

Pursuing Change for a Positive Corporate Culture

To provide a work environment where our employees can unleash their creativity and fully engage in their work, we motivate our employees through diverse campaigns and programs.

Improving the corporate culture

Internal corporate culture innovation surveys are performed to improve our corporate culture at the individual, organization and company-wide level. In 2019, such surveys were conducted twice in Korea and once overseas to identify issues from multiple angles. Survey results were used in interviewing executives in charge to set plans and define tasks accordingly to improve on corporate culture at the organizational level. Furthermore, progress on improvement tasks is measured periodically to generate substantial outcomes and pursue change management in so doing. Survey results are shared with all employees to increase their interest and response rates.

Innovating the way we work

In 2019, a variety of programs were introduced to create an efficient and immersive work environment. In January, the global language principle was declared to provide a culture of collaboration that transcends language barriers. IT-based collaboration tools with video conferencing, group chats, and file sharing features were adopted to facilitate collaboration while workshops were hosted to offer use case training to team leaders and executives and to identify working-level user experiences. The in-house idea suggestion platform was also rendered more user-friendly to encourage employees to come forward with creative ideas, and three Proactive LABs, as future venture teams where the employee who proposes an idea directly organizes a project team to implement the idea, and the first-ever in-house venture were established.

Improving meeting and reporting culture

Employee satisfaction with meeting and reporting culture is one of the key corporate culture indicators, and this is constantly monitored through semiannual internal corporate culture innovation surveys. Our Proactive Culture Team monitors these practices on the organizational level through Focus Group Interviews (FGI), and offers separate guides to organizations in need of improvement. Company-wide meetings are also examined and streamlined to reduce any unnecessary meetings.

Addressing one another by 'Mr. or Ms.'

We are building a lateral communication culture by addressing one another by 'Mr. or Ms.' rather than by job title. To this end, we endeavor to expose our employees to this new practice through campaigns and promotional materials. Compliance with this new way of referring to one another is one of our key corporate culture indicators, and annual internal corporate culture innovation surveys are performed to identify and manage the level of employee compliance and institutionalization. In 2019, compliance in using "Mr." or "Ms." rose by 2.2%p from the previous year to 76.8%.

Running Proactive Friday and Strategic Sunday programs

On the monthly Proactive Friday, no executives or team leaders come to the office, and employees do activities individually or create organization-specific groups to engage in communication with coworker and self-development to come up with creative ideas. On the following Sunday, executive and team leaders come to work for Strategic Sunday to attend digital business insight courses to learn about the latest technology trends and attend townhall meetings to discuss wide-ranging corporate issues and strategic directions.

Training Support for Capacity Building

We set the primary course of nurturing talent in consideration of changing internal/external conditions while developing and providing wide-ranging training courses to assist employees' capacity building.

Internalizing mission/vision

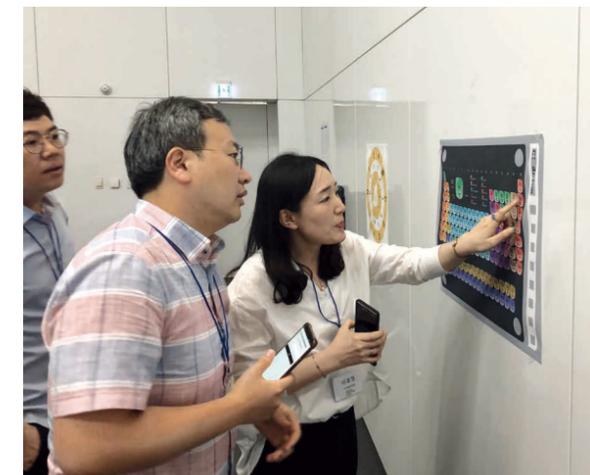
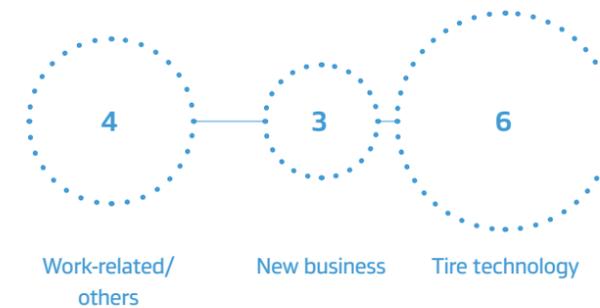
In 2019, we offered training to all our office workers, including those at affiliates, to internalize our renewed mission and vision. Dubbed 'MISSION : POSSIBLE', this course embodies our commitment to realize our mission in our day-to-day business operations. The 'MISSION : POSSIBLE' course was led by our in-house instructors who had been trained for a whole month before initiating the course. During the duration of the course, news cards, in-house broadcasts, and other internal communication tools were used to constantly remind employees of our new mission and vision. In addition, videos were created to effectively disseminate our new mission and vision to operators in Korea and abroad.

Composition of the 'MISSION : POSSIBLE course'

1. Understanding our mission & vision
2. Internalizing our mission through games: Escape Room
3. Thinking of one's own way of accomplishing the mission

Proactive LABs operated between 2018 and 2019 (unit: No. of projects)

First in-house venture business was produced out of 13 projects in total (new business: car sharing service)



MISSION : POSSIBLE course

Human Rights and Diversity Management

To stand true to our promise to contributing to the sound development of society, we respect human rights in our business conduct while increasing the employment of people with disabilities to establish a corporate culture that embraces diversity.

Nurturing digital talent

To establish a digital talent development framework, Hankook Tire & Technology added 'digital competence' into its capacity building system and defined digital competence to develop various training courses. To help employees understand major technologies and trends in our digital transformation strategy, we operated courses on 'design thinking' and 'understanding digital technology and coding'. In line with the mounting importance of data management and use, such courses as 'basic-level python' and 'programming for beginners' were provided. In conjunction with the Korea Advanced Institute of Science and Technology, we opened Digital Future Innovation Research Center to secure internal digital specialists. As part of this multi-pronged research initiative, we operate the 'Digital Future Technology Academy' to assist our employees in developing and using data-based decision-making capabilities.

Practicing Human Rights Management

Grievance Committee — Our grievance process, developed back in 2015 to receive and handle employee grievances, aims to add a human face to our corporate culture. Our employees are free to raise their individual concerns occurring in their work or personal life, ranging from discrimination or sexual harassment at the workplace to unfair measures taken in relation to their using parental leave. There is no pre-determined format and such grievances can be submitted verbally or by phone, on paper or through electronic media. The Grievance Committee and other equivalent channels are under operation at major production subsidiaries in Korea and overseas. In 2020, we plan to develop grievance processes or similar channels for respective regional headquarters and promote their communication methods to help resolve grievances at our overseas subsidiaries.

Human Rights Assessment Process — Hankook Tire & Technology recognizes the importance of human rights as a universal human value, and is committed to human rights management in its business conduct. Our human rights assessments have been conducted since 2015 at all our worksites (Headquarters, domestic and overseas plants, R&D centers, and overseas subsidiaries and offices) based on the checklist upgraded from the version developed by the National Human Rights Commission of Korea. In 2019, we supplemented questions on the checklist and widened the internal pool of assessors to improve the accuracy of these assessments while increasing the frequency of these from every two years to every one year. Out of the 51 target organizations, 50 completed human rights assessments over the past three years. Our goal for 2020 is to reach 100% in making these assessments across the entire worksites. Furthermore, we plan to train human rights assessment staff at respective worksites to improve the reliability and accuracy of assessment outcomes.

Human Rights Assessment Outcomes — We identified major human rights issues through the human rights assessments made on 50 corporate organizations, and set improvement plans on 21 of them found to be at risk as a result of such assessments. Assessment outcomes revealed that a 'lack of overseas grievance process' was chosen as the issue in need of the most improvement. This prompted us to designate grievance facilitators at respective organizations, and we will train these facilitators on human rights management and grievance handling to further disseminate our human rights management system. Another issue was 'possible infringement on privacy of job applicants', and this will be addressed by revising the resume format used at overseas worksites susceptible to such risks in accordance with their local culture and regulations. It was also suggested that we need to strengthen human rights management along the supply chain, including affiliated companies and subcontractors. To respond to this, we will support and encourage human rights management within our supply chain to practice human rights management across our business environment. These regular assessments will surely enable us to identify vulnerabilities on human rights issues and to prevent and mitigate human rights violations.

Hankook Tire & Technology also included human rights items in performing supplier CSR assessments to advance human rights management across the entire supply chain. Such assessments were completed on 17.4% of our total suppliers, and improvement plans were developed for those worksites that account for 6.9% of the total and were found to have issues with human rights.

Human Rights Assessment Items

1. Establishment of a human rights management system
2. Equal opportunity and non-discrimination
3. Protection of freedom of association and collective bargaining
4. Ban on forced labor
5. Ban on child labor
6. Protection of rights to individual safety
7. Protection of rights concerning occupational safety
8. Responsible supply chain management
9. Protection of human rights for indigenous people
10. Protection of environmental rights
11. Protection of consumers' human rights

Work & Life Balance

We operate flexible work hours, reduced work hours for employees with parental responsibilities, and in-house childcare centers to create a workplace where employees maintain a work-life balance and pleasantly and fully immerse themselves in their work.

Promoting diversity

Hankook Donggarami Partners was established in 2015 to provide the underprivileged with an opportunity to explore new opportunities and broaden their horizon in order to contribute to the growth and development of local communities. The company serves as an outsourcing service provider for Hankook Tire & Technology in the four areas of in-house welfare business operations including in the laundry, bakery, coffee & beverage, and administrative support areas. In 2019, a total of 159 people with disabilities were hired by the company, and diversity is fully respected in its recruitment process. In April 2019, the company was honored with the Prime Minister's Citation at the Inclusive Employment Awards 2019 in recognition of its efforts to increase and stabilize the employment of people with disabilities, improve employee treatment to retain long-term employees, create a safe and pleasant workplace, operate onboarding programs, and elevate awareness for people with disabilities. Hankook Donggarami Partners will expand the scope of its service areas to continue to offer employment to the less privileged, and do its utmost to establish an inclusive corporate culture that prospers together with those who have disabilities. Furthermore, we set a mid/long-term goal of reaching 10% in the percentage of female leaders by 2030 by consistently increasing the ratio of female employees and leaders in particular. We plan to fine-tune and operate our HR policy and system to attain this goal.

Promoting flexible work hours

Since July 2018, our domestic plants have initiated 'bi-weekly flexible work hours' to allow workers to flexibly schedule their work hours within the timeframe of two weeks and within the boundary of an average of 40 hours per week. Our R&D centers have been implementing the flexible working hours since 2015 which makes employees can come to work earlier or later than the set time. This is currently being used by the majority of employees and is significantly contributing to maintaining the work & life balance of employees and improving their work performance. Besides, selective work hour system has been on a pilot run since April 2020 for our accounting team at the Headquarters. Its verification and satisfaction survey outcomes will be used to extend the scope of flexible work hours to other worksites and to create a more flexible work environment. Meanwhile, employees with children in 2nd grade or below are eligible to parental leave up to one year to ease their childcare burden. 'Reduced work hours for employees in their parenting period' are also operated to allow these employees to work 20 hours per week (4 hours per day) or five hours per week (1 hour per day) without taking any leave at all. This protects our employees from career discontinuation while offering them sufficient time to take care of their children. Both male and female employees are equally entitled to parental leave and reduced work hours during the parenting period. Parental leave can be divided once within one year. It is also possible to divide the reduced working hours during the parenting period without limitation of times within a two-year window. In addition, we have deployed a virtual private network (VPN) system to support employees to work at home or while away on business trips when necessary.

Operating in-house childcare centers

We directly operate an in-house daycare center at our major worksites including the Headquarters, our R&D centers and the plants to allow our employees to continue working while tending to the duties of parenthood. Regular training is provided to teachers along with teacher performance appraisals and management to earn employees' trust in the operation of these daycare centers. This also comes with information on childcare/educational programs, food supplies/menus, hygiene, and safety management. All expenses above government subsidies are fully paid by the Company. The sum of these endeavors allowed us to score 8.94 points in the environmental category, 9.36 points in health and safety, 9.57 points in curriculum and communication, and 8.98 points in operational openness and connection with homes in the parent satisfaction survey performed in 2019 (on a scale of one to 10). This demonstrates that employees are highly satisfied with the daycare center operations and recognize the excellence of the facilities and teaching staff. In line with the relocation of our Headquarters to Pangyo in 2020, a new daycare center will be created at the new office building and a wide array of operational methods are under review to improve the daycare environment. Specifically, we plan to increase the number of children by nearly 60% as well as the number of teaching staff accordingly so that more employees can make use of the facility. All our employees with children aged between four and six are provided with KRW 200,000 per child every quarter for kindergarten tuition so that these employees who send their kids to external daycare centers and kindergartens can also work in a better environment.



1. Playground at the daycare center at the Headquarters
2. Hands-on experience of picking strawberries

