

INTRO

INTEGRATED CSR MANAGEMENT SYSTEM

CONSTANT MONITORING AREAS

CSR FOCUS AREAS

Customer Satisfaction and Quality Management
(Car Makers/General Customers & Dealers)
Employee Health and Safety Management
Employee Value Creation

Transparency and Business Ethics

Win-Win Supply Chain Partnership
Integrated Environmental Management System
Climate Change and GHG Management
Community Involvement & Development

APPENDIX



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Training and Communication on Ethics Management

We elaborated and materialized the ethics management regulation by adopting needs of both our employees and third parties. We also provided periodical ethics management trainings to further enhance our employees' awareness of business ethics.

Offer Regular Ethics Management Training

Hankook Tire conducts regular ethics management training once a year to raise employees' awareness of business ethics. In 2017, online ethics training was offered to around 2,200 office staffs and operators in Korea and expatriates. We also uploaded online contents on the intranet to help all office staffs and operators including expatriates receive ethics management trainings year-round. Meanwhile, a 10-minutue video content with regard to ethics management - "Insight," a program of EBS - are offered biennially to operators who are difficult to access PCs during the morning assembly. This program helped them revive the meaning of ethics management.

Elaborate Ethics Management Training

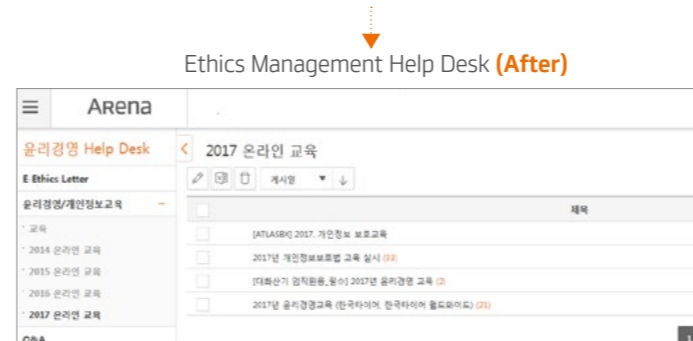
In response to increasing social requirements on ethics management, in 2017, we not only elaborated our ethics regulation but also offered subdivided ethics management trainings by position, job feature, and region to employees. As for contents by region, we requested training departments of overseas headquarters to conduct offline trainings by translating the Ethics Guidebook. By spreading ethics management training even to overseas sites, our employees were able to increase their awareness of ethics management. We also uploaded the Ethics Guidebook on the intranet to help office staffs and operators easily access ethics training at any time.



Ethics Guidebook



Ethics Management Help Desk (Before)



Ethics Management Help Desk (After)

Disseminate Ethics Management Training to Overseas Headquarters

We translated the Ethics Guidebook, which had been updated with an emphasis on case studies in 2016, in local languages in order to unify our ethics management. In May 2017, we completed editorial supervision and

distributed the final version of localized Ethics Guidebook to all overseas sites. Beyond just distribution of the guidebook, we encouraged training departments to actively promote it and offer relevant trainings.

Elaborate and Materialize Ethics Management Regulation

We completed the elaboration and materialization of ethics management regulation in August 2017 by collecting needs and opinions of OE makers and external evaluators. Newly updated articles were Zero Tolerance (measures against violations), Money Laundering (contribution to the nation and society), Internal Transaction (supplier partnership), Fair Trade (responsibility to customers), Charitable Sponsorship (contribution to the nation and society), Compliance with Export & Imports Regulations (contribution to the nation and society), and Express Charge (global company).

Vitalize the Operation of Ethics Management Help Desk

The ethics management Help Desk was established in line with the launch of new intranet. We upgraded the webpage design of the Help Desk and uploaded training materials to help employees use year-round. The E-Ethics Letter provides employees with helpful information on ethics management and the Q&A menu allows us to promptly respond to employee inquiries of business ethics.

Conduct the Ethics Management Awareness Campaign

Between 2011 and 2015, our E-ethics Letter served as a communication channel for all employees, including the CEO, to understand Hankook Tire's message on ethics management. Since 2016, we have modified its operational method from sending individual e-mails to posting company-wide notices. In 2017, we notified employees of understandable business ethics cases with regard to family events and a notice to encourage them to participate in the "No Holiday Gift" campaign.

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Efficient Whistleblowing System

The Company had promoted the localization of the whistleblowing system in Indonesian and Hungarian languages. However, we thought it was more efficient to establish a system where all local headquarters and offices can report at any time instead of localizing the system. Therefore, process establishment and systematization aimed at disseminating a global whistleblowing system are underway.

Regular Monitoring and Evaluation

Surveys on self-diagnosis of ethics management are implemented annually in a bit to identify unsatisfactory conditions and remedies.

Implement Self-diagnosis of Ethics Management

In 2017, Hankook Tire and its affiliates achieved 71 points out of 100 in self-diagnosis of ethics management. The figure shows that our ethics management remained intermediate level, institutional stage of ethics management. We were excellent in the area of

suppliers, while obtaining lower-than-expected points in the areas of ethics management system, customers, and competitors. Particularly, complaints on the trust of whistleblowing system were reported. In response, we will strive to get rid of possible misconception on the anonymity of whistleblowing system and further enhance whistleblower protection, thereby eliminating corruption and unethical behaviors.

Dissemination of Ethics Management to Affiliates

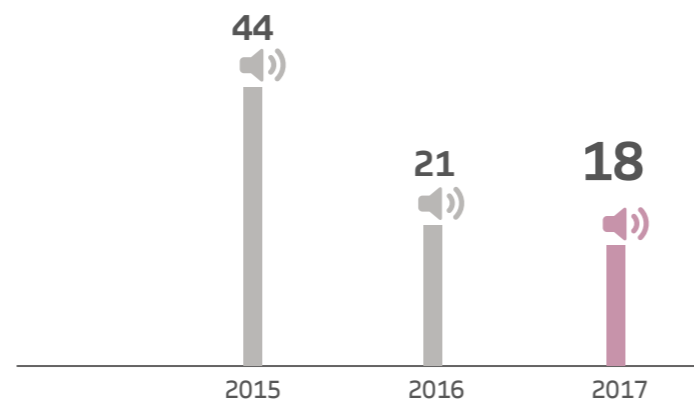
In pursuit of qualitative and quantitative growth with affiliates, we provide them with ethics management programs which are on par with those undertaken at Hankook Tire.

No Holiday Gift Campaign, Ethics Training of Affiliates, Self-diagnosis of Affiliates' Ethics Management

Our two affiliates (MK Technology, ATLASBX) collected major customer lists from each team and then sent a notice on the "No Holiday Gift" campaign by phone and

e-mail to those customers. In addition, our affiliates offered ethics management training to all employees including office staff and operators by utilizing our online training contents or independently developing training contents. They are also required to submit the results of annual ethics management training and self-diagnosis for continuous monitoring.

3-Year Whistleblower Reports (No. of reports)



Whistleblower Reports by Type in 2017 (No. of reports)

