

CSR FOCUS AREAS

Customer Satisfaction and Quality Management (Car Maker/ General Customers and Dealers)
Employee Health and Safety Management
Climate Change and GHG Management

Focus 04

Employee Value Creation
Integrated Environmental Management
Community Involvement and Development
Transparency and Business Ethics
Win-win Supply Chain Partnership

Pursuing changes for a positive corporate culture

To create an environment in which employees concentrate on their work with creative ideas, we motivate our employees with a variety of campaigns and programs.

Improving organizational practices

A survey on employee engagement was conducted in 2018 to improve organizational practices at the company and department levels. To identify multiple aspects of issues, customized questions were provided by organization and region. The survey results were analyzed based on which plans for improvement had been established and monitored. A total of 276 tasks were identified from 62 departments, and the related progress was monitored. In 2019, we will provide a guide to revisit the previously-selected improvement tasks.

Internalizing core values

In 2018, we focused on activities to raise awareness and promote the understanding of our core values: passion, innovation, collaboration, and global. The activities included a cup sleeve event and making posters. In addition, workshops on best practices were held to help our employees more deeply understand the meaning of our core values.



* Our employee awareness of the core values rose from 70% in 1Q to 79% in 3Q 2018.

Innovating the ways we work

A wide range of activities were conducted to innovate the ways we work. To promote efficiency, a campaign on the theme of Less for Better was operated. Content materials on efficient time management were published as a series in 2018 to provide guidance to employees on utilizing a new working hours system. Over the past seven years, we have been operating a platform through which employees can freely present ideas, and maintaining nine Proactive LABs. These in-house project teams are led by an idea's presenters to pursue its implementation.

Improving organizational practices on meetings and reporting

We review the results of biannual employee satisfaction surveys on innovating corporate culture, in particular organizational practices regarding meetings and reporting. The Proactive Culture Team personally monitors meetings and provides guidance on enhancing meeting efficiency. In addition, our PPT-less initiative encourages employees to create clear and concise reports rather than PowerPoint documents with an excess of pages.

* Company-wide use of PowerPoint documents : 1 % (2018)
* Employee satisfaction survey on organizational practices on meetings and reporting: 67% (2017) → 70% (2018)



Adding "Mr. or Ms." as a suffix for every employee's name when addressing one another

To create a more horizontal corporate culture, we encourage our employees to add "Mr. or Ms." instead of a job title as the suffix for every employee's name when addressing one another. To this end, a variety of activities have been implemented, including campaigns and promotional materials. In addition, an annual survey is conducted to monitor progress. In the 2018 survey, 74% of employees responded that they used "Mr. or Ms.", which equaled the level in 2017.

Running the Proactive Friday and Strategic Sunday programs

The Proactive Friday program is operated once per month. On the designated day, all of our executives and team leaders take the day off while the remaining employees, either as individuals or in groups, plan and conduct creative activities promoting our core values. Executives and team leaders return to work on the Sunday of the week, which is called Strategic Sunday, and host Town Hall meetings to discuss issues and strategic directions.

CSR FOCUS AREAS

Customer Satisfaction and Quality Management (Car Maker/ General Customers and Dealers)

Employee Health and Safety Management

Climate Change and GHG Management

Focus 04

Employee Value Creation

Integrated Environmental Management

Community Involvement and Development

Transparency and Business Ethics

Win-win Supply Chain Partnership

Training support for capacity building

We created microlearning content for employee training and conducted activities for HRD innovation and change management.

Identifying and creating content for microlearning

To provide employees with materials for self-directed learning, we created short (5-7 minutes) videos as follows:

- Tire manufacturing processes from mixing to calendaring, cutting, building, curing, and inspection (13 videos)
- Hankook Tire & Technology's Proactive Workstyle (1)
- Understanding of a PLM¹⁾ system (2)
- Understanding of tire up-selling techniques (2)

1) PLM: Product Life Cycle Management

The content is utilized as pre-learning materials for: introductory training for new non-career/career office and technical employees; vocational and on-the-job training for production workers; and a professional course.

HRD innovation and change management

We develop activities to promote self-directed learning and ensure that employee capacity-building activities boost their results at work. Live-on Chat is a tool that allows our office and technical employees to set and manage their learning targets by communicating with their team leaders. In addition, programs were developed for employees on the track for promotion to a team leader, and the scope of on-the-job training has been expanded.



Promoting human rights and diversity

We are promoting human rights and diversity in order to contribute to building a sound and healthy society. As part of these efforts, we operate grievance channels, conduct a Human rights assessment and increase the number of employees with disabilities.

Strengthening due diligence on human rights management

Grievance Committee In 2015, we established a grievance process through which employees can raise personal grievances. It aims to address the personal issues of employees, prevent disputes, and promote a harmonious labor-management relationship. Employees can report any kind of grievance, including discrimination, workplace sexual harassment, unfair treatment related to parental leave, or other personal issues via an oral report, phone call, letter, or e-mail. The Grievance Committee or similar channels are operated at domestic worksites and key overseas manufacturing subsidiaries. A Human rights assessment was conducted to identify worksites lacking a grievance process. In 2018, a total of 29 reports were addressed. Going forward, we plan to expand the scope to include all of our overseas subsidiaries by establishing and promoting such channels at the subsidiary level.

Human rights assessment We conduct a human rights assessment biannually for all of our worksites, including the headquarters, domestic and overseas plants, R&D centers, and overseas subsidiaries and offices. For the diagnosis, we use a checklist, an upgraded version of the one developed by the National Human Rights Commission of Korea. The checklist consists of 66 items in 11 categories, including nondiscrimination in employment, freedom of association, the right to collective bargaining, prohibition of forced/child labor, and occupational health and safety. The 2017 assessment was conducted for 38 teams/departments focusing on privacy protection and workplace sexual harassment. For the 15 domestic and oversea worksites with results that require attention, improvement measures will be formulated and implemented to prevent potential risks.

※ Since 2018, the Human rights assessment has been conducted biennially for more efficient implementation of improvement measures.

A checklist for the Human rights assessment

CSR FOCUS AREAS

Customer Satisfaction and Quality Management (Car Maker/ General Customers and Dealers)
Employee Health and Safety Management
Climate Change and GHG Management

Focus 04

Employee Value Creation
Integrated Environmental Management
Community Involvement and Development
Transparency and Business Ethics
Win-win Supply Chain Partnership

Promoting diversity

Hankook Donggrami Partners, established in 2015 according to the ‘subsidiary-type standard business system’, aims to give the vulnerable job opportunities and contribute to the social and economic development of local communities. The number of employees with disabilities has steadily increased from 87 in 2015 to 204 in 2018, and they are working in our in-house employee welfare facilities in four areas, including laundry service, bakery, coffee and beverage, and office and administrative support. In April 2019, Hankook Donggrami Partners received the Prime Minister Citation for its efforts in increasing the employment of the disabled, promoting employment stability, improving labor conditions, running programs for their successful adjustment to their jobs, and raising awareness of people with disabilities. The company will expand its service areas to offer more job opportunities and continue its efforts to create a culture of promoting diversity.



Four-year trends of employment of people with disabilities (Unit: Persons)



Work & Life Balance

We are implementing flexible work hours and a working hour reduction system for childcare and operating in-house daycare centers to create an environment in which employee can concentrate on their work and promote work-life balance.

Promoting flexible work hours

Since July 2018, we have operated the "blocked flexible work hour system" so that employees at domestic plants can adjust their work hours while not exceeding 40 hours per week on a two-week basis. At R&D centers, employees have been utilizing a "flexible time system" since 2015, which allows them to choose their times for arriving at and leaving work to support a healthy work-life balance. In addition, a VPN system is in place to support employees working at home or on business trips.

All of our employees with children aged eight (second graders) or younger can take parental leave up to one year. In addition, our working hour reduction system for childcare allows employees subject to parental leave to reduce their working hours (20 hours per week) over one year rather than taking a leave of absence. Both male and female employees can take parental leave or use the working hour reduction system twice for a total of one year.

Operating in-house childcare centers

We maintain in-house childcare centers at the headquarters, R&D centers, and plants in Korea. To ensure quality education and the safety of children, we maintain the number of teachers required by law, utilize programs designed by professional educational institutions, and provide children with nutritious meals from dedicated cooking facilities. Their operating costs above the government subsidiary are fully covered by Hankook Tire & Technology to help employees minimize the burden of childcare and more concentrate on their work.

Furthermore, we provide KRW 200,000 worth of financial aid to support all employees who have children aged from four to six at childcare centers or kindergartens on a quarterly basis.

