management System	→	015
ESG Strategic Framework	→	017
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Key ESG Achievements	→	019
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Double Materiality Assessment	→	021
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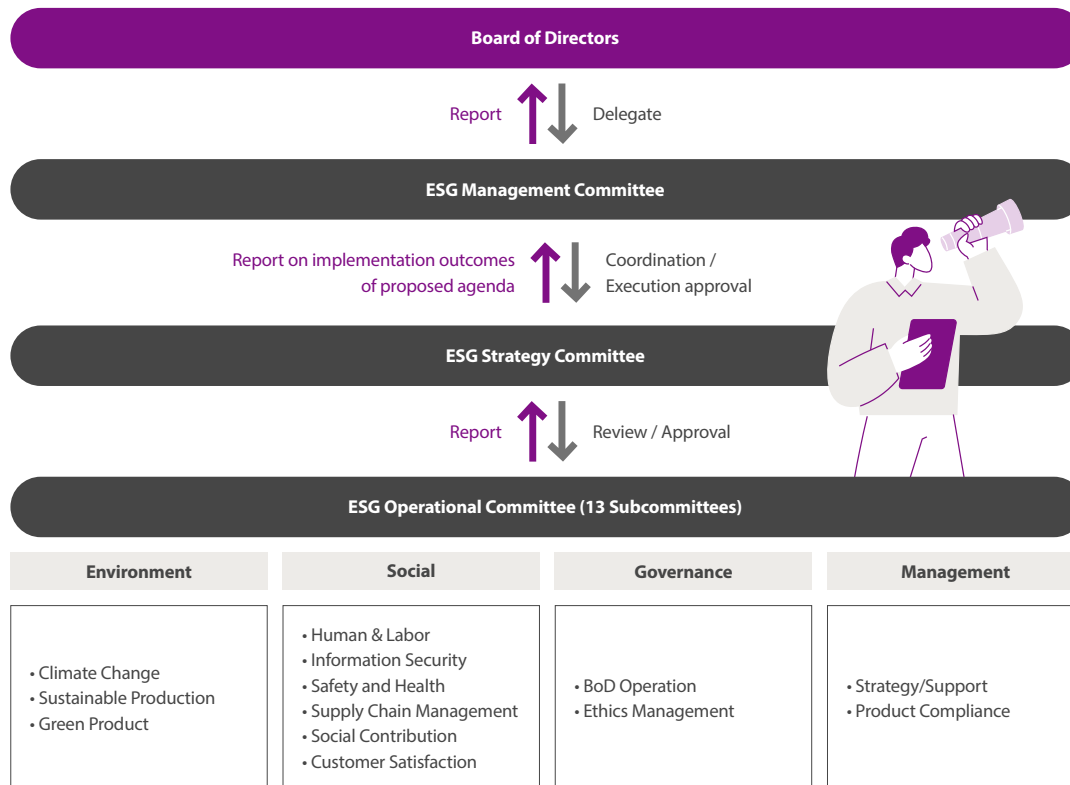


ESG Management System

ESG Decision-Making Framework

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

ESG Management Governance System



Category	Composition	Frequency	Key Roles and Responsibilities
ESG Management Committee	<ul style="list-style-type: none"> Two Independent Directors One Executive Director (Chair: Independent Director Hwang Kak-gyu) 	At least 4 times per year	<ul style="list-style-type: none"> Final decision-making authority on ESG management and related issues Management of material ESG issues and risks linked to business sustainability
ESG Strategy Committee	<ul style="list-style-type: none"> CEO Chiefs of Business Groups 	Once per quarter	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Functional Managers Working-level Staff (One subcommittee chair per business unit) 	Once per month	<ul style="list-style-type: none"> 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

ESG Management System

ESG Management Committee Members

(As of the end of March 2025)

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

* The term of the ESG Management Committee is three years.

** Kak-Gyu Hwang serves as Chair of the ESG Management Committee.

ESG Management Committee – Agenda Review Summary

Category	Date	Agenda	Attendance Rate
ESG Management Committee	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%
	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%

* 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



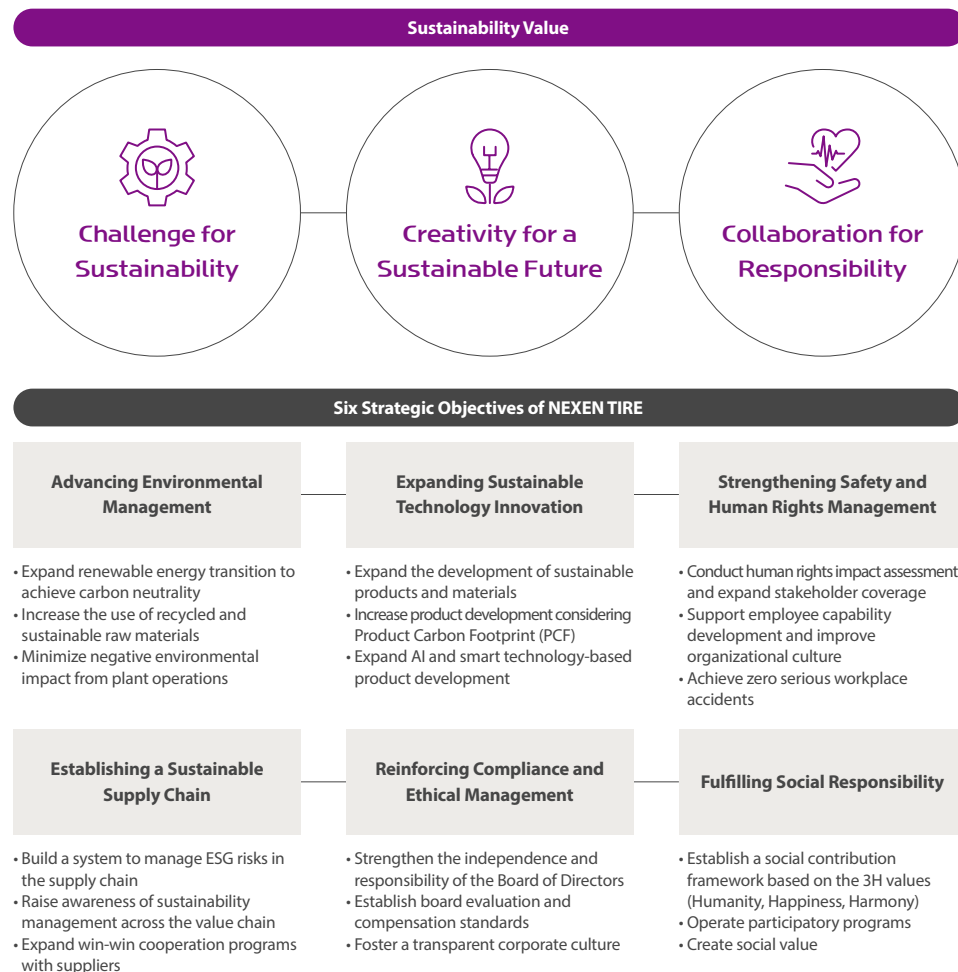
ESG Newsletter



Supply Chain ESG Training for Employees

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.



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	<ul style="list-style-type: none"> Finalize roadmap for carbon neutrality (consolidated scope) Obtain SBTi approval Revise environmental policies (environmental & biodiversity policies) 	<ul style="list-style-type: none"> Introduce internal carbon pricing system Establish biodiversity targets Expand adoption of renewable energy 	<ul style="list-style-type: none"> Manage product lifecycle Systematize carbon/energy measurement and reduction Stabilize and expand use of renewable energy Expand LCA product coverage Increase use of sustainable raw materials
Social	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Advance human rights impact assessment processes Expand assessments to overseas operations 	<ul style="list-style-type: none"> Apply human rights impact assessment to supply chain Advance AI-based smart HSE management system
Governance	<ul style="list-style-type: none"> Restructure ESG management system (clarify roles/responsibilities of ESG Operational Committee) Establish ESG issue resolution cycle (identify → implement → monitor) 	<ul style="list-style-type: none"> Expand ESG KPI application Introduce Board competency evaluation system Develop ESG due diligence process for investments 	<ul style="list-style-type: none"> Acquire ISO 37001/37301 integrated certification Advance integrated risk management system

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

1 System Establishment

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

2 Due Diligence Execution

- ☒ Conducted on-site audits of suppliers providing raw materials subject to EUDR requirements

3 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

1 Revision of Supply Chain Management Policy

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

2 Achieved Gold Rating in EcoVadis Assessment

- Improved scores in ethics and sustainable procurement compared to 2023



3 Enhanced 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 labor Workers

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

1 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

2 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

1 CSRD compliance governance established for European subsidiaries

2 Data management framework established based on domestic ESRS disclosure standards

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.



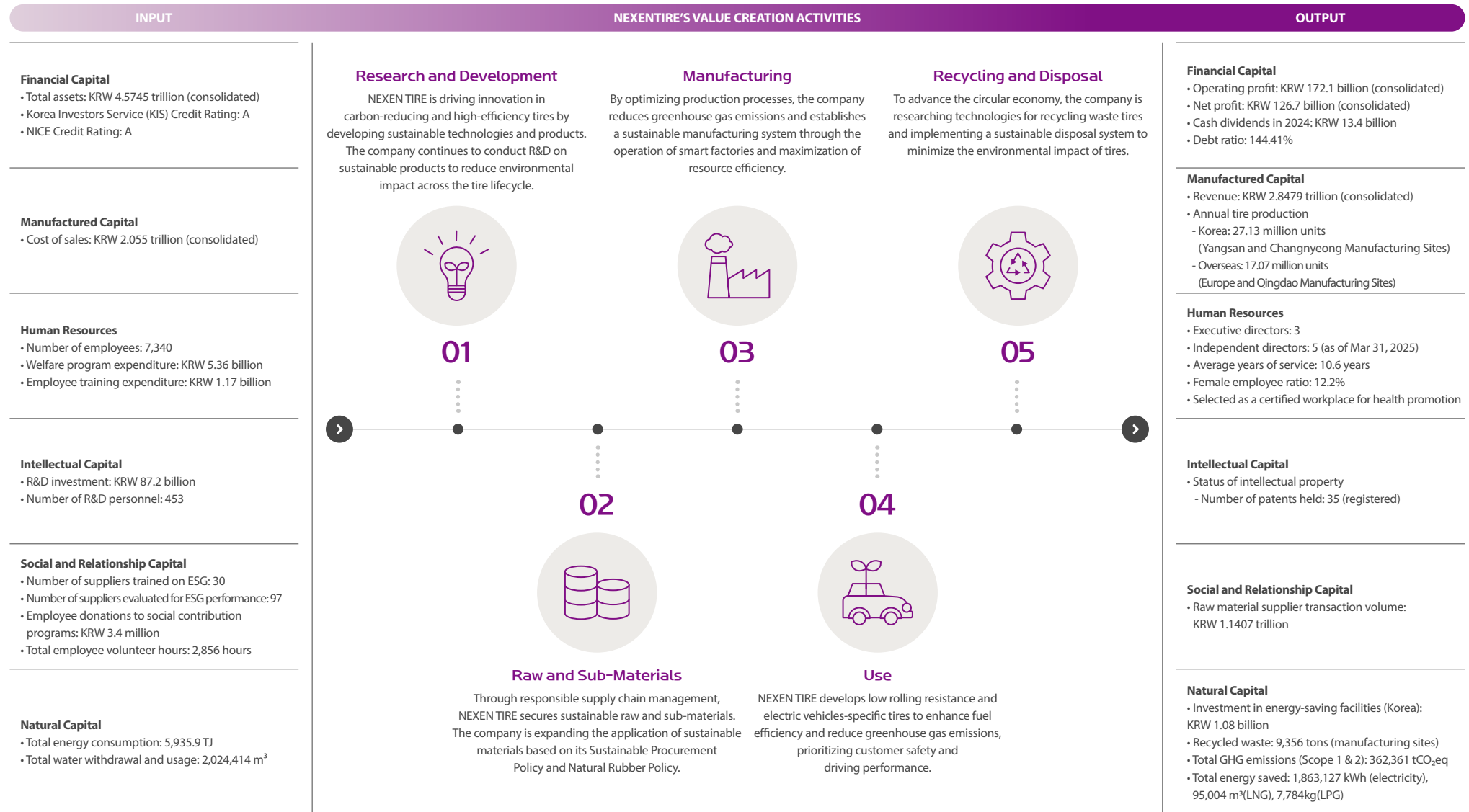
Total Revenue (Consolidated Basis)		Gross Profit	R&D Investment.	Tire Production Capacity (as disclosed in the annual report)
KRW 2.8 trillion		KRW 792.9 billion	KRW 87.2 billion	47.15 million units
Total Sales Volume	High-Inch Sales Ratio (18 inches and above)	OE Supply Models	OE BEV Supply Record	OE BEV Sales Volume
42.0 million units	26%	120 models	25 models	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 EcoVadis 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 sustainable products as a percentage of total sales	Renewable energy transition implementation rate	Acquired Information Security Certification	Global Customer Satisfaction Index (GCSI) – Tire Sector (For 15 consecutive years)	Completion of human rights impact assessments (domestic scope)
33%	26%	TISAX certification (8 business sites in total)	Ranked No. 1	100%

Value Creation Performance



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.



Management Approach by Material Issue

●●●●● Critical
●●●● Significant
●●● Important
●● Informative
● Minimal

Material Issue	Impact Materiality	Financial Materiality	Business Impact & Response	2024 Performance	Future Goals
 <p>Climate Change Response</p>	<p>Critical</p> <p>●●●●●</p>	<p>Critical</p> <p>●●●●●</p>	<ul style="list-style-type: none"> Established carbon neutrality roadmap Purchased renewable energy power Conducted energy audits Implemented energy-saving activities 	<ul style="list-style-type: none"> Established GHG reduction targets by initiating SBTi commitment Institutionalized GHG emissions accounting across all business sites (Scope 1, 2, and 3) Built GHG inventory at all business sites Responded to the Carbon Disclosure Project (CDP) 	<ul style="list-style-type: none"> Implement carbon neutrality goals Review adoption of energy-saving technologies for manufacturing sites Consider active renewable energy procurement (e.g., PPA, solar power) Expand product Life Cycle Assessment (LCA) coverage
 <p>Resource Use and Circular Economy</p>	<p>Significant</p> <p>●●●●</p>	<p>Informative</p> <p>●●</p>	<ul style="list-style-type: none"> Developed sustainable and recyclable raw materials Identified sustainable raw material suppliers Developed sustainable tire products Established and implemented a waste tire recycling system Conducted waste reduction training and campaigns 	<ul style="list-style-type: none"> Considered adoption of Zero Waste to Landfill (ZWTl) Set target to use 40% sustainable raw materials by 2030 Set mid-to-long-term goal to reach 65% in sustainable product sales by 2030 	<ul style="list-style-type: none"> Achieve 100% conversion to sustainable raw materials Expand procurement of sustainable raw materials Increase the proportion of sustainable product sales Prevent resource waste through full-cycle tire production simulation
 <p>Natural Capital Management</p>	<p>Informative</p> <p>●●</p>	<p>Important</p> <p>●●●</p>	<ul style="list-style-type: none"> Prohibited deforestation in raw material procurement Operated a supply chain management platform to comply with EUDR regulations 	<ul style="list-style-type: none"> Promoted EUDR-compliant contract agreements with natural rubber suppliers Launched an EUDR response task force (TFT) 	<ul style="list-style-type: none"> Conduct on-site audits of EUDR suppliers Establish a traceability and audit reporting system for natural rubber Establish a dedicated EUDR compliance office

* Critical: Greater than or equal to the mean + 1.5 × standard deviation






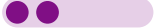






* Significant: Greater than or equal to the mean + 1.0 × standard deviation

* 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 × standard deviation

Management Approach by Material Issue

Material Issue	Impact Materiality	Financial Materiality	Business Impact & Response	2024 Performance	Future Goals
 <p>Sustainable Supply Chain</p>	<p>Important</p> 	<p>Significant</p> 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Expanded Supplier ESG assessment framework and evaluation coverage Updated procurement policies based on ESG assessment outcomes 	<ul style="list-style-type: none"> Disclose supplier risk audit data Publicly report supplier traceability
 <p>Occupational Health and Safety</p>	<p>Significant</p> 	<p>Informative</p> 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Conducted autonomous, site-linked risk assessments Standardized Occupational Health and Safety Management System at all business sites Institutionalized three core safety activities: standard work procedures, identification of potential hazards, and safety training 	<ul style="list-style-type: none"> Advance global SHE integrated system operations Enhance training systems and expand infrastructure to improve training effectiveness Diversify accident prevention and occupational illness prevention programs
 <p>Customer Satisfaction and Quality Management</p>	<p>Minimal</p> 	<p>Important</p> 	<ul style="list-style-type: none"> Operated product warranty services and resolved customer claims Developed original equipment (OE) tires for new vehicles 	<ul style="list-style-type: none"> Established plans for providing consumer safety-related information 	<ul style="list-style-type: none"> 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)
 <p>Human Resource Management</p>	<p>Minimal</p> 	<p>Informative</p> 	<ul style="list-style-type: none"> Operated the R&D Center Applied virtual reality technologies to product development Pursued industry-academia collaboration 	<ul style="list-style-type: none"> Improved the NEXEN Learning Academy system Introduced new AI-based learning programs 	<ul style="list-style-type: none"> Strengthen organizational management through employee satisfaction surveys Enhance talent development programs to support career mobility and growth opportunities



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 NGOs
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 NEXEN TIRE 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.
<ul style="list-style-type: none"> Labor-Management Council (quarterly) Labor-Management Roundtable Meetings (quarterly) Organizational Culture Diagnosis (annually) Internal proposal system (NDEA) (ongoing) 	<ul style="list-style-type: none"> Official website and social media (Instagram, YouTube, KakaoTalk) Customer Service Center (phone, email, 1:1 consultations) Customer satisfaction surveys 	<ul style="list-style-type: none"> Domestic and overseas exhibitions and fairs Participation in global initiatives Regular meetings 	<ul style="list-style-type: none"> Community welfare councils (ongoing) Social contribution activities (ongoing) 	<ul style="list-style-type: none"> ESG management communication channel for suppliers (ongoing) 	<ul style="list-style-type: none"> General Shareholders' Meeting (annually) Investor Relations (IR) Conferences Corporate Day / IR Meetings (ongoing) 	<ul style="list-style-type: none"> Policy roundtables (ongoing) Conferences and business forums (ongoing) Participation in national projects (ongoing)
<ul style="list-style-type: none"> Organizational culture Employee welfare Labor-management relations Fair compensation Strengthening Capabilities 	<ul style="list-style-type: none"> Climate crisis response Customer satisfaction Quality management Information security Ethical management 	<ul style="list-style-type: none"> Climate crisis response Advancement of future mobility technologies Supply chain management Enhanced customer satisfaction Quality management 	<ul style="list-style-type: none"> Sustainable operations Occupational health and safety Social contribution <ul style="list-style-type: none"> Local employment Regional economic contribution 	<ul style="list-style-type: none"> Mutual growth management Supply chain risk management Occupational health and safety Fair trade 	<ul style="list-style-type: none"> Transparent governance Risk management Ethical and compliant management Financial and non-financial performance 	<ul style="list-style-type: none"> Regulatory and policy compliance Job creation Industry trends and performance

Reflection in Business Activities





Environmental Management System	→	027
Climate Change Response	→	030
Resource Use and Circular Economy	→	035
Natural Capital Management	→	039
Pollutant Management	→	043

Environmental Management System

Governance

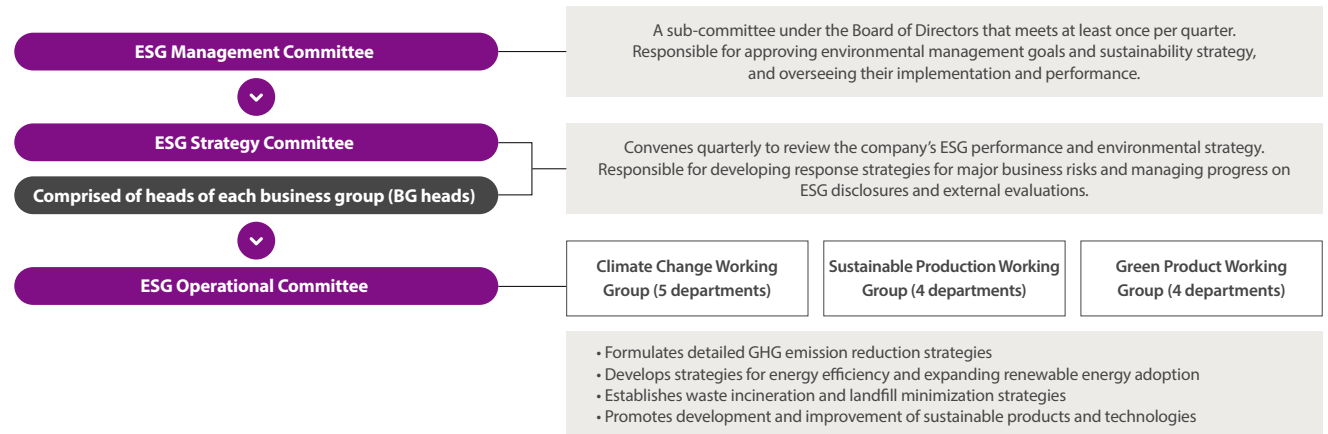
Integrated Environmental Management Governance

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.

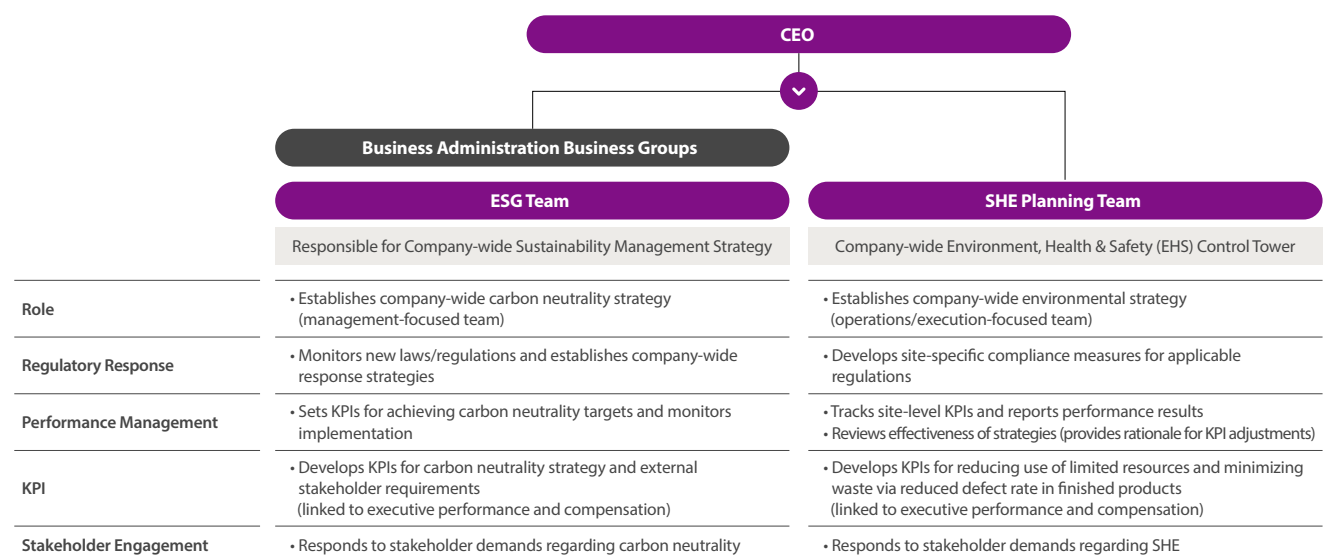
ESG and Environmental Management Organizations

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 Governance Structure



ESG and Environmental Dedicated Organizations



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	<ul style="list-style-type: none">Established carbon neutrality roadmapAchieved approx. 26% renewable energy conversionConducted compressed air and steam leakage repairs using FEMS systemReduced energy consumption by replacing outdated equipment	<ul style="list-style-type: none">Obtain SBTi validationEstablish implementation plan for carbon neutralityImprove inverter efficiencyInsulate heat-radiating equipmentConduct full product Life Cycle Assessment (LCA)	<ul style="list-style-type: none">Expand use of renewable energyAchieve carbon neutrality
Resource Use and Circular Economy	<ul style="list-style-type: none">Developed tire prototype using 70% sustainable raw materialsFor domestic manufacturing sites (Yangsan, Changnyeong), set and managed waste recycling target to exceed national resource circulation target by 5%	<ul style="list-style-type: none">Develop 12 types of sustainable raw materialsCommercialize virtual simulation	<ul style="list-style-type: none">Convert 100% of raw materials to sustainable sourcesExpand procurement of sustainable raw materialsIncrease sales ratio of sustainable productsPrevent resource waste through full tire manufacturing simulation
Natural Capital Management	<ul style="list-style-type: none">Established response plan for EUDR regulations	<ul style="list-style-type: none">Conduct EUDR supplier risk assessment auditsDevelop EUDR company-wide manualDevelop EUDR traceability management system	<ul style="list-style-type: none">Establish natural capital risk response strategy and introduce monitoring proceduresManage risks through natural capital financial scenario analysis
Pollutant Management	<ul style="list-style-type: none">Enhanced pollutant accident prevention manual	<ul style="list-style-type: none">Conduct annual wastewater leakage response drillsConduct rainwater drainage inspections at all business sites	<ul style="list-style-type: none">Manage risks based on pollutant leakage scenariosLimit 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
Climate Change Response	Scope 1, 2 ¹⁾	tCO ₂ eq	268,039	286,089	252,902
	Energy consumption	Electricity TJ	3,086.8	3,689.6	3,388.2
		Fuel TJ	8,510.3	1,483.6	4,997.0
	Investment in energy-saving facilities ²⁾	KRW 100 million	10.8	10.8	16.4
Natural Capital Management	Industrial water consumption per unit of product ³⁾	m ³ /ton	4.0	3.5	3.8
Resource Use and Circular Economy	R&D and procurement cost for sustainable raw materials	KRW 100 million	2,438	2,713	2,793
	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 Management	Air pollutant emissions	ton	200	123	190
	Water pollutant emissions	ton	50	19	45

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

2) Some investment amounts include government-supported project funding

3) Based on the Changnyeong Plant

4) 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

Materiality
Issue #1

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

IMPACT: Critical FINANCIAL: Critical

UN SDGs Targets

- 7.3 Improve energy efficiency
- 9.4 Upgrade infrastructure and retrofit industries to make them sustainable (CO₂ emissions management)
- 13.1 Strengthen resilience and adaptive capacity to climate-related hazards
- 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



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.

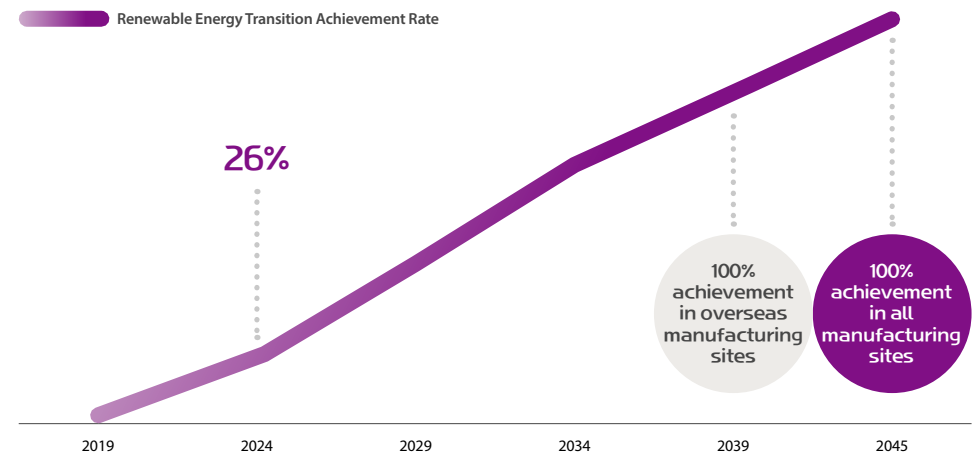
Carbon Neutrality Strategy Roadmap

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).

Renewable Energy Implementation Performance and Plan



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

*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.

**EL (Extremely Low): Financial impact is less than 0.5% 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 flood-related 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

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.

Category	Impact on Business Activities	Assumptions and Methodology for Financial Impact Assessment	Potential Financial Impact*	Financial Impact Timeframe**	Response Strategy
Physical Risk	Typhoon	<ul style="list-style-type: none">• Damage to plant roofs, exterior walls, and electrical facilities• Delay in transporting raw materials and finished goods due to port and road closures	<ul style="list-style-type: none">• 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 <ul style="list-style-type: none">• Conduct regular facility safety inspections and repairs• Invest in protective infrastructure• Identify alternative suppliers and reduce supply chain risks
	Flood	<ul style="list-style-type: none">• Equipment malfunction due to internal flooding, damage to raw materials (e.g., rubber, carbon black)	<ul style="list-style-type: none">• Applied damage function by adjusting flood depth data to asset attributes	EL	Mid Long-term <ul style="list-style-type: none">• Establish emergency response teams for fire, gas, electricity, etc.• Develop emergency response manuals and conduct training
	Abnormal Temperatures	<ul style="list-style-type: none">• Surge in air conditioning usage leads to higher electricity demand and increased electricity costs	<ul style="list-style-type: none">• Estimated productivity loss by evaluating WBGT*** distribution and working environment	EL	Short-term <ul style="list-style-type: none">• Optimize indoor temperature control• Strengthen response protocols by heatwave alert level and train for emergency response
	Wildfire	<ul style="list-style-type: none">• If rubber plantations are damaged, raw material shortages could lead to higher procurement costs	<ul style="list-style-type: none">• Calculated wildfire occurrence probability and ignition probability for each asset using asset-specific models	L	Mid Long-term <ul style="list-style-type: none">• Join and participate in Global Platform for Sustainable Natural Rubber (GPSNR) initiatives
Transition Risk	Increase in Carbon Credits Cost	<ul style="list-style-type: none">• Increased operational costs due to additional costs from purchasing paid GHG emission allowances	<ul style="list-style-type: none">• 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 <ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Increased manufacturing costs due to higher electricity consumption in core processes such as rubber mixing, extrusion, and molding	<ul style="list-style-type: none">• Estimated annual electricity usage by site, applied NGFS scenarios (NDC, Delayed Transition, NZE) to forecast power cost	M	Mid Long-term <ul style="list-style-type: none">• Improve energy efficiency of power-consuming equipment• Implement site-level energy-saving programs• Review introduction of PPAs and expansion of renewable energy usage

* Exposure to Financial Impact under SSP5-8.5 (4.4°C Rise) Scenario

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.

** Time Horizons: Short-term: 1–2 years, Medium-term: 3–5 years, Long-term: More than 5 years

*** 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.

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.



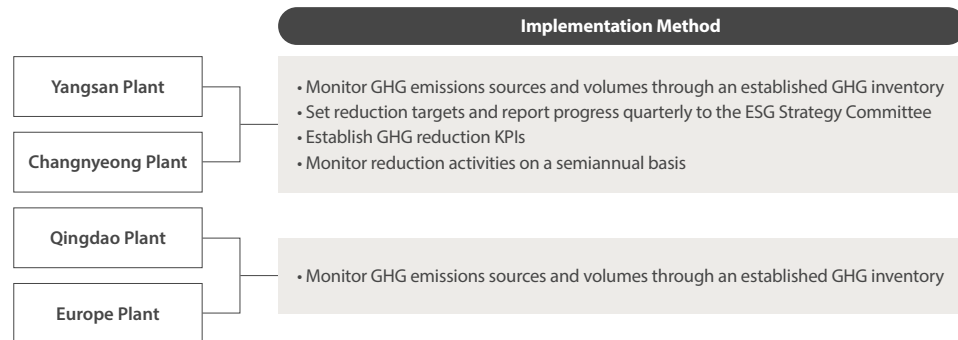
Material Risk Management Process

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

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 third-party verification of Scope 3 emissions, ensuring reliable and comprehensive management of emissions across the full value chain.



Renewable Energy Certificate (REC) Purchase

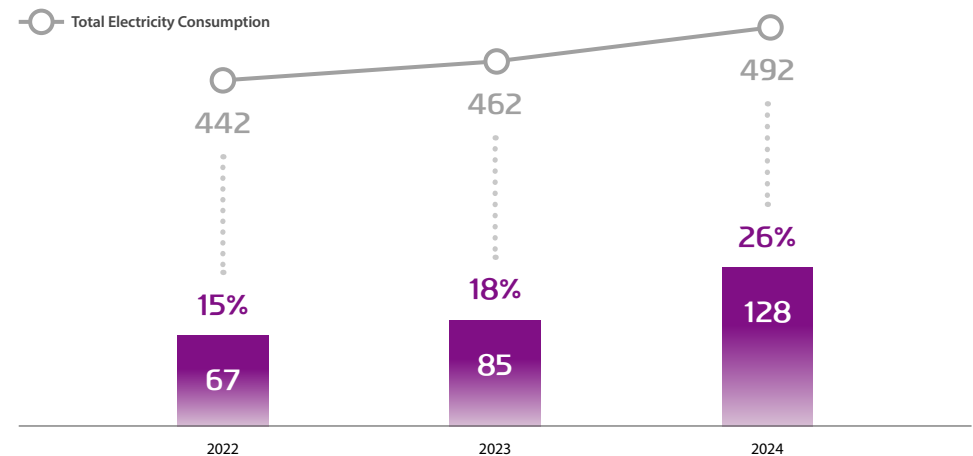
In 2024, NEXEN TIRE purchased a total of 128,342 MWh in renewable energy certificates, achieving a renewable energy transition rate of approximately 26% of the total electricity consumption across all manufacturing sites. This represents an increase of 43,342 MWh compared to 2023 (85,000 MWh purchased 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%
Total		492,025	128,342	26%

* When calculating the renewable energy transition rate, any certificate purchase exceeding electricity consumption was excluded.

Renewable Energy Transition Rate Based on Total Electricity Consumption

(Unit: GWh, %)



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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Replaced rolling transformers and other production equipment
Qingdao Plant	<ul style="list-style-type: none"> 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 m³ 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
Yangsan Plant	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
	Optimization of steam coil unit operating hours	Fuel	LNG(m ³)	11,000	KRW 10 million
	Optimization of boiler operation time	Fuel	LNG(m ³)	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(m ³)	25,580	KRW 24 million
Changnyeong Plant	Replacement of rolling mill transformer and finished goods equipment	Electricity	kWh	20,080	KRW 3 million
Qingdao Plant**	Inspection and repair of air leak points	Electricity	kWh	29,820	Approx. KRW 3 million
	Replacement of low-efficiency motors	Electricity	kWh	9,840	Approx. KRW 1 million
	Replacement of damaged curing pit insulation	Fuel	LNG(m ³)	36,264	Approx. KRW 28 million
	Inspection and repair of steam leakage	Fuel	LNG(m ³)	10,160	Approx. KRW 8 million

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

** Amounts were converted using the average exchange rate as of December 2024.

Resource Use and Circular Economy

Materiality
Issue #2

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

Key Impacted Stakeholders

- Client companies
- Suppliers
- Local communities



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



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 recycling
- Risk of serious environmental damage and criminal penalties in case of noncompliance with hazardous waste regulations

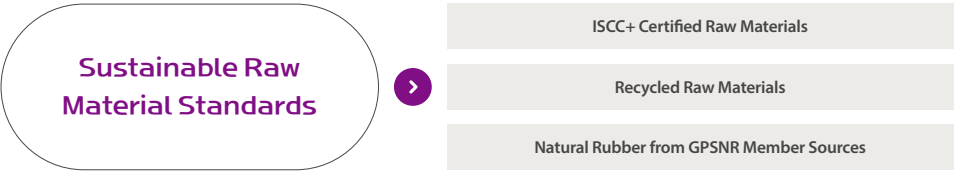


Strategy

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



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.

Resource Use and Circular Economy

Risk Management

Resource Use and Circular Economy Management Activities

Category	Sustainable Raw Materials	Waste
Risks	<ul style="list-style-type: none"> Supply chain-related risks Environmental impact risks Environmental regulatory risks 	<ul style="list-style-type: none"> Environmental pollution risk Waste treatment regulatory risk Consumer demand risk
Response Actions	<ul style="list-style-type: none"> Promote R&D for sustainable raw materials and develop alternative materials 	<ul style="list-style-type: none"> Implement waste treatment monitoring Engage external partners for waste management

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	<ul style="list-style-type: none"> Actively supported operations for selecting and managing companies involved in thermal recovery/material recycling, used tire/resale, etc. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Collaborated with certified partners in compliance with local regulations for the collection of waste tires Recycled waste tires as road asphalt materials 	

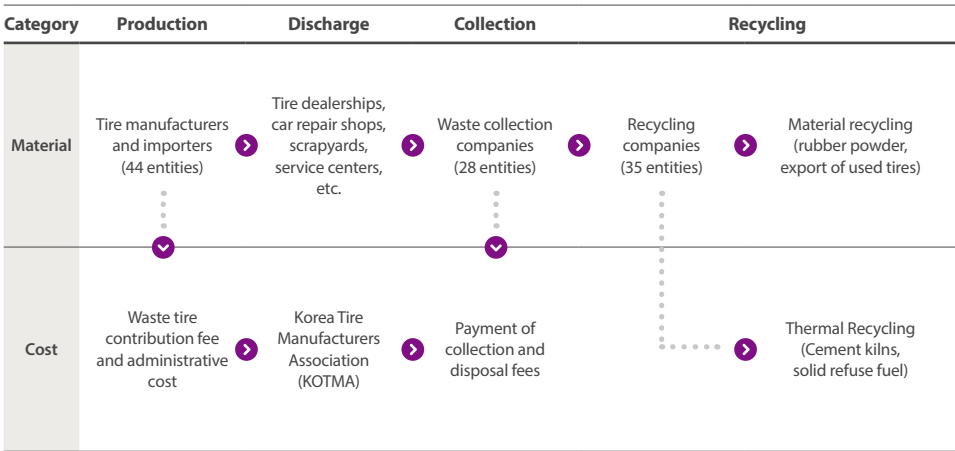
Overseas Waste Management System

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

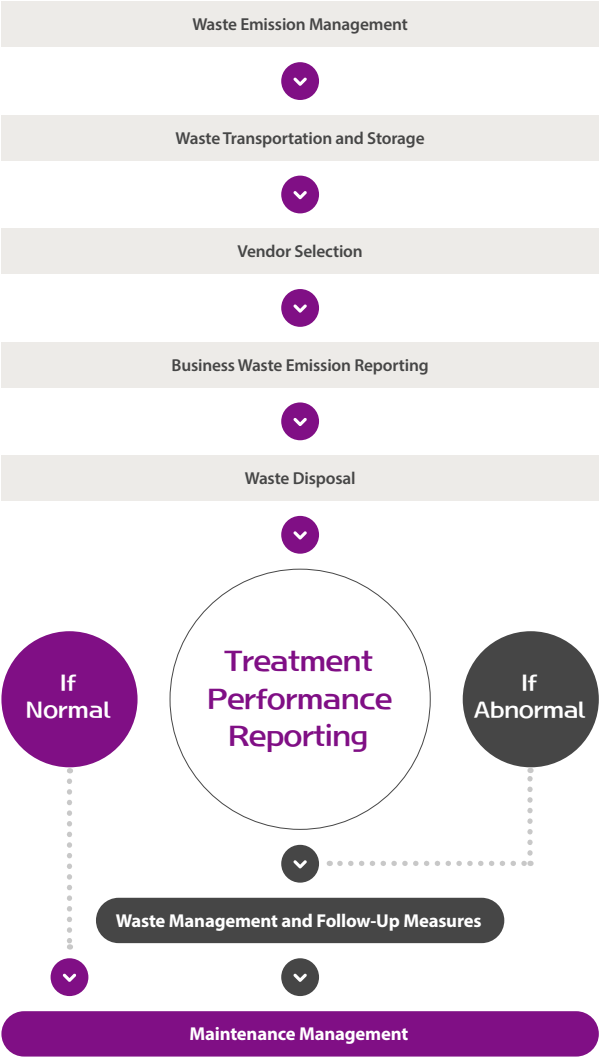


Extended Producer Responsibility (EPR) System for Waste Tires



Resource Use and Circular Economy

Domestic Waste Management Internal Procedure



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 ₂ , NO _x) 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



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 Activities & Targets	2024 Performance (Actual)	2025 Target
Waste Management Activities	Yangsan	<ul style="list-style-type: none"> Develop annual implementation plan to improve circular utilization rate Recycle separated and recovered waste items such as waste PCBs, circuit breakers, wires, batteries, forklift batteries Separate plastics and waste pallets and process them through intermediate waste processors Revise waste management program to supplement qualification review standards for general solid waste treatment vendors (Qingdao Plant) 	<ul style="list-style-type: none"> Conducted waste management training for each site and designate recycling vendors to improve recycling rates Achieved 100% internal circular resource recycling based on certification of green rubber, waste cord fabric, and waste paper 	<ul style="list-style-type: none"> Achieve final disposal rate of circular economy waste: 23.7% Achieve circular utilization rate: 76.6% Achieve 3% increase over target benchmark
	Changnyeong			
	Qingdao	<ul style="list-style-type: none"> Use consumables such as CCRT0 environmental protection equipment filter bags and lime Establish internal monitoring plans under the "Discharge Permit Management Method," and conduct regular monitoring with recordkeeping Install automated wastewater discharge monitoring devices and link them to Qingdao's Ecological and Environmental Bureau system to ensure proper operation 	<ul style="list-style-type: none"> 96% of waste outsourced to vendors, of which 83% was reused 	
	Europe			
Waste Battery Recycling	Yangsan	<ul style="list-style-type: none"> Comply with regulations such as the "Sustainable Battery Act," "Eco-Design for Sustainability Regulation," and "Critical Raw Materials Act" Collect used batteries and electric vehicle batteries for recycling and hand over to certified collection agencies or local authorities 	<ul style="list-style-type: none"> All NEXEN TIRE manufacturing sites participated in waste battery recycling activities Designated departments to monitor and respond to regulations 	<ul style="list-style-type: none"> Exceed 2025 circular resource target by 3%
	Changnyeong			
	Qingdao			
	Europe			
Municipal Waste Management	Yangsan	<ul style="list-style-type: none"> Conduct internal training to improve waste sorting accuracy at the workplace Explore methods to improve recycling rates for milk cartons (e.g., partner with recyclers) 	<ul style="list-style-type: none"> Reduced municipal waste-to-production ratio: <ul style="list-style-type: none"> - Yangsan: 0.21% - Changnyeong: 0.33% - Qingdao: 0.21% - Europe: 0.07% 	<ul style="list-style-type: none"> Recycle and donate used milk cartons (1 toilet roll per 2kg carton)
	Changnyeong			
	Qingdao	<ul style="list-style-type: none"> Promote company-wide waste separation; recycle bottles, paper, and other recoverable items Prevent secondary pollution by safely disposing expired and discarded products Encourage employee participation in factory cleanup initiatives Publicly disclose environmental data via national systems; maintain "Green" environmental credit rating 		<ul style="list-style-type: none"> Reduce emissions and carry out community engagement projects (vs. 2024)
	Europe			
Training Frequency	Yangsan	<ul style="list-style-type: none"> Conducted biannual training sessions and internal campaigns for all employees at manufacturing sites, focusing on waste reduction strategies and recycling via waste sorting 	<ul style="list-style-type: none"> Training provided to all employees Q1: 1,822 production workers, 171 partner workers Q2: 1,782 production workers 	<ul style="list-style-type: none"> Conduct training at least once in every 6 months 100% training completion for all employees
	Changnyeong	<div>Training Topics</div> <ul style="list-style-type: none"> Raising awareness on waste sorting Waste disposal procedures and cost fluctuations Current waste handling systems Waste storage facility conditions and risks of secondary damage Importance of proper sorting 	<ul style="list-style-type: none"> 100% training completion for all employees 	
	Qingdao	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 100% training completion for all employees 	
	Europe	<div>Training Topics</div> <ul style="list-style-type: none"> Hazardous waste management Corporate emergency response Industrial waste management and environmental protection Hazardous chemical handling 	<ul style="list-style-type: none"> 100% training completion for all employees 	

Natural Capital Management

Materiality
Issue #3

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

IMPACT: Informative FINANCIAL: Important

UN SDGs Targets

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

Key Impacted Stakeholders

- Local communities
- Government and regulatory agencies



Impact

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



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 rubber materials
- 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

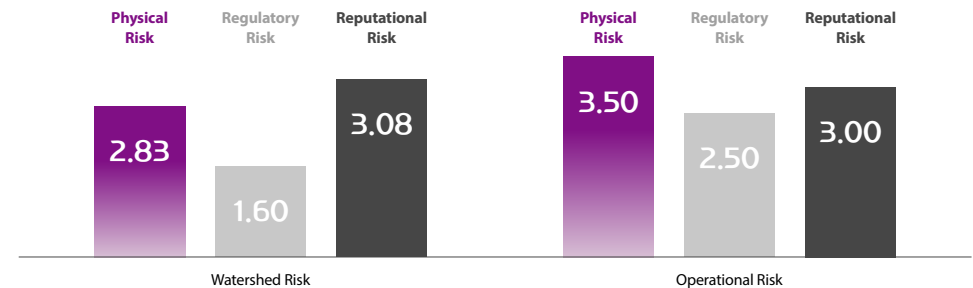
To identify water-related risks, NEXEN TIRE uses WWF's Water Risk Filter (WRF) tool. The company has assessed the water stress index of its Changnyeong plant in Korea and continuously monitors water intake and usage levels.

Watershed Risk

NEXEN TIRE's Changnyeong 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.



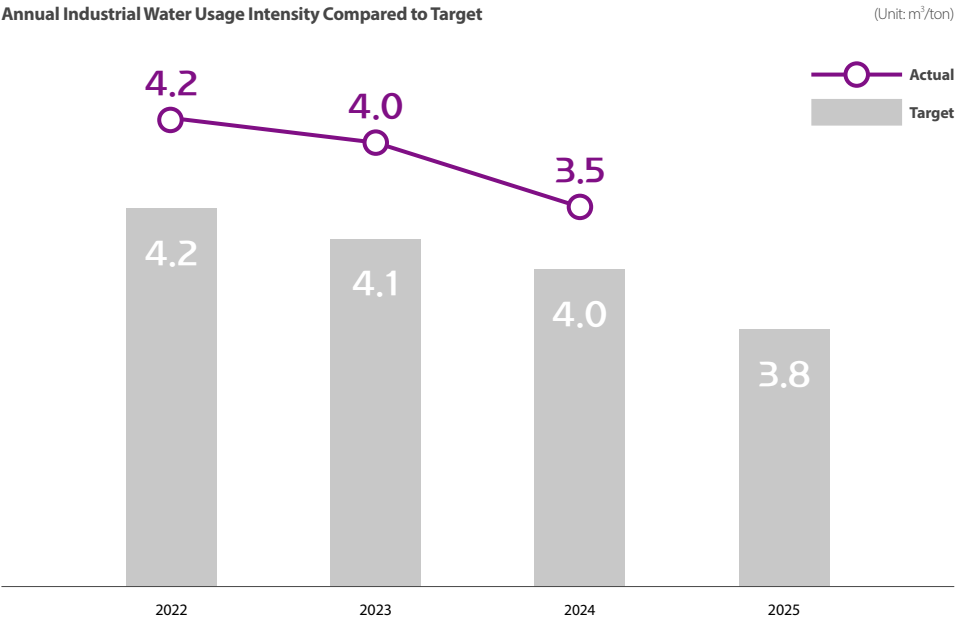
Natural Capital Management

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.

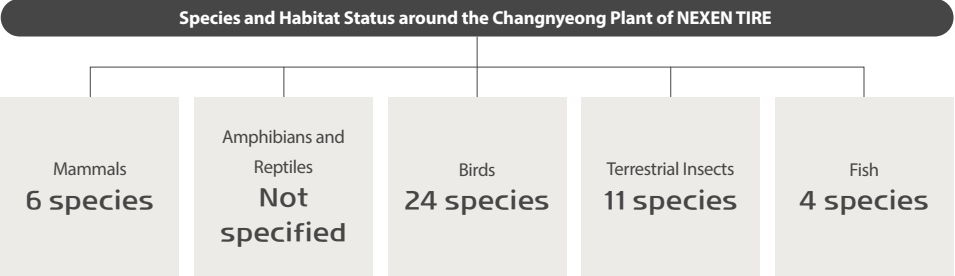
Locate (Interface with Nature)

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



* 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.
** IUCN (International Union for Conservation of Nature)
*** WDPA (World Database of Protected Areas)
**** Key Biodiversity Areas designated by IUCN

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
Upstream (Raw material and resource production)	• 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
	• 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 (Distribution, sales, and waste management)	• During distribution and sales, infrastructure relies on natural soil retention and erosion control	• Fuel combustion during distribution leads to greenhouse gas emissions
	• 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.

●●●● Very High ●●● High ●● Medium ● Low

Category	Value Chain Impact			Risks and Opportunities	Business Impact	Response Strategy
	Up	Operation	Down			
Climate	●●●●	●●●	●●●	Risk • Strengthened regulations on air pollution and climate change	• Increase facility investment and operating costs to manage GHG emissions • Increase 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 • Increase recovery costs due to asset damage	• Operate natural disaster emergency response procedures • Conduct annual preventive facility inspections and emergency response drills
Water Availability	●●●●	●●●	●●●	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 inspections of discharge/prevention facilities
Biodiversity	●●●●	●●●	●●●	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
	●●●●	●●●	●●●	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 expand waste recycling • Strengthen collaboration with recycling contractors • Enhance maintenance of pollution prevention facilities

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

Pollutant Management

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

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

Key Impacted Stakeholders

- Local communities
- Government and regulatory agencies



Impact

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



Risks and Opportunities

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



Strategy

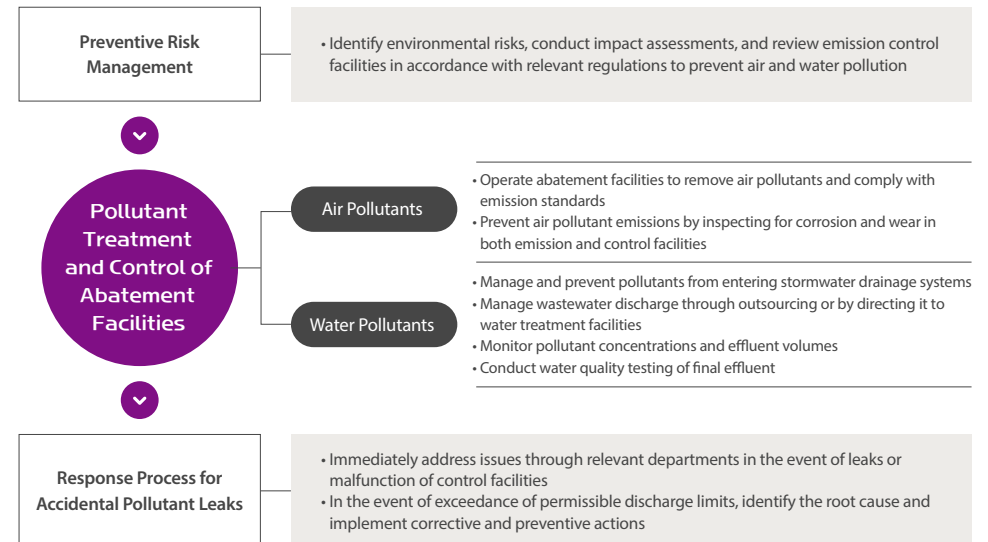
Environmental Pollutant Management Policy

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.

Air and Water Pollutant Emission Management Process



Pollutant Management

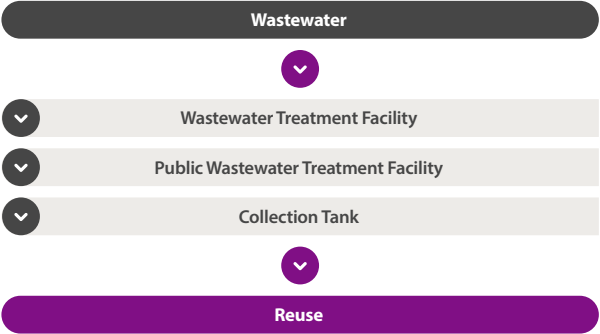
Environmental Pollutant Emissions Monitoring

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
Water Pollutants	3 times/year	• Sludge removal and cleaning of wastewater collection tanks • Monitoring of pollutant concentrations in wastewater
	Once a year	• Groundwater environmental impact survey
	Monthly	• Inspection and monitoring of non-point pollution reduction facilities
	Periodic	• 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



Activities to Reduce Pollutant Emissions

NEXEN TIRE is actively working to reduce emissions of environmental pollutants through regular inspections of filter dust collection systems, replacement of activated carbon, and operation of high-efficiency 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.

Category	2024 Key Activities
Air Pollutants	<div>Yangsan Plant</div> <ul style="list-style-type: none">• Inspected filter dust collection systems• Replaced filter bags to improve dust collection efficiency• Installed activated carbon adsorption towers to reduce odors
	<div>Changnyeong Plant</div> <ul style="list-style-type: none">• Inspected filter dust collection systems• Replaced filter bags to improve dust collection efficiency
	<div>Qingdao Plant</div> <ul style="list-style-type: none">• Reduced air pollutant emissions through the operation of CCRTO (Concentrator Concentrator Regenerative Thermal Oxidizer)
	<div>Europe Plant</div> <ul style="list-style-type: none">• Reduced volatile organic compound (VOC) emissions through the operation of high-efficiency air pollution control equipment (CFRTO, Concentrator Flameless Regenerative Thermal Oxidizer)
Water Pollutants	<div>Yangsan Plant</div> <ul style="list-style-type: none">• Received a satisfactory result from the groundwater environmental impact assessment• Installed oil-water separators and discharge walls• Managed non-point pollution reduction facilities
	<div>Changnyeong Plant</div>

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
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Customer Satisfaction and Quality Management	→	064
Human Rights Management	→	070
Social Contribution	→	075

Sustainable Supply Chain

Materiality
Issue #4

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

Key Impacted Stakeholders

- Suppliers
- Local communities



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



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

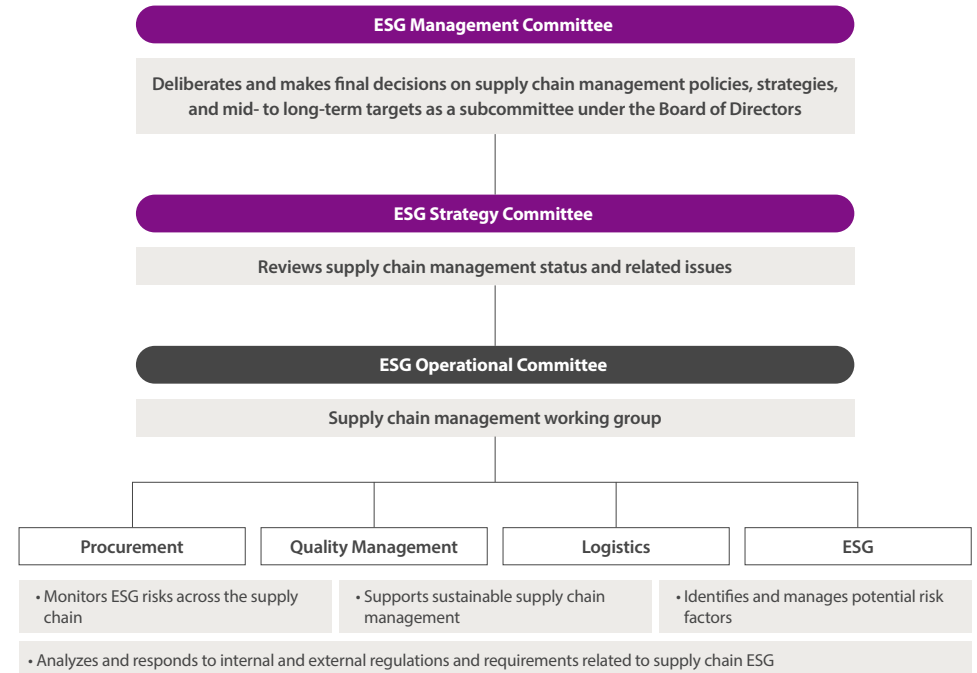


Governance

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 working-level 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



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 a 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.

[Click. Click: Supplier ESG Policy Confirmation Form and Ethical Management Pledge](#)

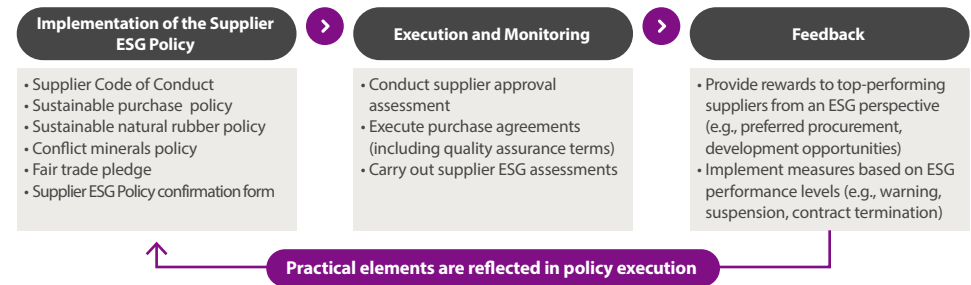
Supply Chain Management Roadmap

	~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	<ul style="list-style-type: none"> Analyze characteristics and define boundaries of priority suppliers (upstream) Review HQ supplier contract templates Establish supply chain management procedures and revise Code of Conduct 	<ul style="list-style-type: none"> Expand scope of supply chain management (upstream → downstream) 	<ul style="list-style-type: none"> Advance supply chain governance Establish supply chain carbon reduction strategy (based on SBTi) Launch sustainable businesses with outstanding suppliers
Supply Chain Education	<ul style="list-style-type: none"> Share environmental and social goals across supply chain (qualitative/quantitative) Launch grievance handling programs for suppliers 	<ul style="list-style-type: none"> Support ESG disclosure/reporting for suppliers Launch ESG academy for suppliers Hold stakeholder dialogues and on-site education programs 	<ul style="list-style-type: none"> Support supplier GHG emissions reduction and joint initiatives Develop supplier financial support programs
Supplier Due Diligence	<ul style="list-style-type: none"> Enhance supplier assessment framework (e.g., assessment items and frequency) Train dedicated due diligence staff Launch IT-based EUDR due diligence system 	<ul style="list-style-type: none"> Conduct on-site due diligence for overseas suppliers Develop supplier due diligence disclosure system 	<ul style="list-style-type: none"> 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.

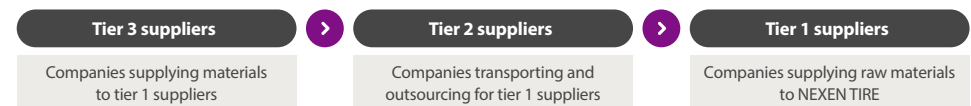
NEXEN TIRE's Supply Chain Management Framework



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.

NEXEN TIRE's Supply Chain



Sustainable Supply Chain

Risk Management

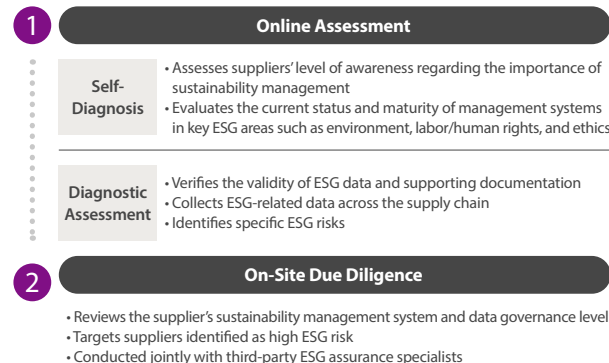
Supply Chain Sustainability Assessment and Risk Management

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 → diagnostic assessment → 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

NEXEN TIRE 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.



ESG Assessment Criteria and Indicators for the Supply Chain

[Click. Supply Chain ESG Due Diligence Evaluation Items](#)

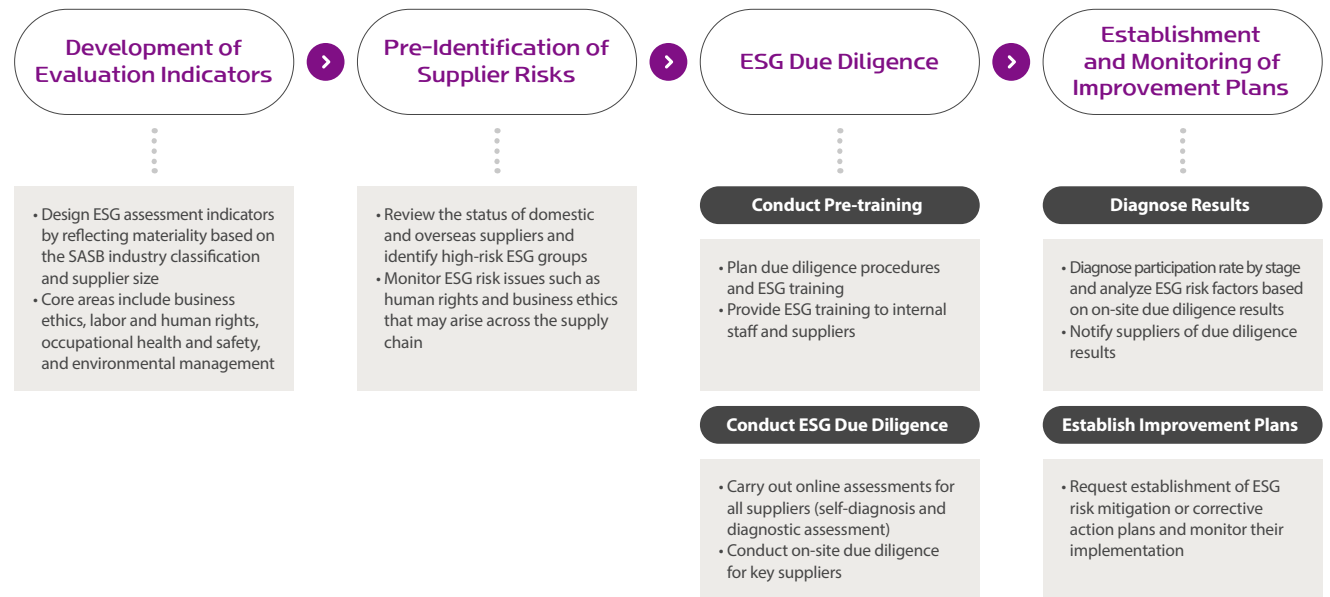
The ESG assessment items were designed using a tailored approach that reflects materiality, taking into account the industry classification defined by the Sustainability Accounting Standards Board (SASB) and the size of each supplier. Key evaluation categories include business ethics, labor and human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

Supply Chain ESG Due Diligence Results

[Click. Key Corrective Action Cases](#)

In 2024, NEXEN TIRE 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



Sustainable Supply Chain

Support for Cooperation with Suppliers

Enhancement of Communication with Suppliers

[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

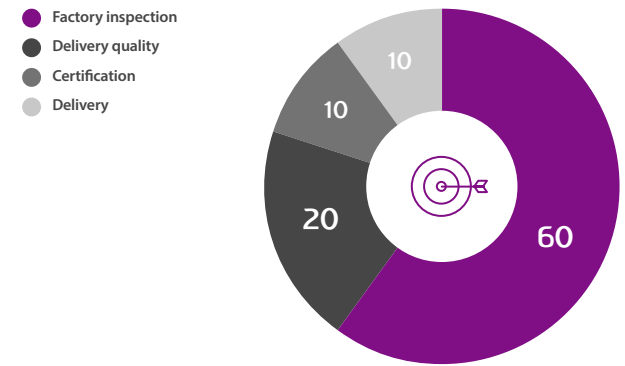
Supplier Selection and Evaluation Criteria

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 sub-materials.

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.

Comprehensive Grading Criteria (Weights)



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	1. Perform special factory inspections 2. Require attaining a grade of B or higher in the future (unenrolled if grade 3 is maintained for two consecutive years) Suspension of transaction



Sustainable Supply Chain

Indices and Goals

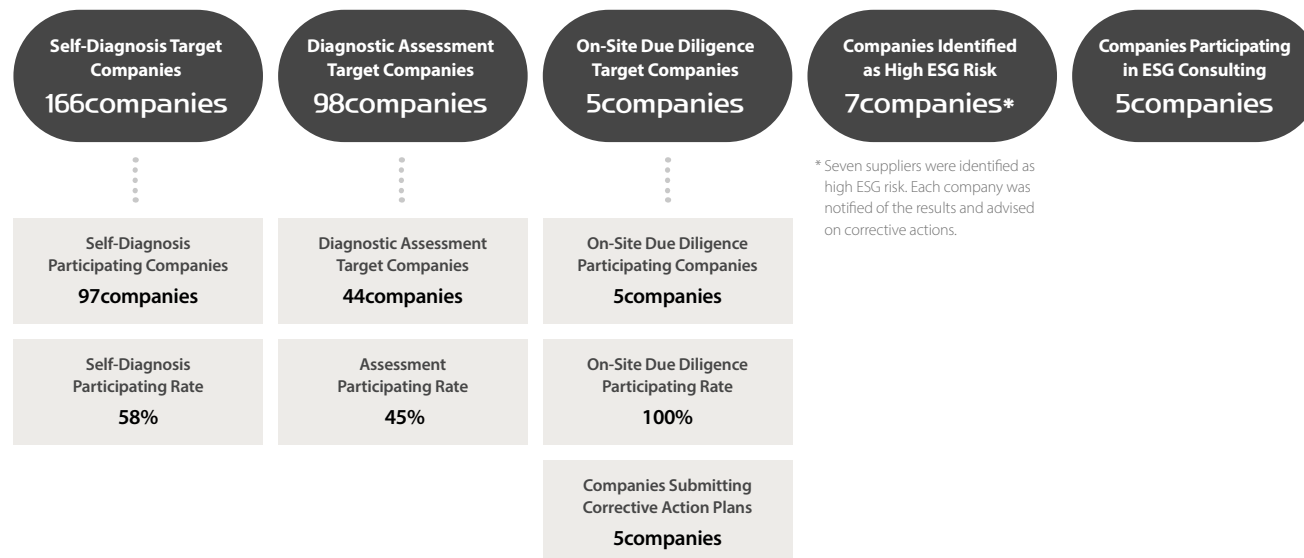
Suppliers' ESG Management Indices and Goals

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

[Click. What Are Conflict Minerals?](#)

NEXEN TIRE 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 on-site 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.

Occupational Health and Safety

Materiality
Issue #5

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 accidents
- 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

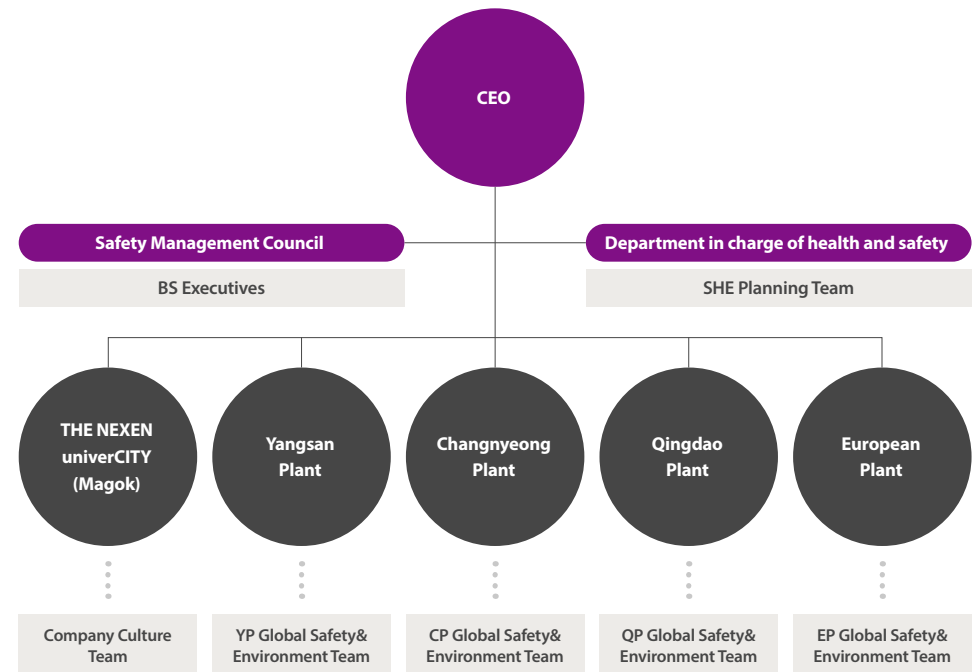


Governance

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 Governance



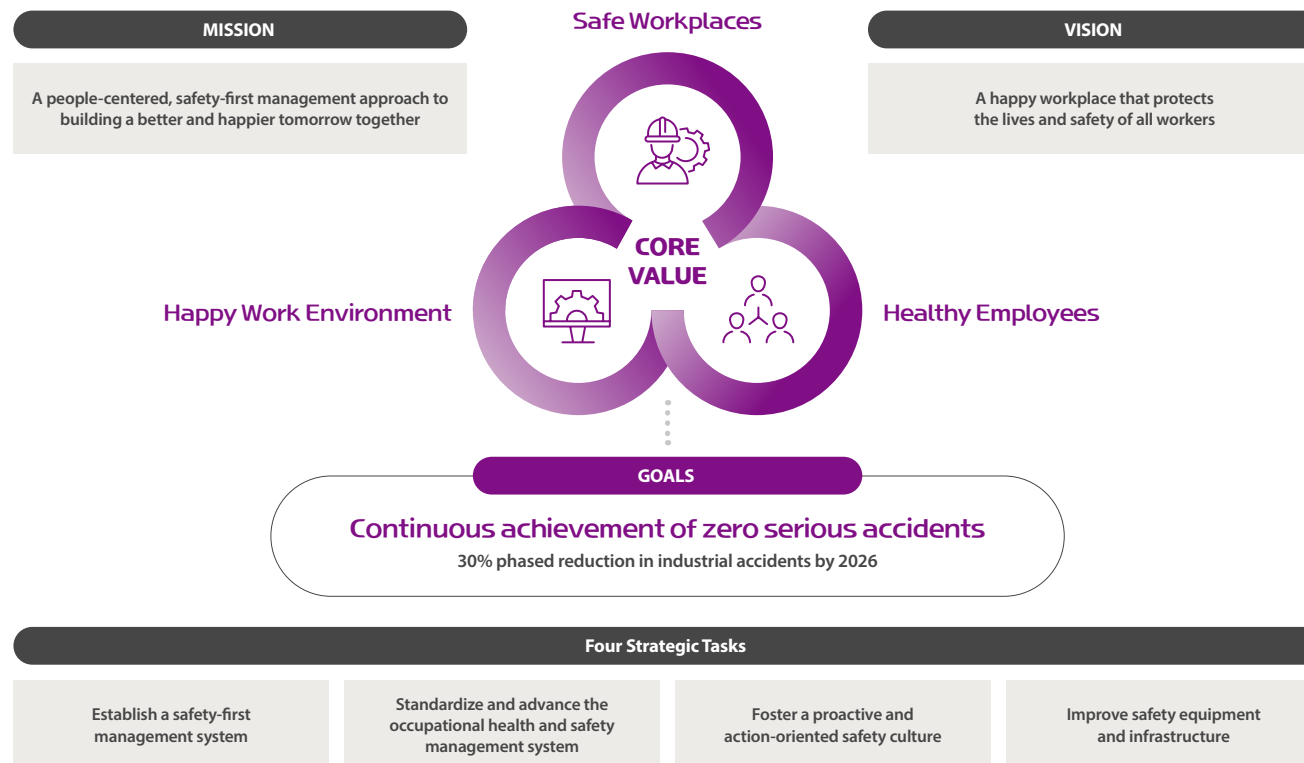
Occupational Health and Safety

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.

Occupational Health and Safety Implementation 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.

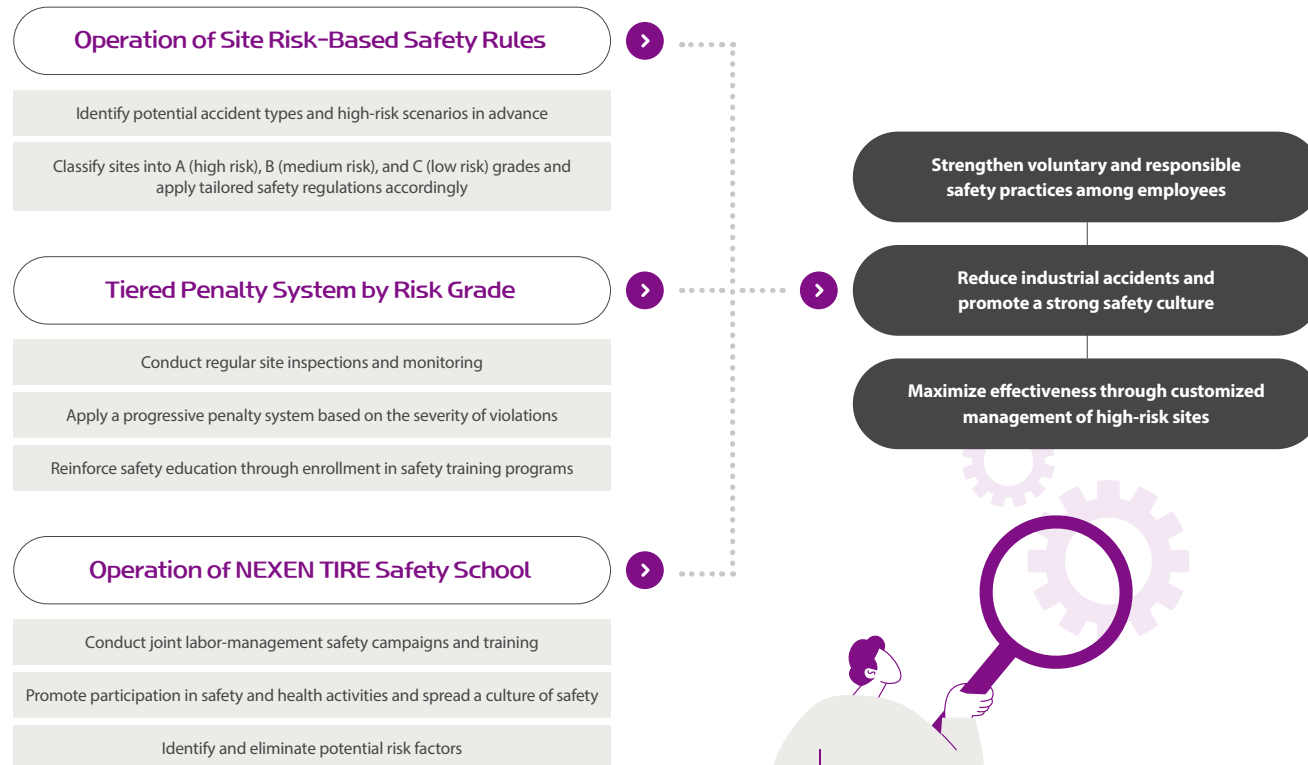


Occupational Health and Safety

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.

Autonomous Prevention System



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.



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 site-centric 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 accident-prone 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

NEXEN TIRE has established emergency response scenarios to ensure prompt and effective responses to fires, explosions, natural disasters, and serious industrial accidents. The company operates an in-house 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.



Comprehensive Inspection of Firefighting Facilities



Fire Safety Inspection and Repair Work



Hands-on Safety Training for Managing Directors



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	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Prevention and improvement of suppliers' safety risks
Risk Assessment Support	<ul style="list-style-type: none"> Participated in the Mutually Beneficial Cooperation Between Large Enterprises and Small and Medium Enterprises to transfer risk assessment techniques Provided KRW 2.5 billion in support for workplace environment improvements 	<ul style="list-style-type: none"> 100% risk assessment certification achieved by five eligible suppliers
Training and Seminars	<ul style="list-style-type: none"> Conduct monthly health and safety training for suppliers Host safety and health seminars for supplier business owners and supervisors 	<ul style="list-style-type: none"> Strengthened suppliers' autonomous safety management capabilities and accident prevention

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	<ul style="list-style-type: none"> Employee representatives Management 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Supplier representatives Safety and health personnel 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> CEO Subdivision heads Plant health and safety managers SHE Planning Team 	<ul style="list-style-type: none"> 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*	<ul style="list-style-type: none"> SHE Planning Team Employee representatives 	<ul style="list-style-type: none"> Review of health and safety implementation status Sharing of key issues and performance Promoting employee participation Fostering a safety culture

* 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)*.

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

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.

- Identify the hazardous chemical leak
- Notify the hazardous chemical manager
- Wear appropriate personal protective equipment (PPE)
- Remove the leaked substance
- Report the damage status

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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Work-related stress assessments Brain and cardiovascular disease risk assessments Musculoskeletal disorder assessments and analysis
Health Management Office	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Provide health counseling Operate health management programs such as metabolic syndrome management and manual therapy experience sessions
Magok R&D Center	<ul style="list-style-type: none"> 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	-	-

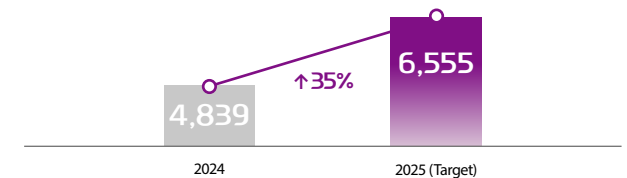
Health and Safety Investment Plan and Performance

(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

Health and Safety Investment: Performance and Targets

(Unit: KRW million)



Human Resources Management

Materiality
Issue #6

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

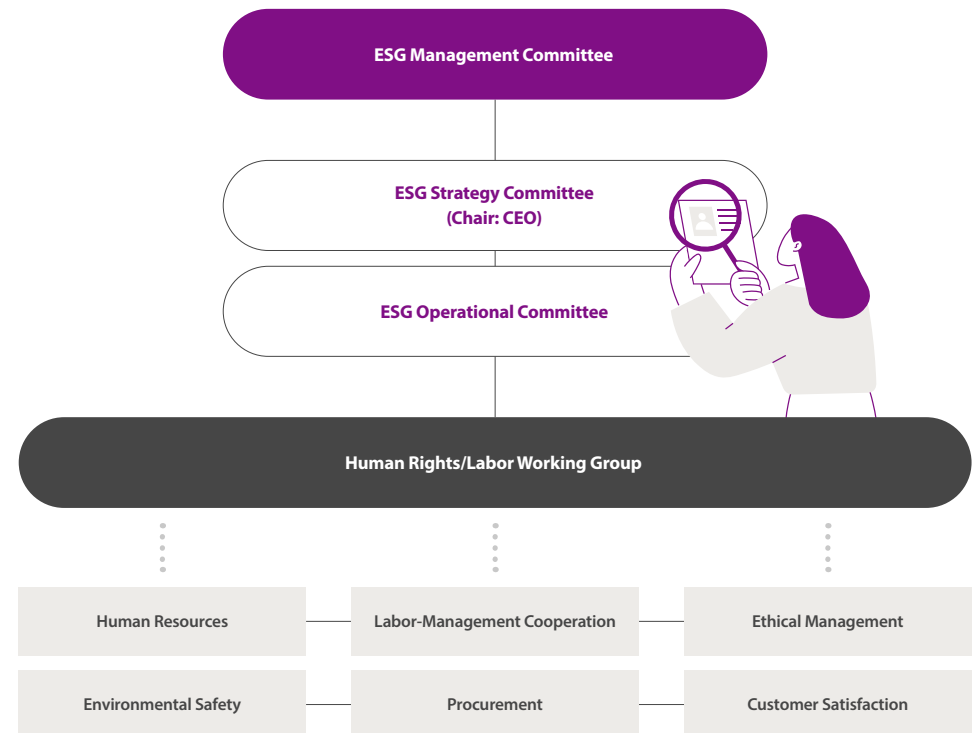


Governance

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



Human Resources Management

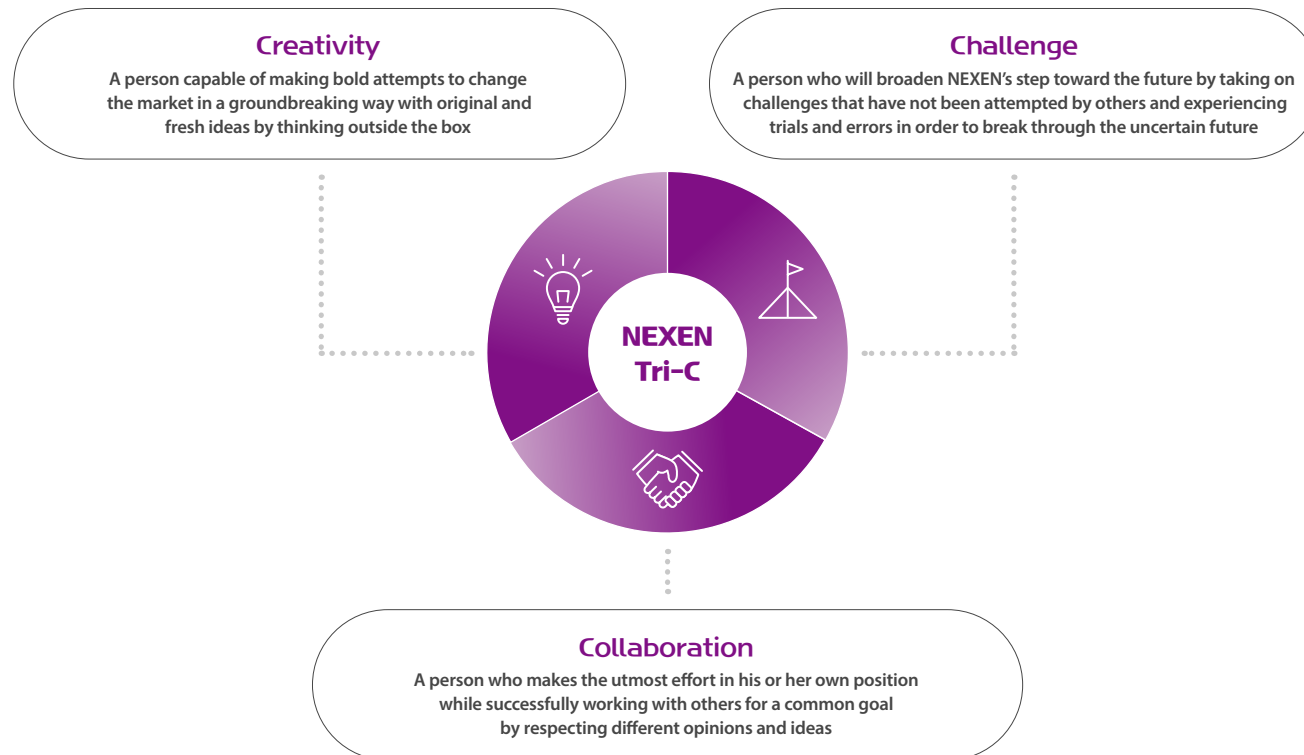
Strategy

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)



Risk Management

Human Resources Management Process

NEXEN TIRE 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.



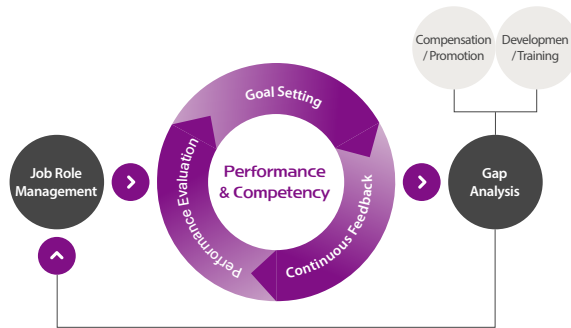
Human Resources Management

	Talent Acquisition	Talent Development	Talent Retention	Evaluation and Compensation
Risk	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Lack of growth opportunities may lower employee motivation, resulting in reduced organizational loyalty and work efficiency Insufficient opportunities for capability development may weaken the organization's capacity for innovation 	<ul style="list-style-type: none"> Increase in turnover rate due to insufficient organizational culture and working environment 	<ul style="list-style-type: none"> 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
Management Activities	<div>Fair Recruitment</div> <ul style="list-style-type: none"> Recruit talents aligned with the core values of 'NEXEN Tri-C' Disclose recruitment processes transparently Enhance fairness through the introduction of an AI 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) Provide interviewer training programs that include basic competency development and mock interviews to improve real interview skills <div> </div>	<div>Fostering NEXEN-Type Talent</div> <div>Click. Talent Development Framework</div> <ul style="list-style-type: none"> 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 <div>Leadership Program</div> <ul style="list-style-type: none"> 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 <div>Job Competency Development</div> <ul style="list-style-type: none"> Operate the "Tire Academy" to provide comprehensive education on NEXEN TIRE's value chain <div>Strengthening Employee Competency</div> <ul style="list-style-type: none"> 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 <div>Career Development Support</div> <ul style="list-style-type: none"> Operate the job transition program "N'Career Challenge" Provide reemployment support services through career and aptitude assessments 	<div>Organizational Culture Enhancement</div> <ul style="list-style-type: none"> 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 <div>Employee Communication</div> <ul style="list-style-type: none"> 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)" <div> </div>	<div>Fair Performance-Based Compensation</div> <ul style="list-style-type: none"> 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 selection Performance-based bonuses are paid equally to all employees, both regular and irregular, based on job performance outcomes <div>Welfare and Benefits Support</div> <ul style="list-style-type: none"> Campaign to encourage employees to leave work on time 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 support Operation of corporate welfare mall <div> </div>

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	Program Name	Program Description	Eligible Participants	Usage Status
Flexible Working Hours System	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
	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 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

* Data includes Yangsan and Changnyeong plants.

No-strike Record

33 Years

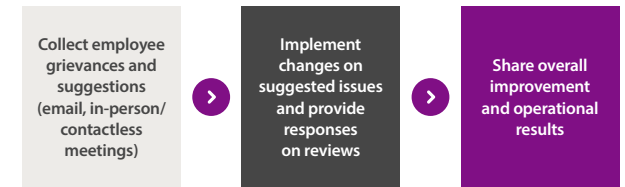
Number of Labor-Management Council Agenda Items Resolved

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)



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 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 NEXEN TIRE 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

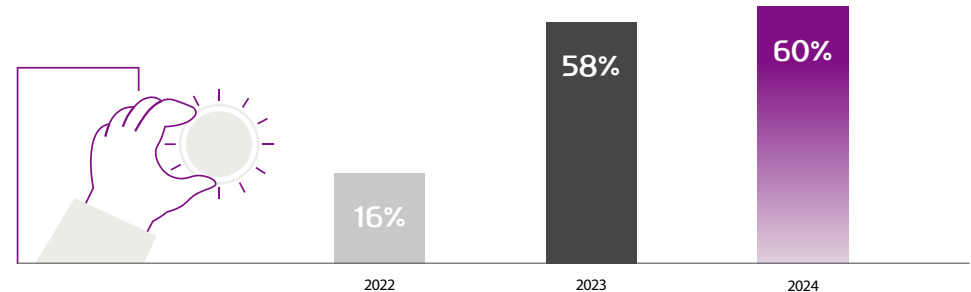
NEXEN TIRE previously conducted organizational culture diagnosis surveys every two years for employees, but starting in 2024, the survey has been converted into an annual assessment. The Employee Satisfaction Index (ESI) score improved from 3.58 in 2023 to 3.78 in 2024, indicating enhancements in the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

* 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.



* 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

Materiality
Issue #7

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

NEXEN TIRE 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.



Customer Satisfaction and Quality Management

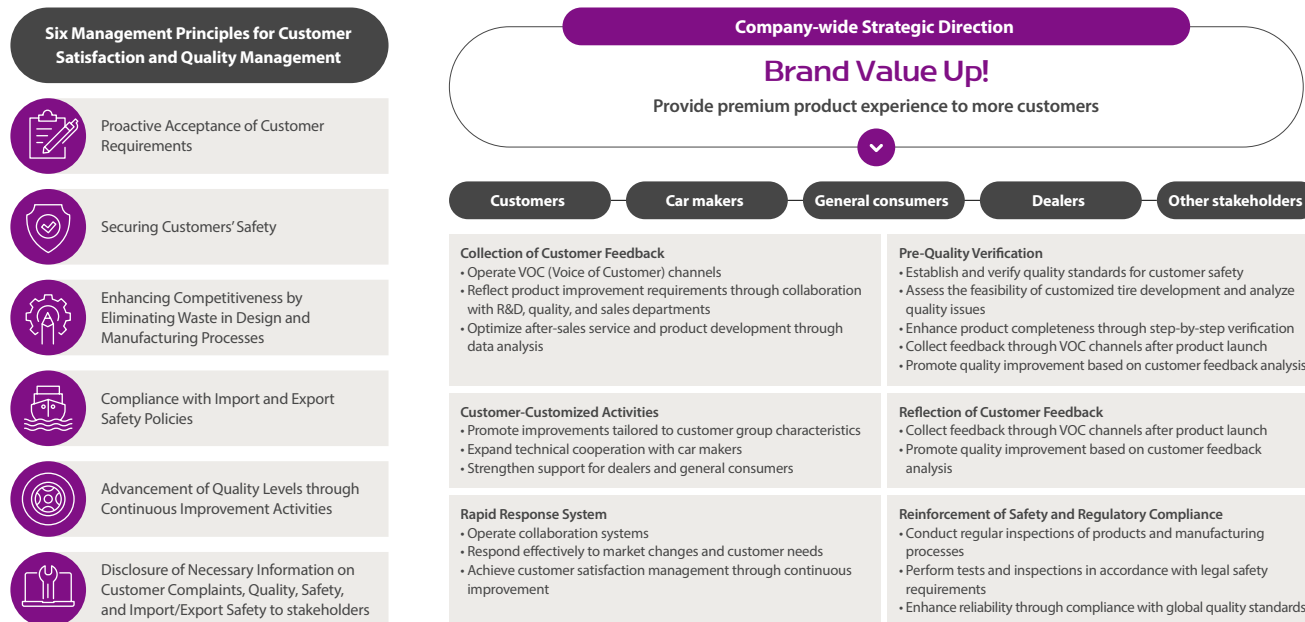
Strategy

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.



Risk Management

Customer Satisfaction for Car Makers

NEXEN TIRE 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

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 AI-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.

Service Training Performance in 2024

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.

Customer Satisfaction Process

- Customer Consultation
- Feedback Collection
 - Consultation quality
 - Overall satisfaction evaluation
- Conducting Happy Calls
- Monitoring Service Quality

Post-service Improvement

Happy Call Results

- Satisfied
- Claim Occurrence
 - Follow-up consultation
 - Training for consultation staff
 - Training for consultation agencies

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

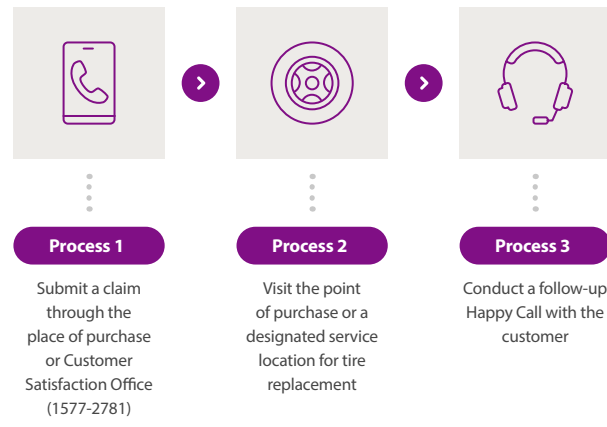
NEXEN TIRE is committed to earning customer trust and continuously enhancing its service offerings. Launched in 2015, the 'NEXT LEVEL' tire rental service was designed to reduce the burden of tire replacement and maximize customer convenience. The service provides high-quality tires at reasonable prices 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 one-time replacement of up to four new tires. To enhance customer satisfaction, NEXEN TIRE 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



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

Case Study

Production and Release of 'Tychometry' Web Drama Featuring NEXT LEVEL

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 competitiveness.



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.



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

NEXEN TIRE 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 System

[Click. Product Usage Guide](#)

NEXEN TIRE has implemented an AI-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.

* 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 non-conforming 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 on-site 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

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

Key Impacted Stakeholders

- Employees
- Suppliers
- Local communities
- Customers



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



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

Strategy

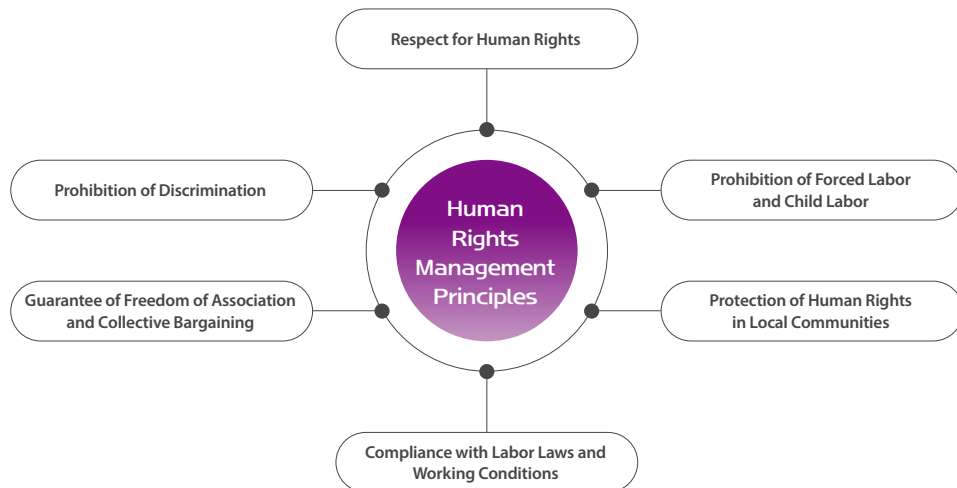
Human Rights Management Policy

[Click. 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, NEXEN TIRE 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	<ul style="list-style-type: none"> Revise the 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 labor workers and assess related risks 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> Regularize evaluations of the Human Rights Management Index (impact and status) 	Analysis and Diagnosis <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> 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

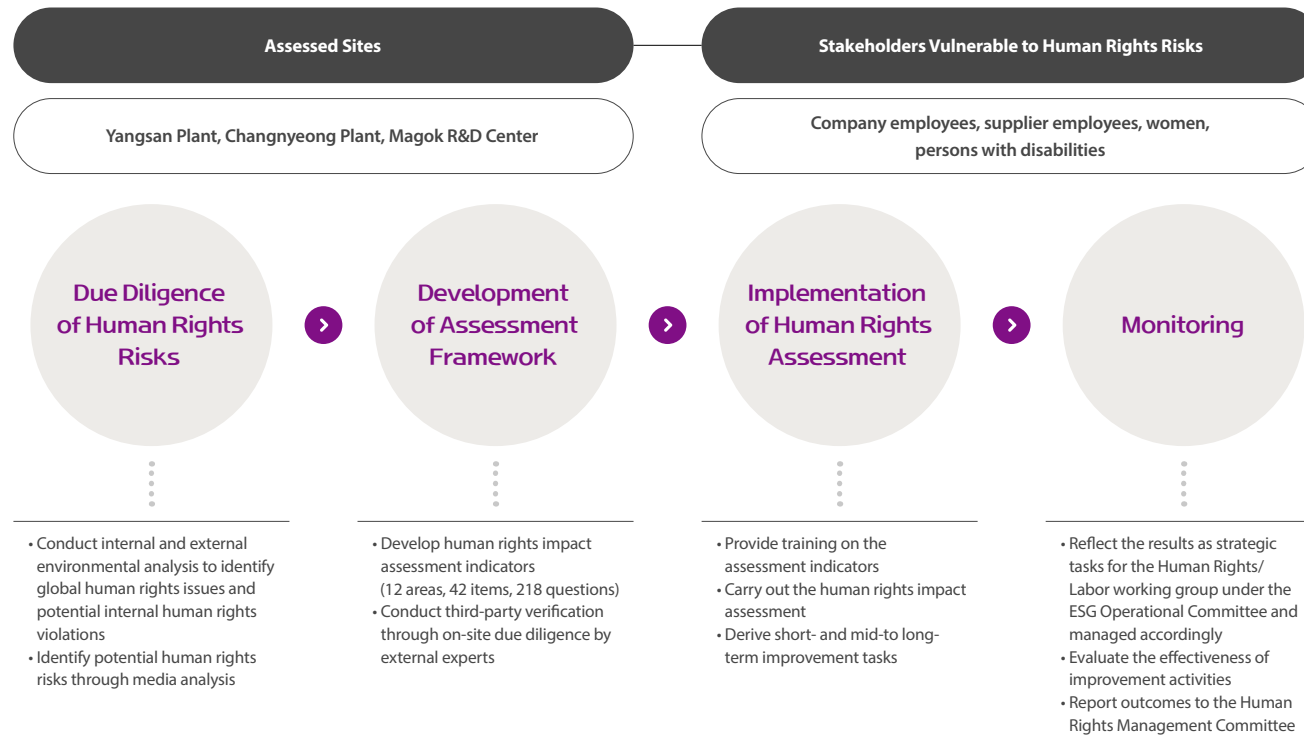
Human Rights Management

Risk Management

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 on-site inspections to monitor supplier compliance with human rights protection under responsible supply chain management.



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 style="list-style-type: none"> • Clarify R&R (roles and responsibilities) for person in charge of human rights • Develop a detailed monitoring plan for improvement tasks and link monitoring system to performance and reward structure 	• 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 Chain Management	• 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
		• 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
Protection of Human Rights in the Workplace	• Employees • Suppliers	• Prohibition of Sexual Harassment	<ul style="list-style-type: none"> • Introduce Employee Assistance Program (EAP) for psychological counseling and treatment support (applies to both workplace bullying and emotional labor) • Develop training programs to enhance expertise of personnel responsible for handling workplace harassment and sexual harassment cases 	• Consider introducing EAP and provide training for investigators
		• 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

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

* Includes training on sexual harassment prevention and improvement of awareness of the disabled

** Based on domestic worksites

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

- 1 DE&I Now, a new type of organizational culture is coming.
- 2 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.



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 inclusion of all
- 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

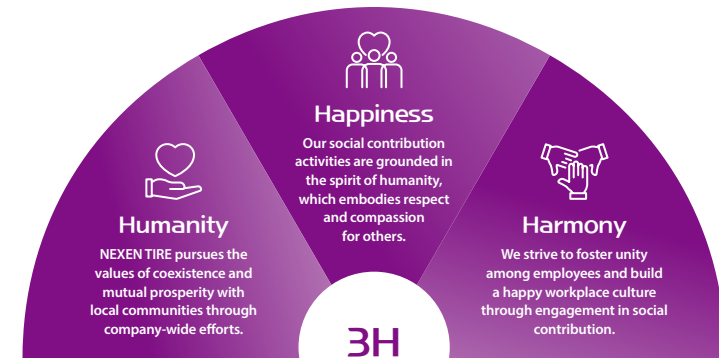


Strategy

Social Contribution of NEXEN TIRE

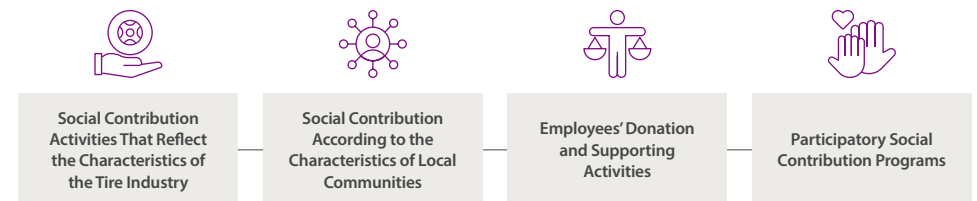
NEXEN TIRE has established a Social Contribution operational plan as part of its sustainability management initiatives, promoting a culture of voluntary employee participation through institutionalized programs such as Welfare Points for volunteer work and donation schemes. In addition, we have consistently 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



Humanity, Happiness, Harmony

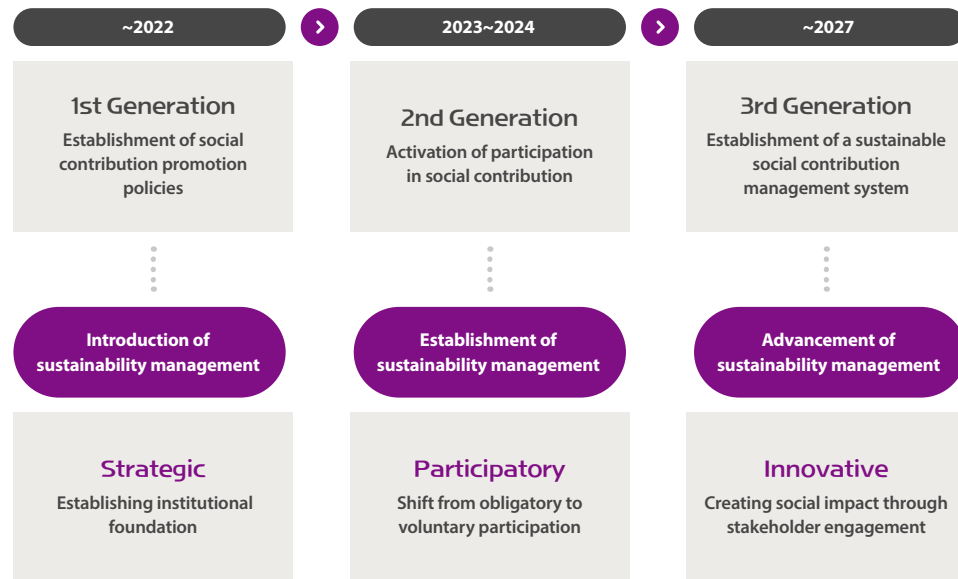
Social Contribution Portfolio



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:

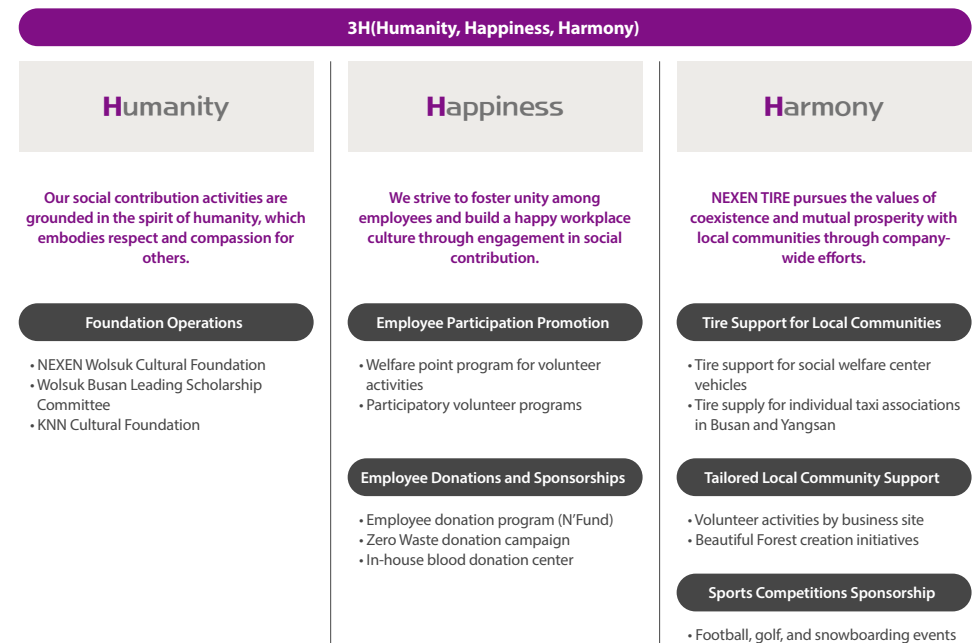
1. We aim to conduct activities that balance social performance considerations.
2. We strive to contribute to the development of local communities by focusing on sustainable and differentiated initiatives that demonstrate professional expertise.
3. We do not directly or indirectly provide financial payments 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



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 Gyeongsangnam-do 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 Volunteers

762

Total Volunteer Hours

2,856hours

Monetary Value of Volunteer Hours*

KRW 28.2million

* Calculation formula: Total volunteer hours x
Minimum hourly wage for the year
(KRW 9,860 in 2024)



Happiness - Employee Donations and Sponsorships

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.



Social Contribution



Harmony - 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 worn-out 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 in-house 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 maintaining a pleasant and sustainable environment.



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 Gyeongsangnam-do 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.



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 Sang-ho 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 decision-making 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

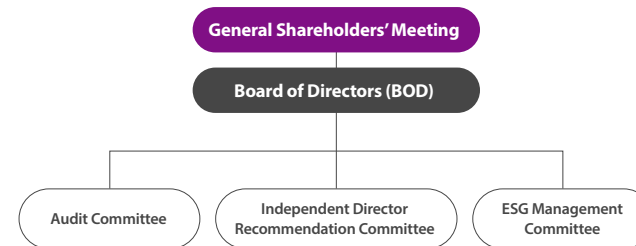
- Potential legal risks in case of governance-related regulatory reforms by governments or financial authorities
- Potential management instability if institutional investors or activist funds intervene in corporate operations
- Improved corporate reputation and trust through transparent corporate governance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

Organization of the BOD



BOD Supporting Organizations



Principles of BOD Composition



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 2025)

Category	Name	Gender	Committee under BOD			Expertise	Key Career Background	Date of Appointment	Expiration of Term
			Audit Committee	Independent Director Recommendation Committee	ESG Management Committee				
Executive Directors	Byung-Joong Kang	Male				General Corporate Management	• Chairman, Wolsuk Scholarship Foundation • Chairman & CEO, NEXEN TIRE Corporation	Jun 1, 1999	Mar 27, 2026
	Ho-Chang Kang (Chair)	Male		●		General Corporate Management	• Vice Chairman & CEO, NEXEN TIRE Corporation	Feb 13, 2003	Mar 25, 2028
	Hyun-Seok Kim	Male			●	General Corporate Management	• President & CEO, NEXEN TIRE Corporation	Mar 25, 2025	Mar 25, 2028
Independent Directors	Seung-Hwa Kwon	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 (KBCSD)	Mar 24, 2020	Mar 27, 2026
	Hank-Ik Yoo	Male	●	●		General Corporate Management	• CEO, RXC Co., Ltd. • Former CEO, TMON Inc.	Mar 26, 2021	Mar 24, 2027
	Kak-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
	Su-Mi Jeong	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

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 Meetings Held

(As of the end of March 2025)

No.	Date	Type	Agenda Items	Resolution	Attendance
1st	Jan 19, 2024	Report	• Report on separate financial statements for FY2023 (66th fiscal year)	Report	6/7
2nd	Feb 14, 2024	Report	• Report on internal accounting management system operation in 2023	Report	6/7
		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	
3rd	Mar 11, 2024	Report	• Report on audit committee's self-assessment results • Report on evaluation of internal accounting management system for 2023	Report	6/7
		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	
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 CEO	Approved	

Responsible Board Operation

BOD Meetings Held

(As of the end of March 2025)

No.	Date	Type	Agenda Items	Resolution	Attendance
6th	Jul 25, 2024	Report	<ul style="list-style-type: none"> 2024 H1 safety and health implementation status 2024 Q2 consolidated/separate financial statements Compliance review report 	Report	6/7
		Resolution	<ul style="list-style-type: none"> Reappointment of Compliance Officer Approval of amendments to Audit Committee Regulations 	Approved	
7th	Nov 12, 2024	Report	<ul style="list-style-type: none"> 2024 ESG progress report 2024 Q3 consolidated/separate financial statements 	Report	6/7
		Resolution	<ul style="list-style-type: none"> Approval of transaction limits with related parties for 2025 Approval of electronic voting system adoption 	Approved	
1st	Jan 21, 2025	Report	<ul style="list-style-type: none"> NCV operation and investment status 	Report	5/7
		Resolution	<ul style="list-style-type: none"> 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	
2nd	Feb 11, 2025	Report	<ul style="list-style-type: none"> Report on the operation of the internal accounting management system in 2024 Report on amendments to the internal accounting management regulations 	Report	5/7
		Resolution	<ul style="list-style-type: none"> 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	
3rd	Mar 11, 2025	Report	<ul style="list-style-type: none"> 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	5/7
		Resolution	<ul style="list-style-type: none"> 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 (67th Fiscal Year) 	Approved	
4th	Mar 26, 2025	Resolution	<ul style="list-style-type: none"> Appointment/reappointment of the CEO Change of chairperson of the Board of Directors Reappointment of members of the Independent Director Recommendation Committee Appointment/reappointment of ESG Management Committee members 	Approved	7/8

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)

Category		Executive Director			Independent Director				
	Name	Byung-Joong Kang	Ho-Chang Kang	Hyun-Seok Kim	Seung-Hwa Kwon	Kak-Gyu Hwang	Yong-Taek Hong	Hank-Ik Yoo	Su-Mi Jeong
Competency Indicator	Management	●	●	●	●	●		●	●
	Finance/Accounting			●	●				●
	Risk Management			●		●			
	Marketing							●	
	Engineering						●		
	Related Industry	●	●	●					
General Status	Gender	Male	Male	Male	Male	Male	Male	Male	Female
Committee	Audit 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.



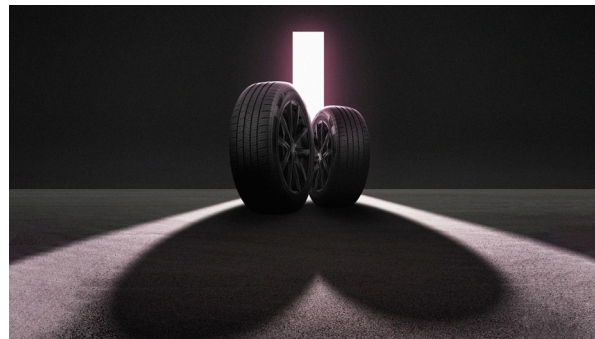
Board Activities

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

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

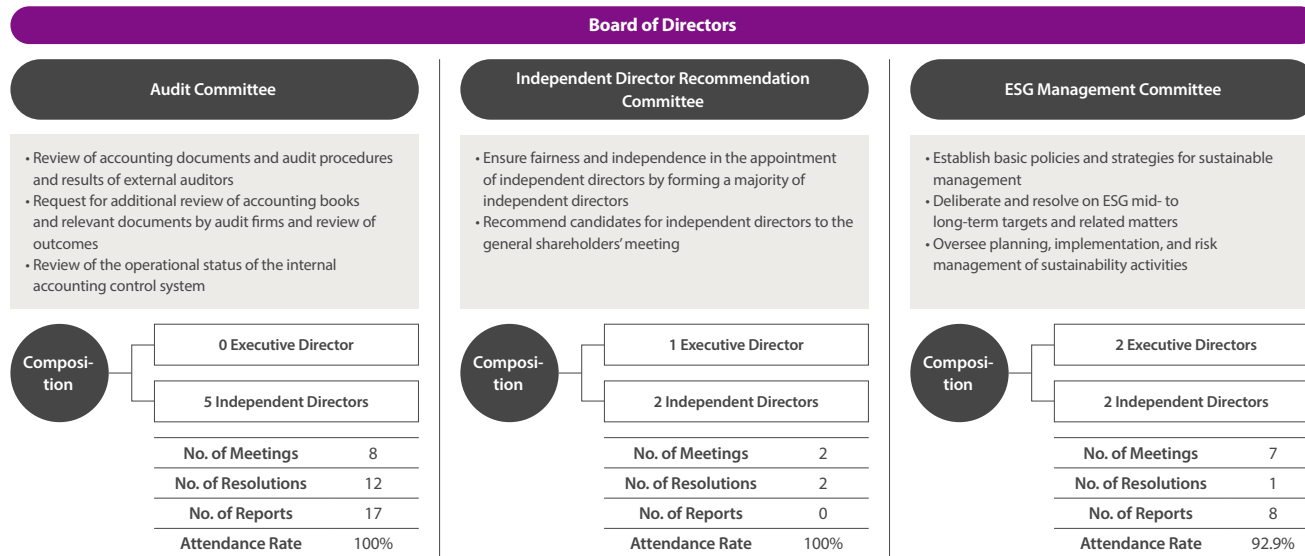
** The training session was conducted by an accounting firm specifically for audit committee members, with only Director Kak-Gyu Hwang participating.

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 operates 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 establishing a sound corporate culture and encouraging ethical behavior and sound value judgments among employees by developing various ethical management initiatives.

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 forms
- 16.6 Develop effective, accountable, and transparent institutions at all levels

Key Impacted Stakeholders

- Suppliers
- Employees



Impact

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



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 to the Board of Directors on a semiannual basis via the Group CEO and CEO through the Audit Committee, thereby supporting an advanced decision-making process.

Ethical Management Organization



Strategy

Code of Ethics and Conduct

[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.

Ethical and Compliance Management

Risk Management

Ethical Management Activities

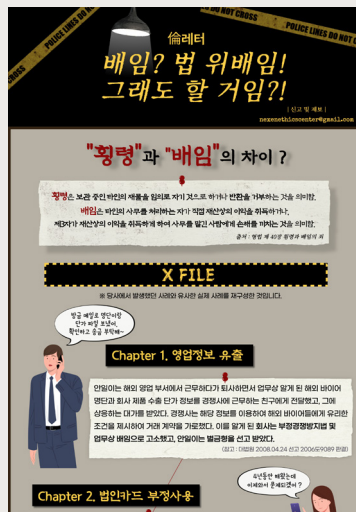
NEXEN TIRE practices ethical and compliance management based on its Code of Ethics and Conduct. As part of this effort, an “Ethics Letter” is sent out monthly to all employees, highlighting various case examples to raise ethical awareness. We also promote ethical culture by organizing activities such 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 Letter,” 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.



Smart Ethical Life



Ethics Letter Vol. 10

2024 Ethical Management Initiatives

Category	Title	Date
CEO Message	[Ethics Letter Vol.16] A New Leap: Turning Change into Opportunity, Ethics into Value	Dec 12, 2024
	[Ethics Letter Vol.6] Anti-Corruption and Guidelines for Preventing Corrupt Behavior	Jan 31, 2024
Ethics Letter	[Ethics Letter Vol.7] Practicing Transparent Ethical Management	Feb 29, 2024
	[Ethics Letter Vol.8] Prohibition on Personal Use of Corporate Cards	Mar 27, 2024
	[Ethics Letter Vol.9] Guidelines for Preventing Embezzlement in Daily Operations	Apr 24, 2024
	[Ethics Letter Vol.10] Preventing Breach of Duty and Ensuring Transparent Management	May 27, 2024
	[Ethics Letter Vol.11] Respect for Diversity and Realization of Human Rights	Jul 29, 2024
	[Ethics Letter Vol.12] Lost Conscience, Tarnished Reputation	Aug 28, 2024
	[Ethics Letter Vol.13] Mutual Growth and Win-Win Partnerships with Suppliers	Sep 30, 2024
	[Ethics Letter Vol.14] Respect for Customers and Building Corporate Trust	Oct 30, 2024
	[Ethics Letter Vol.15] Basic Ethical Code for Employees: Preserving Dignity and Honor	Nov 29, 2024
	[Ethics Letter Vol.17] Compliance with Fair Trade Practices	Dec 30, 2024
Training	[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
	[Smart Ethical Life] Ep.5 Prohibition of Disclosure of Sensitive Information	Jun 17, 2024
	[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
Announcement	Results of the 2023 Ethical Management Survey	Jan 18, 2024
	Notice on the 2024 Revision of the NEXEN TIRE Code of Ethics (KOR/ENG, YouTube)	Aug 6, 2024
	Notice on the 2024 Upgrade of the NEXEN TIRE Ethics Reporting Center (KOR/ENG, YouTube)	Aug 14, 2024

Step 1

- Assess the potential impact of each identified corruption risk

Step 2

- Set goals and plans in connection with the results of the risk assessment
- Establish measurable objectives
- Include designated personnel and a detailed implementation roadmap

Step 3

- Conduct audits, including on-site visits
- Request confirmations and verify accountability
- Report audit results

Step 4

- Review the effectiveness of audit outcomes
- Check the progress of implementation plans

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

* Conducted post-training by sharing educational materials with non-participants in offline training

2024 Compliance Training Overview

Topic	Target Audience
• Guidance on precautions when dealing with agencies	• All domestic sales departments
• Overview of revised labeling and advertising regulations to prevent greenwashing	• 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

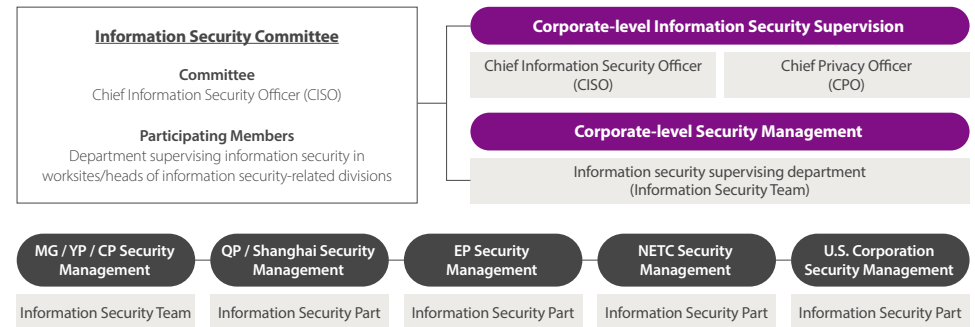


Governance

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*.

* GDPR: General Data Protection Regulation

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
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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.

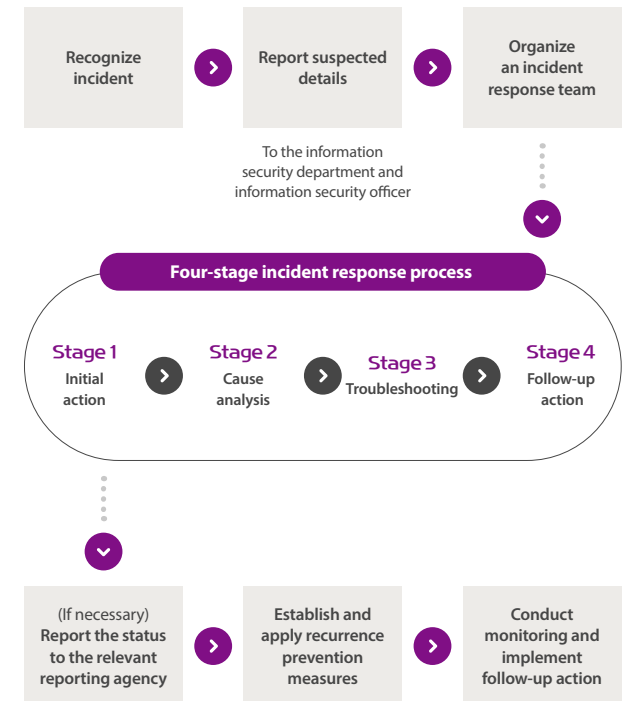
Risk Management

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.

Information Security Incident Response Process



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 NEXEN TIRE sites.

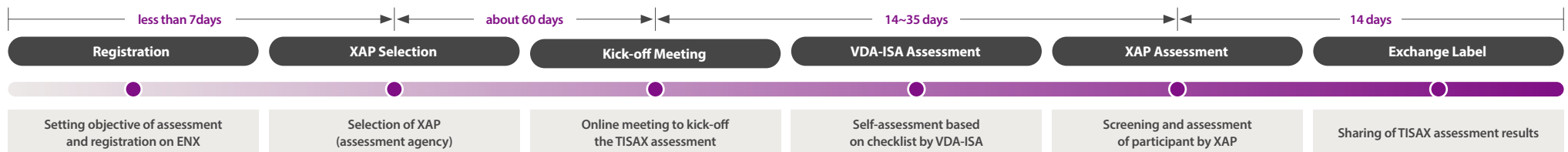
Activities to Improve Awareness of Information Security

NEXEN TIRE enhances employee awareness of information security by producing and distributing information security posters annually across all worksites. In 2024, a “Generative AI 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.

TISAX Assessment Process



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

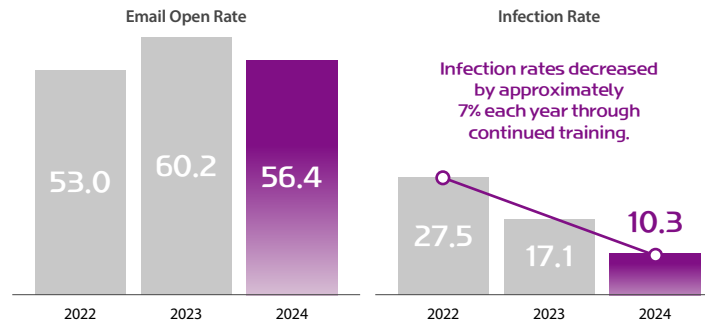
To enhance employees' awareness of information security and establish a safe working environment, NEXEN TIRE conducts regular monthly office security inspections and PC security checks using the "My PC Keeper" program. Through these inspections, we verify compliance with security policies, such as preventing 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: %)



3 consecutive years with zero incidents

Number of Information Security and Cybersecurity Incidents

2022 0 | 2023 0 | 2024 0

Number of Customer Privacy Incidents

2022 0 | 2023 0 | 2024 0

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	<ul style="list-style-type: none"> Operation of systematic Information Security Management System (ISMS) 	<ul style="list-style-type: none"> Pre-security review Regular security assessment and improvements 	<ul style="list-style-type: none"> External agency-led cyber incident simulation Disaster recovery training 	<ul style="list-style-type: none"> Employee training on information security and privacy protection Information security campaigns
Key Activities and Achievements	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 climate-related 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 management
- Gaining a competitive edge and seizing market opportunities through proactive risk response
- Enhanced corporate reputation and stakeholder trust through effective risk control

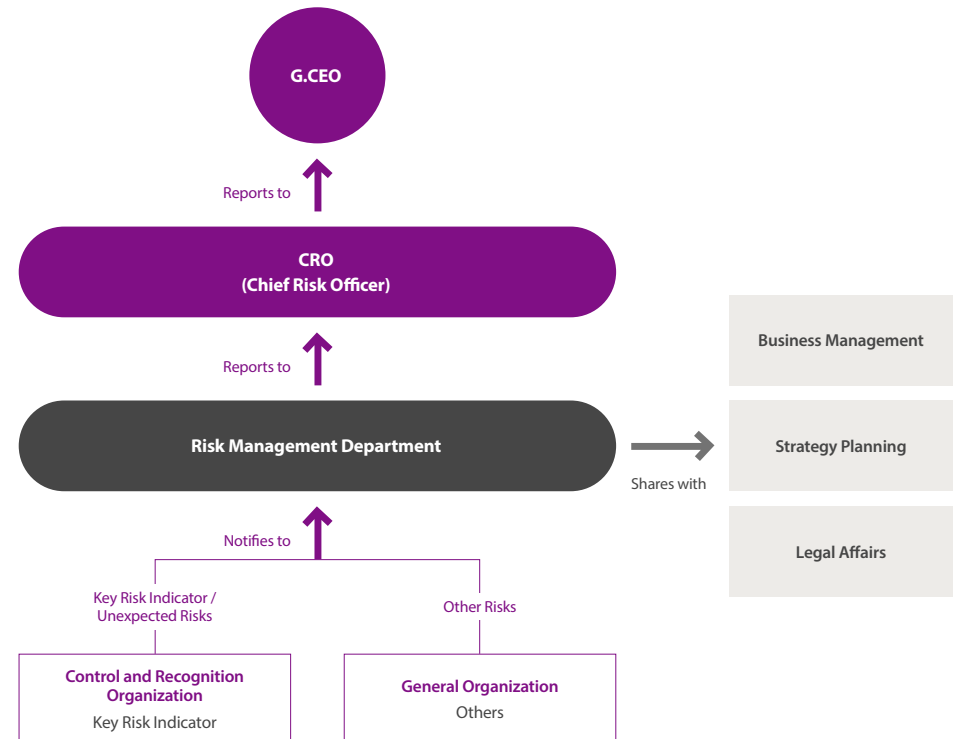


Governance

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



Enterprise Risk Management

Company-wide Risk Management Organization

Since 2020, NEXEN TIRE has operated a Chief Risk Officer (CRO) and 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.

Company-wide Risk Classification



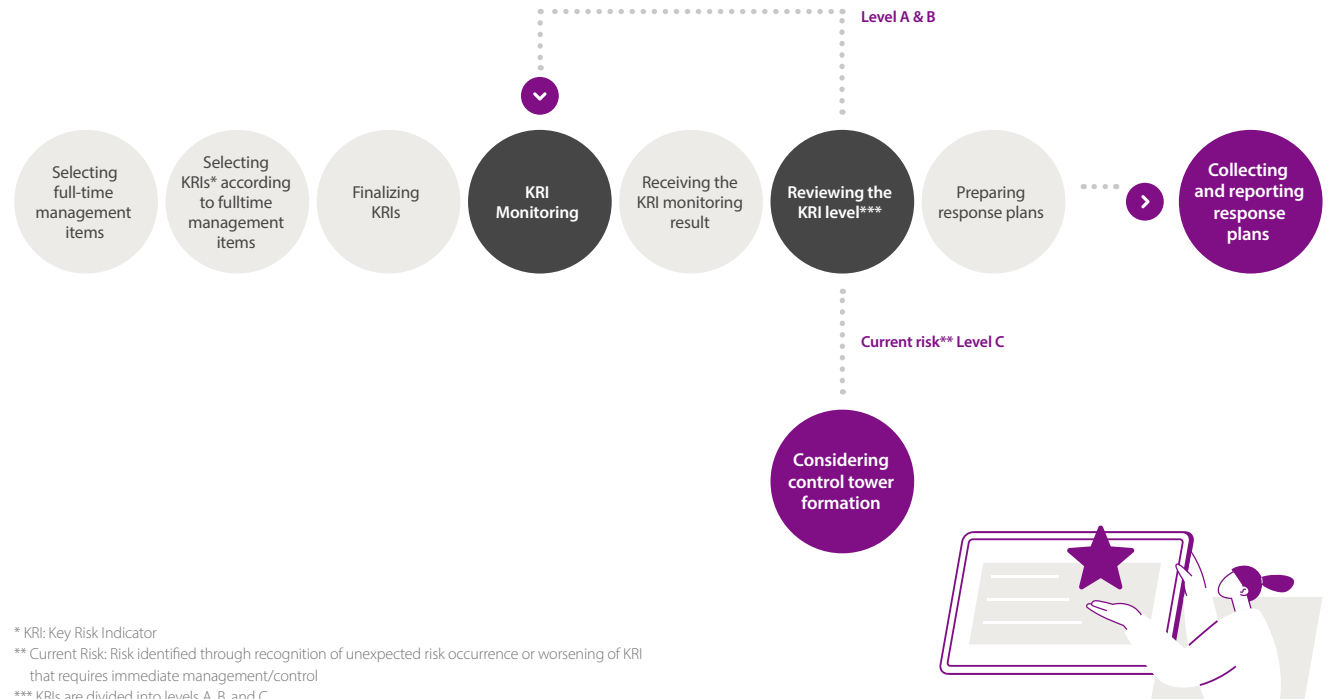
Risk Management

Enterprise Risk Management Process

NEXEN TIRE continuously monitors both financial and non-financial risks—including financial, credit, and operational risks—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.

KRI Level		Definition
A	Normal	Ordinary risk (average over the last three years)
B	Caution	Requiring caution/monitoring
C	Warning	Requiring active response

Corporate-level Risk Management Process



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	<ul style="list-style-type: none">• 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 style="list-style-type: none">• Pre-analysis of tire performance standards for EVs and autonomous vehicles and proactive technology development• Standardization of production quality to minimize quality variation across plants
Rise of protectionism and diversification of global economic networks	<ul style="list-style-type: none">• Continued increase in global trade regulations due to strengthening protectionist policies• Rising complexity of global supply chains driven by the U.S.–China 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	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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 * CBAM: Carbon Border Adjustment Mechanism ** ESPR-DPP: Ecodesign for Sustainable Products Regulation-Digital Product Passport	<ul style="list-style-type: none">• Potential cost increases due to the need for product data digitalization	<ul style="list-style-type: none">• 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 * GRBP: Working Party on Noise and Tyres
Strengthening of domestic and international information security laws and regulations	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Potential additional costs for dedicated personnel and scenario operation	<ul style="list-style-type: none">• Development of tailored response strategies for potential incidents by scenario• Establishment of emergency contact systems by site

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	NEXEN TIRE 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	NEXEN TIRE 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

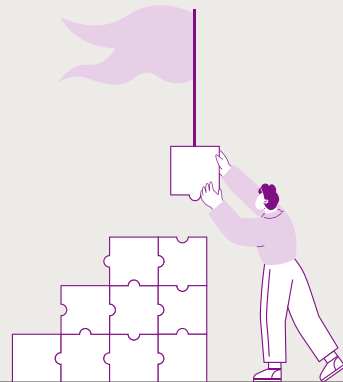
NEXEN TIRE systematically manages a broad spectrum of non-financial risks, including business continuity risk, legal risk, information security risk, ESG-related risk, safety and health risk, and fire risk.

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	NEXEN TIRE 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	NEXEN TIRE 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	NEXEN TIRE 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 NEXEN TIRE 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	NEXEN TIRE 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	NEXEN TIRE conducts facility investments and fire inspections at least once a year and carries out in-house 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.

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

Key Impacted Stakeholders

- Shareholders and investors



Impact

- Enhances shareholder value by protecting shareholder rights



Risks and Opportunities

- Building investor trust and strengthen long-term capital stability through shareholder rights protection



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 quarterly 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

Restatement of Information	→	100
Economic Performance	→	101
Environmental Performance	→	102
Social Performance	→	107
Governance Performance	→	113

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
Environmental	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
	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
Social	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
	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
Environmental	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)
	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
Governance	Ethics	113	ESG data on the number of employees completing the Code of Ethics Pledge	Change in data coverage: (2022 – Domestic new hires and existing employees who had not signed, 2023 – All domestic new hires and overseas employees, 2024 – All employees globally following Code of Ethics revision)

Data Corrections

Category	Indicator	Page	Details of Change	Reason
Environmental	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)
	Water resources	104	2022 water withdrawal data at Yangsan Plant	Data error corrected
	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
Governance	Personal information reporting	115	2023 Next Level service data	Correction of numerical error
	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
Tire	Sales	KRW 100 million	39,803.5	42,072.0	44,272.9
	Operating profit (loss)	KRW 100 million	-315.8	1,578.8	1,503.7
	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
Non-tire (Transportation & Storage)	Sales	KRW 100 million	139.8	149.0	147.3
	Operating profit (loss)	KRW 100 million	20.4	22.4	20.8
	Assets	KRW 100 million	381.5	367.7	349.0
	Liabilities	KRW 100 million	136.5	106.5	71.8
Non-tire (Molds)	Sales	KRW 100 million	30.0	32.0	54.9
	Operating profit (loss)	KRW 100 million	-5.3	-4.6	0.2
	Assets	KRW 100 million	41.2	38.5	47.9
	Liabilities	KRW 100 million	2.7	3.4	7.5
Non-tire (Bakery, etc.)	Sales	KRW 100 million	11.3	11.8	13.9
	Operating profit (loss)	KRW 100 million	-1.7	-3.0	-1.2
	Assets	KRW 100 million	83.1	88.9	100.9
	Liabilities	KRW 100 million	2.3	2.2	2.3

* 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

Economic Performance

R&D Innovation

Category		Unit	2022	2023	2024
R&D Expenditure	Total amount	KRW 100 million	905	866	872
	Operating R&D expenses	KRW 100 million	903	863	870
	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
Patent Registration	Domestic	Cases	99	114	32
	Overseas		1	1	3
Patent Application	Domestic	Cases	39	26	23
	Overseas		3	0	4
Industry-academia collaboration	Tire technology and design projects	Cases	5	8	6

Environmental Performance

Greenhouse Gas (GHG) Emissions

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

1) Total GHG emissions (Scope 1 and 2, location-based).

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

3) Calculated by applying the amount of Green Premium purchased.

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

5) 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.

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

* Reporting scope of financial performance: Consolidated

Environmental Performance

Greenhouse Gas (GHG) Emissions

Category	Unit	2022	2023	2024
GHG Emissions Intensity (Scope 1 and 2)	Total	ton	425,317	434,398
	Total production weight	Yangsan Plant	ton	192,408
		Changnyeong Plant	ton	106,544
		Qingdao Plant	ton	79,984
		Europe Plant	ton	46,381
		Others ¹⁾	ton	0
	Total	tCO ₂ eq/ton	0.86	0.78
	GHG emissions intensity (Scope 1 and 2)	Yangsan Plant	tCO ₂ eq/ton	0.66
		Changnyeong Plant	tCO ₂ eq/ton	0.78
		Qingdao Plant	tCO ₂ eq/ton	1.04
		Europe Plant	tCO ₂ eq/ton	1.49

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

* 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
NOx Emissions	Total	ton	26.4	32.9
	Yangsan Plant	ton	5.1	6.9
	Changnyeong Plant	ton	8.5	7.5
	Qingdao Plant	ton	7.7	13.7
	Europe Plant	ton	5.0	4.8
SOx Emissions	Total	ton	0.2	0.9
	Yangsan Plant	ton	0	0.4
	Changnyeong Plant ¹⁾	ton	0	0
	Qingdao Plant	ton	0.2	0.2
	Europe Plant ¹⁾	ton	0	0.3
Particulate Matter (PM) Emissions	Total	ton	11.5	11.6
	Yangsan Plant	ton	1.4	1.5
	Changnyeong Plant	ton	4.7	9.9
	Qingdao Plant	ton	4.8	0.2
	Europe Plant	ton	0.6	0
VOC (Volatile Organic Compound) Emissions	Total	ton	68.7	67.1
	Yangsan Plant	ton	0.7	1.7
	Changnyeong Plant	ton	0.1	0.6
	Qingdao Plant	ton	35.0	34.7
	Europe Plant	ton	32.9	30.2

1) 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 emissions below measurable limits.

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

Environmental Performance

Energy

Category		Unit	2022	2023	2024
Total		TJ	5,352.3	5,631.1	5,935.9
Fuel Consumption (LNG, LPG, Diesel, etc.)	Total	TJ	1,324.6	1,297.1	1,483.6
	Yangsan Plant	TJ	288.8	90.4	163.1
	Changnyeong Plant	TJ	464.1	477.3	491.3
	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
Purchased Electricity Consumption	Total	TJ	3,456.3	3,564.1	3,689.6
	Yangsan Plant	TJ	1,651.6	1,658.0	1,675.1
	Changnyeong Plant	TJ	1,233.5	1,281.6	1,305.1
	Qingdao Plant	TJ	272.0	300.0	321.2
	Europe Plant	TJ	240.1	261.6	332.5
	Others	TJ	59.1	62.9	55.7
Purchased Steam Consumption	Total	TJ	571.4	769.9	762.8
	Yangsan Plant	TJ	571.4	759.6	751.7
	Changnyeong Plant	TJ	0	0	0
	Qingdao Plant	TJ	0	0	0
	Europe Plant	TJ	0	0	0
	Others	TJ	0	10.3	11.0
Energy Intensity	Total	TJ/ton	0.01	0.01	0.01
	Yangsan Plant	TJ/ton	0.01	0.01	0.01
	Changnyeong Plant	TJ/ton	0.02	0.02	0.02
	Qingdao Plant	TJ/ton	0.01	0.01	0.01
	Europe Plant	TJ/ton	0.01	0.01	0.01
	Others	TJ/ton	0.01	0.01	0.01
Investment in Energy Reduction Projects	Total	KRW 100 million	3.6	10.7	21.5
	Others	KRW 100 million	3.6	10.7	21.5
Renewable Energy Procurement	Total	TJ	341.8	411.4	634.4
	Green premium	TJ	160.0	168.8	275.8
	Purchase of Energy Attribute Certificates (EACs)	TJ	181.8	242.6	358.6
Renewable Energy Generation ¹⁾	Geothermal	kWh	-	519,368	409,932
	Solar power	kWh	-	158,861	124,017

1) Magok R&D Center began generating renewable energy from its newly installed generation facilities in 2023.
* Errors in the 2023/24 ESG Report energy data have been identified and corrected (boundary adjustments in 2023).

Water Resources

Category			Unit	2022	2023	2024
Water Withdrawal	Total		m³	2,015,239	2,042,964	2,024,414
	Yangsan Plant ¹⁾	Total	m³	1,073,813	1,051,821	1,032,854
		Groundwater	m³	1,035,071	1,012,132	982,013
		Municipal Water	m³	38,742	39,689	50,841
		Changnyeong Plant ²⁾	Municipal Water	m³	520,507	521,672
	Qingdao Plant	Municipal Water	m³	294,506	317,551	317,862
	Europe Plant	Municipal Water	m³	126,413	151,920	199,997
	Water Use Intensity per Unit of Product Output			m³/ton	4.74	4.70
Water Pollutants	Total		ton	32.8	23.8	19.1
	Concentration of Suspended Solids (SS)	Domestic	ton	6.2	5.3	0.2
		Overseas	ton	6.4	2.5	1.9
	BOD	Domestic	ton	2.5	3.2	0.2
		Overseas	ton	4.6	0.7	1.6
	COD ³⁾	Overseas	ton	11.2	9.8	14.7
	TOC	Domestic	ton	1.9	2.3	0.5
	Wastewater Discharge	Total		ton	299,498	366,294
Yangsan Plant		ton	13,087	9,478	9,678	
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 Consumption ⁴⁾			m³	2,015,239	2,042,964	2,024,414

1) Correction of data errors in the 2023/24 ESG report (error in 2022 data)
2) Reclassified as municipal water in 2023/24 ESG report. Previously categorized as industrial and domestic water.
3) Due to revision of domestic water pollutant management standards, TOC (Total Organic Carbon) replaced COD (Chemical Oxygen Demand) for regulatory compliance starting in 2022.
4) Water consumption = Water withdrawal

Environmental Performance

Waste

Category		Unit	2022	2023	2024
Total		ton	10,047	9,677	10,795
General Waste Discharge	Total	ton	9,013	8,569	9,472
	Waste Intensity ²⁾	ton/ton	0.02	0.02	0.02
	Consigned Recycling	Yangsan Plant	2,882	2,713	2,669
		Changnyeong Plant	2,563	2,569	2,313
		Qingdao Plant	1,036	1,080	1,056
		Europe Plant	1,772	1,289	2,488
	Consigned Incineration	Yangsan Plant	0	0	52
		Changnyeong Plant ¹⁾	0	0	0
		Qingdao Plant	0	92	101
		Europe Plant ¹⁾	0	0	0
	Consigned Landfill	Yangsan Plant	66	75	30
		Changnyeong Plant	39	46	45
		Qingdao Plant	0	10	12
		Europe Plant	656	696	808
	Total	ton	1,034	1,108	1,323
	Waste Intensity ²⁾	ton/ton	0.002	0.003	0.003
Hazardous Waste Discharge	Consigned Recycling	Yangsan Plant	191	222	264
		Changnyeong Plant	189	219	215
		Qingdao Plant	120	130	128
		Europe Plant	214	223	223
	Consigned Incineration	Yangsan Plant	0	53	50
		Changnyeong Plant	138	77	187
		Qingdao Plant	126	129	164
		Europe Plant	57	56	93
	Consigned Landfill	Yangsan Plant	0	0	0.1
		Changnyeong Plant	0	0	0
		Qingdao Plant	0	0.5	0
		Europe Plant	0	0	0

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

2) Waste intensity refers to the amount of waste generated per ton of product produced.

* Errors in the 2023/24 ESG Report general waste emissions data have been identified and corrected (correction of 2022 Qingdao Plant commissioned landfill figures).

Waste Tire Recycling Status

Category	Unit	2022	2023	2024
Government Recycling Target ¹⁾	%	80.0	80.0	80.0
Recycling Rate ²⁾	%	81.7	82	83 ³⁾
Achievement Rate	%	102.2	102.4	103.7

1) This figure is subject to annual updates based on the official announcement by the Ministry of Environment.

2) Mandatory recycling volume = Waste tire generation × Mandatory recycling rate

3) The 2024 recycling rate is an estimated figure. The final figure will be officially confirmed by the Korea Environment Corporation in August 2025.

• 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 × Wear rate (0.85)

Tire Raw Material Usage

Category		Unit	2022	2023	2024
Total Raw Material Usage	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

* Tire raw material usage reflects the global total, including Yangsan, Changnyeong, Qingdao, and Europe manufacturing sites.

** 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
ISO 14001 Certification Rate	Total applicable worksites	ea	4	4
	Certified worksites	ea	4	4
	Certification rate	%	100	100
Environmental Risk Assessment Rate	Total applicable worksites	ea	4	4
	Certified worksites	ea	4	4
	Certification rate	%	100	100

Environmental Training

Category			Unit	2022	2023	2024 ¹⁾
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

1) Calculated based on training hours completed for hazardous chemicals and waste management

Environmental Compliance

Category	2022	2023	2024
Violations	<ul style="list-style-type: none"> Failure to report changes to wastewater discharge facilities Exceeding permissible levels of water pollutants at N'zel Withus 	<ul style="list-style-type: none"> Detection of new designated air pollutants Failure to report changes to wastewater discharge facilities 	<ul style="list-style-type: none"> Oil spill into a river near the Changnyeong Manufacturing Site
Domestic	<ul style="list-style-type: none"> Completed additional reporting of ABS items for wastewater discharge Achieved compliance with permissible levels by using eco-friendly detergents 	<ul style="list-style-type: none"> Submitted revised reports on chromium and hydrogen cyanide discharge from the exhaust press Completed updated wastewater discharge reporting 	<ul style="list-style-type: none"> Reorganized risk management system Conducted training for wastewater spill response Strengthened facility inspections for extreme weather conditions Conducted regular inspections of stormwater drains
Overseas	<ul style="list-style-type: none"> Delay in submission of GHG emissions data 	-	<ul style="list-style-type: none"> Incomplete waste classification
	<ul style="list-style-type: none"> Designated personnel for GHG emissions calculation and reporting 	-	<ul style="list-style-type: none"> Reestablished waste classification system

Environmental Control

Category	Unit		2022	2023	2024
Environmental Investment Cost	Total	KRW 100 million	15.1	20.0	19.9
Number of Environmental Regulation Violations	Total Violations	Cases	3	2	2
	Domestic	Cases	2	2	1
	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 ¹⁾	Total	%	-	17.6	77.7

1) Includes hybrid vehicles from 2024 onward.

Social Performance

Size of Organization

Category	Unit	2022	2023	2024
Total Number of Employees	Persons	6,951 ¹⁾	7,186 ¹⁾	7,340
Total Number of Worksites	ea	19	22 ¹⁾	20
Number of Products / Services Launched	ea	474	366	385

1) 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
By Gender	Male	Persons	6,242	6,379	6,443
	Female	Persons	709	807	897
By Age	Under 30	Persons	948	1,088	1,031
	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
By Job Function	Total	Persons	6,951	7,186	7,340
	Executives	Persons	11	17	17
	R&D Personnel	Persons	458	444	468
	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
By Gender	Male	Years	10.9	11.2	11.5
	Female	Years	4.4	4.3	4.5

* Employee data is based on headcount as of the end of each reporting period.

** Errors in the 2023/24 ESG Report regarding employee data have been identified and corrected (for 2022 and 2023 figures).

New Recruitment

Category		Unit	2022	2023	2024
Total		Persons	1,080	1,316	1,393
By Gender	Male	Persons	754	958	1,030
	Female	Persons	326	358	363
By Age	Under 30	Persons	577	781	587
	30–50	Persons	469	477	780
	Over 50	Persons	34	58	26
By Region	Domestic	Persons	310	355	420
	Overseas	Persons	770	961	973

* 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
Number of Turnovers	By Gender	Male	Persons	683	802	869
		Female	Persons	240	253	261
	By Age	Under 30	Persons	387	475	444
		30–50	Persons	472	494	606
		Over 50	Persons	64	86	80
	By Nationality	Domestic	Persons	265	326	312
		Overseas	Persons	658	729	818
Turnover Rate	Total Employees		Persons	6,951	7,186	7,340
	Number of Turnovers		Persons	923	1,055	1,130
	Turnover Rate		%	13.3	14.7	15.4
Voluntary Turnover Rate	Total Employees		Persons	6,951	7,186	7,340
	Number of Voluntary Turnovers		Persons	781	866	962
	Voluntary Turnover Rate		%	11.2	12.1	13.1

* Errors in the 2023/24 ESG Report turnover data have been identified and corrected (data errors for 2022 and 2023).

Social Performance

Employee Diversity

Category		Unit	2022	2023	2024
Total Number of Employees by Gender	Total	Persons	6,951	7,186	7,340
	Total	Persons	6,242	6,379	6,443
	Male	Under 30	Persons	689	786
		30–50	Persons	4,788	4,732
		Over 50	Persons	765	861
		Total	Persons	709	807
	Female	Under 30	Persons	259	302
		30–50	Persons	415	460
		Over 50	Persons	35	45
		Total	Persons	6,951	7,186
Total Number of Employees by Nationality	Total	Persons	4,193	4,207	4,276
	South Korea	Under 30	Persons	366	383
		30–50	Persons	3,202	3,146
		Over 50	Persons	625	678
		Total	Persons	2,758	2,979
	Overseas	Under 30	Persons	582	705
		30–50	Persons	2,001	2,046
		Over 50	Persons	175	228
		Total	Persons	2,758	2,979
	Total	Persons	2,758	2,979	3,064

* Employee diversity data is based on year-end figures for each reporting period.

** Errors in the 2023/24 ESG Report employee diversity data have been identified and corrected (errors in 2022 and 2023 figures).

Category		Unit	2022	2023	2024
Number of Employees by Employment Type and Gender (Full-time) ¹⁾	Total	Persons	6,951	7,186	7,340
	Total	Persons	6,242	6,379	6,443
	Male	Under 30	Persons	689	786
		30–50	Persons	4,788	4,732
		Over 50	Persons	765	861
		Total	Persons	709	807
	Female	Under 30	Persons	259	302
		30–50	Persons	415	460
		Over 50	Persons	35	45
		Total	Persons	709	807
Female Workforce	Number of female executives	Persons	0	0	0
	Ratio of female employees	%	10.2	11.2	12.2
	Ratio of female managers ²⁾	%	7.3	7.8	9.6
Employment of Persons with Disabilities	Total	Persons	77	84	90
	NEXEN TIRE	Persons	61	63	69
	N'zel Withus	Persons	16	21	21
Ratio of Internal Recruitment		%	98	98	98

1) The number of part-time employees is 0.

2) 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	
Number of Employees by Region and Employment Contract Type ¹⁾	Total		Persons	6,951	7,186	7,340	
	Permanent Employees	Total	Persons	6,674	6,778	6,865	
		Korea	Total	Persons	3,863	3,894	3,949
			Under 30	Persons	262	294	334
			30–50	Persons	3,046	2,991	2,985
			Over 50	Persons	555	609	630
		China	Total	Persons	1,404	1,390	1,405
			Under 30	Persons	150	126	124
			30–50	Persons	1,224	1,230	1,242
			Over 50	Persons	30	34	39
		Czech Republic	Total	Persons	1,128	1,176	1,159
			Under 30	Persons	377	388	324
			30–50	Persons	652	657	679
			Over 50	Persons	99	131	156
		Other Countries	Total	Persons	279	318	352
			Under 30	Persons	36	70	91
	30–50		Persons	192	185	179	
	Over 50		Persons	51	63	82	
	Temporary Employees ²⁾	Total	Persons	222	350	423	
		Korea	Total	Persons	190	169	173
			Under 30	Persons	104	88	89
			30–50	Persons	76	70	70
			Over 50	Persons	10	11	14
		China	Total	Persons	32	181	249
			Under 30	Persons	19	122	69
			30–50	Persons	12	55	178
			Over 50	Persons	1	4	2
Other Countries		Total	Persons	0	0	1	
		Under 30	Persons	0	0	0	
		30–50	Persons	0	0	0	
	Over 50	Persons	0	0	1		
Executives / Advisors			Persons	55	58	52	

1) The classification of employee regions is based on the criteria outlined in the "Data Calculation Standards" section (p. 100).

2) Refers to dispatched employees who are not directly employed by the company.

Organizational Culture

Category		Unit	2022	2023	2024
Labor Relations					
Labor Union (Korea)	Number of employees subject to labor union membership	Persons	2,953	2,979	3,015
	Number of employees who have joined the labor union	Persons	2,945	2,971	3,008
	Percentage of unionized employees (among those eligible)	%	99.7	99.7	99.8
Labor-Management Council	Number of items handled	Cases	20	21	27
	Total number of labor-management representatives	Persons	18	18	18
Grievance Handling (Online)					
Human Rights Grievance Handling ¹⁾	Processing rate	%	100	100	100
	Number of complaints received	Cases	4	3	2
	Number of complaints handled	Cases	4	3	2

1) Includes complaints related to workplace harassment and sexual harassment.

Employee Benefits

Category		Unit	2022	2023	2024
Status of Employee Welfare Programs	Medical expense support	KRW million	511	564	592
	Tuition assistance	KRW million	2,294	2,338	2,385
	Vacation expense support	KRW million	2,373	2,385	2,386
Reemployment Support Programs	Number of career counseling participants	Persons	8	0	20
	Number of applicants for career transition support	Persons	5	8	17
	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

1) 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.

Social Performance

Talent Development and Management

Category		Unit	2022	2023	2024
Talent Development and Capacity-Building Training					
Number of Employees Trained	Total number of employees trained	Persons	4,150	4,164	4,277
	Male	Persons	3,958	3,954	4,037
	Female	Persons	192	210	240
Number of Training Sessions	Total number of training sessions	Sessions	11,398	11,003	16,183
	Average number of sessions per person	Sessions/person	3	3	4
Training Expenses	Total training expenses	KRW thousand	794,000	1,160,900	1,169,275
	Average training expense per person	KRW thousand	190	280	273
Training Hours per Employee	Total training hours	Hours	69,372	86,510	126,772
	Average training hours per person	Hours/person	16.7	20.8	29.64
Human Rights Training ¹⁾					
Total Human Rights Training Hours		Hours	2	3	3
Human Rights Training Completion Rates	Total number of employees ²⁾	Persons	4,042	4,039	4,130
	Number of employees who completed the training	Persons	4,026	4,039	4,087
	Training completion rate	%	99.6	100	99

1) Includes sexual harassment prevention and disability awareness training

2) Based on the total number of employees at domestic worksites

Performance Evaluation and Compensation

Category		Unit	2022	2023	2024
Performance Evaluation ¹⁾					
Percentage of Employees Who Received Regular Performance Evaluations	Female	%	16.7	17.2	18.7
	Male	%	83.3	82.8	81.3
	Staff-Assistant Manager	%	39.1	39.4	40.0
	Manager	%	33.8	31.5	30.3
	Senior Manager	%	27.1	29.1	29.7
Compensation					
Total Annual Salary	Total	KRW million	297,029	318,982	333,362
	Male	KRW million	290,768	311,542	324,410
	Female	KRW million	6,261	7,440	8,952
Average Annual Salary per Employee ²⁾	Total	KRW million	68	72	74
	Male	KRW million	70	74	76
	Female	KRW million	39	40	44

1) Applies to regular employees

2) 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.

Social Performance

Parental Leave

Category	Unit	2022	2023	2024
Maternity Leave	Male	Persons	181	101
	Female	Persons	2	4
	Total	Persons	140	105
Rate of Return After Maternity Leave	Employees who returned after maternity leave	Persons	140	101
	Return rate	%	100	96
Parental Leave ¹⁾	Male	Persons	72	71
	Female	Persons	3	5
	Total number of employees	Persons	75	76
Rate of Return After Parental Leave ¹⁾	Employees who returned after parental leave	Persons	57	64
	Return rate	%	76	84
Employees Retained for Over 12 Months After Returning from Parental Leave	Total	Persons	57	64
	Male	Persons	55	59
	Female	Persons	2	5
Retention Rate After 12 Months from Parental Leave Return	Total	%	100	100
	Male	%	98.0	92.2
	Female	%	2.0	7.8

1) 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
Total Health and Safety Training Hours	Domestic	Hours	79,560	89,408
	Qingdao Plant	Hours	-	-
	Europe Plant	Hours	-	-
Health and Safety Training Completion Rate (Domestic)	Target persons	Persons	3,315	3,905
	Persons who completed training	Persons	3,315	3,905
	Training completion rate	%	100	100
Hazardous Materials Training Completion	Total hazardous materials training hours	Hours	2,560	1,504
	Average training hours per person	Hours	16	16

Workplace Safety Management

Category			Unit	2022	2023	2024
Lost Time Injury Frequency Rate (LTIFR)	Employees	Domestic	Cases / one million working hours	3.857	3.123	2.833
	Suppliers	Domestic	Cases / one million working hours	1.992	6.887	3.193
Accident Rate	Employees	Domestic	%	0.905	0.717	0.628
		Qingdao Plant	%	0.301	0.229	0.299
		Europe Plant	%	0.735	0.570	1.602
	Suppliers	Domestic	%	0.398	0.810	0.766
		Qingdao Plant	%	-	-	-
		Europe Plant	%	-	-	-
Working Environment Measurement	Number of Cases Surpassing the Criteria	Domestic	Cases	0	0	0
		Overseas	Cases	0	0	0

* 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 Safety System Application Rate	All target worksites	ea	4	4
	Target worksites for application	ea	4	4
	Application rate	%	100	100
Internal Audit Implementation Rate	All target worksites	ea	4	4
	Worksites subject to implementation	ea	4	4
	Implementation rate	%	100	100
KOSHA-MS Certification Rate	All target worksites	ea	4	4
	Target worksites for certification	ea	4	4
	Certification rate	%	100	100
Health and Safety Risk Assessment Rate	All manufacturing sites	ea	4	4
	Manufacturing sites subject to implementation	ea	4	4
	Implementation rate	%	100	100

Social Performance

Customer Satisfaction and Quality Management

Category		Unit	2022	2023	2024
Number of Customer Complaints Received and Resolution Rate	Complaints received	Cases	1,930	2,168	2,534
	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
Scholarship Support Expenses	NEXEN Wolsuk Cultural Foundation	KRW million	621	529	580
	KNN Scholarship Program	KRW million	184	175	155
	Wolsuk Busan Leading Scholarship Committee	KRW million	60	60	60
Number of Scholarship Beneficiaries	NEXEN Wolsuk Cultural Foundation	Persons	483	437	475
	KNN Scholarship Program	Persons	184	175	155
	Wolsuk Busan Leading Scholarship Committee	Persons	80	80	80
Welfare Support Expenses	NEXEN Wolsuk Cultural Foundation	KRW million	260	260	330
Employee Volunteer Participation	Annual number of volunteers (cumulative)	Persons	272	440	762
	Total volunteer hours	Hours	1,808	2,560	2,856
	Monetary value of volunteer hours	KRW million	17	25	28

Supply Chain Management

Category		Unit	2022	2023	2024
Percentage of Suppliers Pledged to Sustainable Procurement Agreements	Total number of suppliers ¹⁾	ea	135	207	183
	Number of suppliers pledged to agreement	ea	72	72	72
	Rate of suppliers pledged to agreement	%	53.3	34.8	39.3
Percentage of Suppliers Assessed for ESG ²⁾	Total number of suppliers	ea	135	330	166
	Number of suppliers assessed	ea	76	171	97
	Percentage of suppliers assessed	%	56.3	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 ³⁾		KRW 100 million	11,224	10,229	11,407
Suppliers Participated in ESG Management Training		ea	13	51	47 ⁴⁾
Number of Suppliers Participated in Safety Support Training	On-site	ea	12	13	20
	Off-site ⁵⁾	ea	-	4	604
Number of Suppliers Implemented Health and Safety Level Evaluation	On-site	ea	12	26	20
	Off-site ⁵⁾	ea	-	106	169
Supplier Communication Channels					
Supplier Grievance Handling	Number of grievances received	Cases	0	5	0
	Number of grievances handled	Cases	1 ⁶⁾	5	0
	Grievance resolution rate	%	100	100	-
Mutual Growth Cooperation					
Companies Signed Fair Trade Agreement	Targeted companies	ea	74	85	46
	Purchase amount	KRW 100 million	5,816.0	4,281.8	626.3

1) Raw and subsidiary material suppliers

2) Self-assessment

3) Based on consolidated purchasing cost of raw materials for tires

4) Includes 17 training sessions conducted during on-site audits

5) From 2023, managed by supplier type

6) The grievance received in 2021 was resolved in 2022 due to the time required for facility improvement work.

Governance Performance

Operation of the Board of Directors

Category	Unit	2022	2023	2024
Number of BOD Meetings Held	Number of BOD meetings	Sessions	9	9
	Attendance rate	%	100	86
	Number of agenda items	Items	14	13(1) ¹⁾
Attendance Rate of Independent Directors	Total number of independent directors	Persons	4	4
	Attendance rate	%	100	86

1) 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.
In 2023, this includes one item that was withheld and not approved, as disclosed in the business report.)

Director Remuneration

Category	Unit	2022	2023	2024
Total Remuneration Paid	Total	KRW million	2,104	2,049
	Executive directors	KRW million	1,936	1,929
	Independent directors	KRW million	168	120
Average Remuneration Per Person	Executive directors	KRW million	645	643
	Independent directors	KRW million	45	30

* 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 Meetings	Sessions	7	7	6
Attendance Rate and Voting Record of Independent Directors on the Audit Committee	Number of independent directors	Persons	4	4
	Attendance rate	%	100	97
	Total	Items	21	15
	In favor	Items	3	5
	Against	Items	0	0
Attendance Rate and Voting Record of Independent Directors on the Independent Director Recommendation Committee	Number of independent directors	Persons	2	2
	Attendance rate	%	100	100
	Total	Items	2	1
	In favor	Items	2	1
	Against	Items	0	0

Ethical Management

Category	Unit	2022	2023	2024
Completion Status of Ethical Management Training	Target persons	Persons	4,042	4,039
	Persons completed	Persons	4,026	4,039
	Completion rate	%	99	100
Completion Status of ESG Training	Target persons	Persons	-	115
	Persons completed	Persons	-	115
	Completion rate	%	-	100
Performance in Handling Ethical Management-related Whistleblowing	Processing rate	%	100	100
Actions Taken in Response to Ethical Whistleblowing	Total number of whistleblowing reports	Cases	8	6
	Human rights-related reports	Cases	4	3
	Reports processed	Cases	8	6
	Investigations (audits)	Cases	8	6
	Transferred to relevant departments	Cases	0	0
Ethical Risk Assessment Implementation Rate	Target worksites	ea	3	2
	Worksites assessed	ea	3	2
	Implementation rate	%	100	100
Code of Ethics Compliance Pledge ¹⁾	Persons signed	Persons	179	885
	Completion rate	%	97.2	77.5

1) The number and rate of Code of Ethics Compliance Pledge in 2024 reflect the total across both domestic and overseas worksites.

* Errors in the 2023/24 ESG Report Code of Ethics Compliance Pledge data have been identified and corrected (revision to scope of calculation).

Governance Performance

Compliance Management

Category		Unit	2022	2023	2024
Legal Violations ¹⁾	Total	Cases	0	0	0
	Violations of fair trade laws	Cases	0	0	0
	Violations of anti-corruption/bribery laws	Cases	0	0	0
	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
Confirmed Cases of Corruption	Total	Cases	0	1	3
	Cases where employees were dismissed or disciplined due to corruption	Cases	0	1	3
	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

1) Based on domestic operations and counted by the number of monetary sanctions.

Information Protection Activities

Category		Unit	2022	2023	2024
Business Continuity / Security Threat Tests	DDoS simulation training	Cases	1	0	0
	Phishing email simulation training	Cases	1	2	2
External Inspection and Vulnerability Analysis	Security inspection of external services / systems	Cases	1	1	1
	Security inspection of internal services / systems	Cases	1	1	1
	Security inspection of personal information processors	Cases	0	1	1
Information Security / Privacy Training ¹⁾	Number of training sessions	Cases	1	1	1
	Number of participants	Persons	999	1,094	1,050
	Average training hours per person	Hours	1	2	1
Information Security Investment	Total IT budget	KRW million	16,976	15,977	16,635
	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 Certified Worksites ²⁾		ea	5	5	6

1) Information security/privacy training includes education on the Personal Information Protection Act and statutory security education

2) Magok R&D Center, Europe R&D Center, Europe Manufacturing Site, Qingdao Manufacturing Site, Shanghai Branch, U.S. Corporation

* The above information protection activities are based on domestic operations

** In 2024, there were 0 cases of customer information leakage or personal information protection violations at NEXEN TIRE.

Governance Performance

Personal Information-Related Grievance Handling Status

Category	Unit	2022	2023	2024
External Stakeholders	Number of reported grievances	Cases	0	0
	Number of resolved grievances	Cases	0	0
	Response rate	%	-	-
Regulatory Agencies	Number of reported grievances	Cases	0	0
	Number of resolved grievances	Cases	0	0
	Response rate	%	-	-
Next Level Service ¹⁾²⁾	Number of reported grievances	Cases	13	106
	Number of resolved grievances	Cases	13	106
	Response rate	%	100	100

1) Based on customer complaints received via the Korea Internet & Security Agency (KISA) and forwarded to the company

2) Handling of member withdrawal requests related to the Next Level service has been in progress since November 2022

* Errors in Next Level data for 2023 have been identified and corrected in the 2023/24 ESG Report.

Shareholders and Investors

Category	Unit	2022	2023	2024
Shareholder Status	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
Shares Held by Founders	Byung-Joong Kang	Shares	19,001,037	19,001,037
	NEXEN Corp.	Shares	43,904,160	43,904,160
Shareholding Status by Management	Byung-Joong Kang	Shares	19,001,037	19,001,037
	Ho-Chan Kang	Shares	3,174,222	3,174,222

Shareholders Holding 5% or More (Excluding Largest Shareholders and Related Parties)

(As of the end of December 2024)

Category	Unit	Details
National Pension Service	Number of shares	Shares
	Ownership ratio	%
	Business relationship with the company	-

Stakeholder Performance Distribution

Category	Unit	2022	2023	2024
Purchasing Cost ¹⁾	KRW 100 million	11,354.0	10,368.9	11,563.2
Salary and Welfare	Employee salary cost ²⁾	KRW 100 million	4,234	4,640
	Employee annual salary ³⁾ (excluding CEO)	Median	KRW	69,527,000
		Average	KRW	68,479,917
Shareholder Return	Dividends and interest payments	KRW 100 million	384	727
	Treasury share purchase	-	0	0
	Treasury share retirement	-	0	0
	Total shareholder return amount	KRW 100 million	103	118
	Shareholder return ratio	%	- ⁴⁾	11.5
Corporate Tax	KRW 100 million	-128.1	465.7	430.7

1) Sum of tire and non-tire segment purchase costs reported in the business report

2) Includes four major insurances, health checkups, and other welfare expenses based on consolidated employee salary costs in the business report

3) Data errors for 2022 and 2023 were identified and corrected in the 2023/24 ESG Report

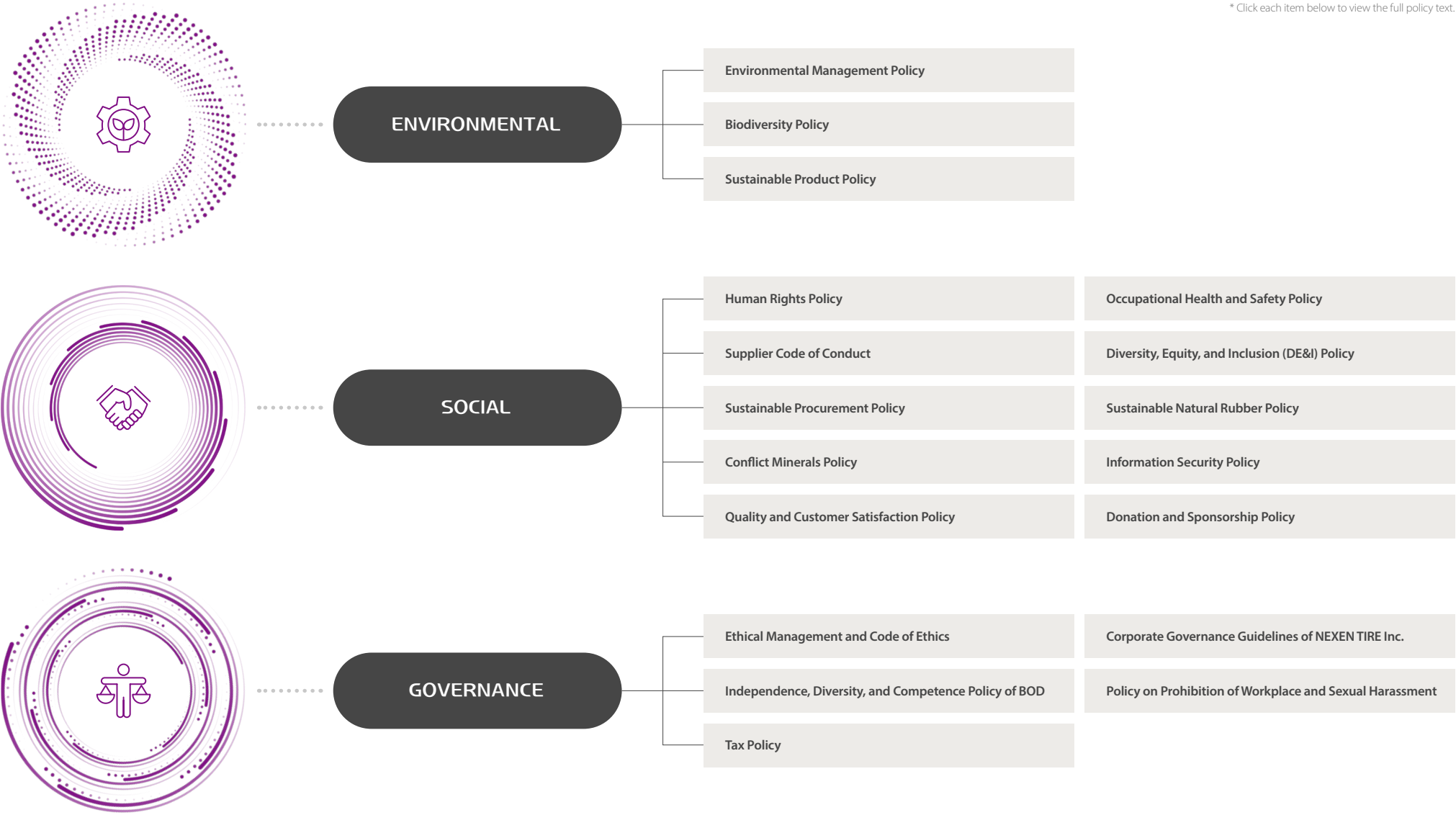
4) Shareholder return ratio not calculated in 2022 due to net loss

APPENDIX

ESG Policies and Guidelines	→	117
GRI Content Index	→	118
ESRS Disclosure Requirements	→	121
SASB INDEX	→	124
TCFD INDEX	→	125
UN SDGs	→	126
Initiatives and Awards	→	127
Verification Opinion Statement	→	129
Independent Assurance Opinion Statement	→	131
Participating Teams	→	134

ESG Policies and Guidelines

* Click each item below to view the full policy text.



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 Disclosures			
GRI 2: General Disclosures			
Organizational Details and Reporting Practices			
2-1	Organizational details	6-7	
2-2	Entities included in the organization's sustainability reporting	2	
2-3	Reporting period, frequency and contact point	2	
2-4	Restatements of information	100	
2-5	External assurance	129-133	
Activities and Workers			
2-6	Activities, value chain and other business relationships	20	
2-7	Employees	107-109	
2-8	Workers who are not employees	109	
Governance			
2-9	Governance structure and composition	15-16, 82	
2-10	Nomination and selection of the highest governance body	83-84	
2-11	Chair of the highest governance body	82	
2-12	Role of the highest governance body in overseeing the management of impacts	81-82	
2-13	Delegation of responsibility for managing impacts	15	
2-14	Role of the highest governance body in sustainability reporting	16	
2-15	Conflicts of interest	85	
2-16	Communication of critical concerns	16	
2-17	Collective knowledge of the highest governance body	83	
2-18	Evaluation of the performance of the highest governance body	85	
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

Indicator	Description	Page	Remarks
Strategy, Policies and Practices			
2-22	Statement on sustainable development strategy	5	
2-23	Policy commitments	117	
2-24	Embedding policy commitments	15-18, 117	
2-25	Processes to remediate negative impacts	74, 88	
2-26	Mechanisms for seeking advice and raising concerns	88	
2-27	Compliance with laws and regulations	106, 114	
2-28	Membership associations (Initiatives)	127	
Stakeholder Engagement			
2-29	Approach to stakeholder engagement	25	
2-30	Collective bargaining agreements	109	
Material Topics			
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	21-22	
3-2	List of material topics	22	
3-3	Management of material topics	23-24	
Material Topic 1. Climate Change Response			
GRI 3: Material Topics 2021			
3-3	Management of material topics	22-24	
GRI 305: Emissions (2016)			
305-1	Direct (Scope 1) GHG emissions	102	
305-2	Energy indirect (Scope 2) GHG emissions	102	
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

Indicator	Description	Page	Report
GRI 302: Energy (2016)			
302-1	Energy consumption within the organization	29, 104	
302-2	Energy consumption outside of the organization	103	
302-3	Energy intensity	104	
302-4	Reduction of energy consumption	34	
Material Topic 2. Resource Use and Circular Economy			
GRI 3: Material Topcis 2021			
3-3	Management of material topics	22-24	
GRI 306: Waste (2016)			
306-1	Waste generation and significant waste-related impacts	35-37, 105	
306-2	Management of significant waste-related impacts	35-38	
306-3	Waste generated	105	
306-4	Waste diverted from disposal	105	
306-5	Waste directed to disposal	105	
Material Topic 3. Supply Chain ESG Management			
GRI 3: Material Topcis 2021			
3-3	Management of material topics	22-24	
GRI 308: Supplier Environmental Assessment			
308-1	New suppliers that were screened using environmental criteria	47-49, 112	
308-2	Negative environmental impacts in the supply chain and actions taken	47-50, 112	
GRI 414: Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	47-49, 112	
414-2	Negative social impacts in the supply chain and actions taken	47-50, 112	

Indicator	Description	Page	Report
Material Topic 4. Workplace Safety and Health			
GRI 3: Material Topcis 2021			
3-3	Management of material topics	22-24	
GRI 403: Occupational Health and Safety (2018)			
403-1	Occupational health and safety management system	51-53, 56	
403-2	Hazard identification, risk assessment, and incident investigation	53-54, 56	
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	
403-9	Work-related injuries	54-55, 111	
Material Topic 5. Natural Capital Management (Forest Protection)			
GRI 3: Material Topcis 2021			
3-3	Management of material topics	22-24	
GRI 304: Biodiversity			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	40-42	
304-2	Significant impacts of activities, products and services on biodiversity	40-42	
304-3	Habitats protected or restored	42	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	40	
Material Topic 6. Customer Satisfaction and Quality Management			
GRI 3: Material Topcis 2021			
3-3	Management of material topics	22-24	
GRI 416: Customer Health and Safety			
416-1	Assessment of the health and safety impacts of product and service categories	68	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	As of the 2024 reporting year, there were no incidents of product recalls or withdrawals.

GRI Content Index

Indicator	Description	Page	Report
Material Topic 7. Human Resource Management (Development of Trainings and Technologies)			
GRI 3: Material Topics 2021			
3-3	Management of material topics	22-24	
GRI 404: Training 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: Anti-Corruption			
205-2	Communication and training about anti-corruption policies	89, 113	
205-3	Confirmed incidents of corruption and actions taken	113	
Resource Use and Circular Economy (Resource Inflows)			
GRI 301: Materials			
301-1	Materials used by weight or volume	105	
301-2	Recycled input materials used	35, 105	
Natural Capital Management (Water Resource)			
GRI 303: Water 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	
Pollutant Control			
GRI 305: Emissions (2016)			
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	103	

Indicator	Description	Page	Report
Human Rights Management			
GRI 405: Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	82, 107-109	
405-2	Ratio of basic salary and remuneration of women to men	110	
GRI 406: Non-Discrimination			
406-1	Incidents of discrimination and corrective actions taken	72-74, 109	
Talent Acquisition and Development			
GRI 401: Employment			
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 Issues			
GRI 201: Economic Performance (2016)			
201-2	Financial implications and other risks and opportunities due to climate change	30-32	
201-4	Government financial assistance	29	
GRI 203: Indirect Economic Impacts			
203-1	Infrastructure investments and services supported	75-79	
203-2	Significant indirect economic impacts	20, 75-79	
GRI 207: Tax			
207-1	Approach to Tax	97, 117	
207-2	Tax governance, control, and risk management	94, 97, 117	
GRI 413: Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programs	42, 77	
GRI 415: Public Policy			
415-1	Political contributions	127	Political donations to political organizations are prohibited under applicable laws, including the Political Funds Act.
GRI 417: Marketing and Labeling			
417-3	Incidents of non-compliance concerning marketing communications	-	None (0 case)
GRI 418: Customer 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 Requirement		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

Disclosure Requirement		Report
Indicator NO	Disclosure	Page
GOV-3	Integration of sustainability-related performance in incentive schemes	27
E1-1	Transition plan for climate change mitigation	31-32
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	32
IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	32
E1-2	Policies related to climate change mitigation and adaptation	117
E1-3	Actions and resources in relation to climate change policies	33
E1-4	Targets related to climate change mitigation and adaptation	28
E1-5	Energy consumption and mix	104
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	102-103
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	-
E1-8	Internal carbon pricing	-
E1-9	Potential financial effects from material physical and transition risks and potential climate-related opportunities	32

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 Requirement		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 Requirement		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		Report
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		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(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 Requirement		Report
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
Energy Management	(1) Total energy consumed	GJ	TR-AP-130a.1	5,944,141	
	(2) Percentage grid electricity	%		72.7	
	(3) Percentage renewable	%		10.7	
Waste Management	(1) Total amount of waste from manufacturing	Metric ton	TR-AP-150a.1	10,795.10	
	(2) Percentage hazardous	%		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 risks and opportunities	a. Describe the board's oversight of climate-related risks and opportunities	C1.1b, C1.2, C1.2a	27
		b. Describe management's role in assessing and managing climate-related risks and opportunities		27
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	a. Describe the climate-related risks and opportunities identified by the organization over the short, medium, and long terms	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
		b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning		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
Risk Management	Disclose how the organization identifies, assesses, and manages climate-related risks	a. Describe the organization's processes for identifying and assessing climate-related risks	C1.2, C2.1, C2.2, C2.2a, C-FS2.2b, C-FS2.2c, C-FS2.2d, C-FS2.2e	32
		b. Describe the organization's processes for managing climate-related risks		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
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	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	C4.1, C4.1a, C4.1b, C-FS4.1d, C4.2, C4.2a, C4.2b, C6.1, C6.3, C6.5, C6.5a, C9.1, C-FS14.0, C-FS14.1, C-FS14.1a, C-FS14.1b	31
		b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and related risks		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

Sustainable 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 <ul style="list-style-type: none"> 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 EDUCATION	Quality Education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> Conducting human rights impact assessments Providing diversity training Operating the reporting center Implementing flexible work arrangements 	72-74
6 CLEAN WATER AND SANITATION	Clean Water and Sanitation Ensure access to water and sanitation for all <ul style="list-style-type: none"> 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. <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> 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 INDUSTRY INNOVATION AND INFRASTRUCTURE	Industry, Innovation and Infrastructure Build resilient infrastructure, promote sustainable industrialization and foster innovation <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> 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

Sustainable Development Goals	Key Activities	Page
11 SUSTAINABLE CITIES AND COMMUNITIES	Sustainable Cities and Communities Make cities inclusive, safe, resilient and sustainable <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> Monitoring wastewater and water pollution Reducing the discharge of water pollutants 	43-44
15 LIFE ON LAND	Life on Land Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss <ul style="list-style-type: none"> Conducting environmental impact surveys at manufacturing sites Engaging in forest preservation efforts by NEXEN TIRE Managing and reducing emissions of environmental pollutants 	42, 44
16 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 <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> 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

Certification		2022	2023	2024
Environmental Management Certification	ISO 14001 – Environmental Management System	100%	100%	100%
Occupational Health and Safety Management Certification	ISO 45001 – Occupational Health and Safety Management System	100%	100%	100%
	KOSHA-MS	100%	100%	100%
Quality Management Certification	Automotive Quality Management System IATF16949	100%	100%	100%
Information Security Certification ¹⁾	Trusted Information Security Assessment Exchange (TISAX)	Magok R&D Center, Europe Manufacturing Site, NETC	Qingdao Manufacturing Site, Shanghai Corporation	U.S. Corporation

1) Certifications for the Yangsan and Changnyeong Manufacturing Sites are scheduled for acquisition in 2025.

* 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.

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

Initiatives and Awards

Awards

Performance in External Initiative Responses

Category	2023	2024
Sustainalytics	Low Risk	Low Risk
MSCI	BB	BB
EcoVadis	Silver	Gold
Overall	B+	B
Environment	A	A
Social	A	A+
Governance	B	C
Climate Change	B	B
Water Security	C	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

NBLUE 4SeasonE **NBLUE 4Season Van**
DANDELION **GREENHive**
NFERA Sport **NFERA AUV**
NFERA SUR4 **NFERA RUI**
ROADIAN AT PRO RAS **N9000**

GERMANY IF DESIGN AWARD

NFERA Primus **NFERA AUV**
NFERA Sport S **NFERA sui**
ROADIAN HTX 2 **N8000**
WINGUARD Sport **WINGUARD Sport 2**

AMERICA'S IDEA DESIGN AWARD

NFERA NEXUS **PUREBACK**
GREENHive **CONQUEROR**

JAPANESE GOOD DESIGN AWARD

NBLUE 4SeasonE **NBLUE HD Plus**
NFERA RUI
WINGUARD Sport 2 **N9000**

AMERICA'S GREEN GOOD DESIGN AWARD

AMERICA'S GOOD DESIGN AWARD

GERMAN DESIGN AWARD

EUROPEAN PRODUCT DESIGN AWARD

ITALY A'DESIGN AWARD

ASIA DESIGN PRIZE

GOOD DESIGN KOREA

KOREA GOOD DESIGN AWARD

PIN UP DESIGN AWARDS

KOREA PIN UP DESIGN AWARD

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)	Indirect emission (Scope 2)	Total (tCO ₂ eq)
33,631.141	187,835.185	221,463
Fuel 656.973	Electricity 3,030.528	Steam 762.779
		Total (TJ) 4,447

※ 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 (tCO ₂ eq)	
		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

※ 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)

※ Waste and incineration were not included in greenhouse gas emissions.

May 29th, 2025

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

	2023	2024
Other indirect emissions (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



National Institute of
Environmental Research

Authorized By
CEO Eun Ju, Hwang



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 NEXEN TIRE.

[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

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 assurers 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.

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 disclosure 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 NEXEN TIRE' 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

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