

Introduction

Kumho Tire are one of the largest companies in South Korea and run three manufacturing facilities; the Pyeongtaek Plant, the Gokseong Plant and the Gwangju Plant which includes the Kumho Research and Development centre mentioned below. There are a further three plants in China: the Tianjin Plant, the Gaoxin Plant (in Nanjing) and the Changchun Plant. There is also one plant in Vietnam in the Binh Duong Province.

Kumho Tire aims to realize the value of sustainability under the vision of 'Your Sustainability Partner.' To this end, Kumho Tire has established strategic directions and derived implementation tasks in the areas of environmental management, human rights and labour, supply chain, ethics and compliance, and governance.

To execute tasks according to strategic directions, Kumho Tire has formed five company-wide ESG (Environment, Social & Governance) working Groups, setting short-term and mid to long-term strategic tasks as well as ESG management indicators and goals. Through monitoring ESG tasks and management indicators, Kumho aims to internalize company-wide ESG and concretise our ESG vision.



Australia

Kumho operates a separate entity in Australia under the name Kumho Tyre (Australia) Pty Ltd. Kumho has been selling tyres in Australia for over 40 years. We have expanded locally over time through carefully managed growth and development.

Kumho Australia has developed several Policies and Procedures to assist its compliance to legislation and allow it to operate as a responsible corporate citizen. To this end, Kumho Australia has implemented a Safety (WHS) system, Human Resource Management, Consumer Law and Anti-Bribery Policies and an Operational Environmental Management Plan. These business fundamentals are now supported by a commitment to reduce and eliminate any risk of modern slavery in our operations.

Structure, Operations & Supply Chain

Kumho Tyre (Australia) Pty Ltd and their operations are represented by a Head Office in Marsden Park (Sydney NSW) as well as five state offices in Sydney, Melbourne, Adelaide, Perth and Brisbane.

Our Marsden Park (NSW) Head Office markets and sells tyres to customers in all Australian states and territories as well as New Zealand. The Marsden Park office operates a national sales centre for Australian customers where orders are phoned through to them and arrangements made to invoice and distribute the products. Kumho typically operates business accounts with its customers and also enters into more formal contractual arrangements in relation to supply and terms with larger customers.

Kumho employ approximately 80 people nationally in Australia. Kumho has implemented recruitment and induction policies and procedures to ensure all new employees meet minimum employment requirements and are eligible to work under Australian Law. Kumho has established a safety system to manage the safety welfare of employees and to reduce risk. These controls are audited regularly and reported to senior management to address any deficiencies and work toward our strategic goal of 'zero-harm'.



Kumho's Tyre range

Kumho supplies the following tyre segments to the Australian market.



Risks

All products sourced by Kumho Australia come from Kumho Tire factories, (with a small proportion originating from Doublestar Tire.) There are no examples of Kumho Australia sourcing tyres from suppliers other than their parent or associated companies.

Our parent company, Kumho Tires has conducted human rights impact assessments based on indicators designed to identify human rights risks for stakeholders who can possibly be affected by negative impacts from human rights risks, including employee, labor unions, suppliers, local residents and customers, as well as who may be vulnerable to those risks such as children and minorities. This year's human rights impact assessment was carried out in four major stages:

- Implementation & Planning
- Human Rights Risk Identification
- Improvement activities, and
- Monitoring and planning.

Human Rights Impact Assessment Process



Our parent company has also established a Human Rights Policy in compliance with international standards and guidelines relating to human rights and labour, such as the Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights (UNGPs), ILO Declaration and the OECD Due Diligence Guidance for Responsible Business Conduct. The policy applies to all employees and executives at its global business sites and other key stakeholders including suppliers, customers, and local communities.

The only other major supplier involved in the supply of tyres to Australia is the supply of the freight services to transport the tyres from Asia to Australia. These arrangements are also made by the parent company and is also covered by their sourcing policies.

As a general rule, Kumho has been engaging the major shipping transport company, Maersk, who provide transportation of tyres from the factories to Australian ports. Maersk has announced policies in recent Modern Slavery Statements they have published which demonstrate their commitment to eliminating modern slavery:

"We are committed to respecting human rights, which includes ensuring our activities do not cause or contribute to the use of modern slavery and human trafficking and avoiding being directly linked to such harm. We will continue to improve and increase transparency on our progress, mitigating risks through our policies, procedures and engagement with stakeholders."

https://www.maersk.com/~/media_sc9/maersk/about/files/sustainability/sustainability-reports/apmm-modern-slavery-statement-2022.pdf

Apart from the supply of tyres from overseas, Kumho sources apparel from Peak Marketing to facilitate their local uniforms for employees. Peak Marketing has provided Kumho with their Modern Slavery, Labour & Human Rights Policy which includes the of following statement:

"All suppliers to Peak Marketing must go through our due diligence process at the on-boarding stage and are then subject to regular audits and reviews. These audits are based on perceived risk (i.e. country of supplier, strategic importance of supplier, and handling of confidential data) with a tiered approach taken to ensure each supplier's corporate social responsibilities are aligned with that of Peak Marketing and, most importantly, United Nations Global Compact, the UN Universal Declaration of Human Rights as well as the 1998 International Labour Organization Declaration on Fundamental Principles and Rights at Work in addition to full compliance with the UK legislation, including the Modern Slavery Act."

New suppliers 2024

Kumho has undertaken to check their supplier base regularly to ensure that any new suppliers are reviewed for their risk exposure to Modern Slavery. No new major suppliers were engaged during 2024.

Risk Mitigation

Whilst our parent company, Kumho Tire, (who supply all the tyre products we wholesale to the Australian market) currently share the principles of human rights respect through the Supplier Code of Conduct, there is a need for improvements, such as incentives to encourage policy compliance and conducting human rights due diligence.

To address this, in 2024, Kumho Tire has established a comprehensive supply chain due diligence system, from risk assessments of key domestic and international suppliers, in order to develop and implement improvement plans with monitoring.

Additionally, based on the previous year's human rights impact assessment results, Kumho Tire is implementing the improvement activities that were established. To build a substantive organizational structure for human rights management, Kumho Tire has designated the People & Culture Working Group as responsible for revising human rights policies, setting goals, monitoring indicators, and implementing improvements. The ESG (Environment, Society & Governance) Management Committee oversees the reporting, management, and supervision of related activities. Furthermore, to enhance human rights education, which was previously at the level of mandatory legal training, Kumho Tire has integrated human rights education programs into the training courses for organizational leaders and new employees. In this manner, Kumho Tire is implementing improvement measures for the identified areas requiring improvement, and monitoring the effectiveness of the measures to ensure risk mitigation.

2024 Human Right Impact Assessment Results

Human Rights Issues	Environmental Rights			
	Privacy and Protection of Personal Life			
	Freedom of Thought			
	Prohibition of Harassment and Humane Treatment			
	Non-discrimination			
	Forced Labor and Human Trafficking			
	Freedom of Association and Trade Unions	Community Impact	Management of Business suppliers and Supply Chains	
	Working Conditions and Wages	Child Labor	Health and Safety	
Risk Levels	Low	Moderate	Slightly High	High

2024 Key Human Rights Issues and Response Measures

Human Rights Issues	Response Measures	Related Stakeholders
Management of Business suppliers and Supply Chains	<ul style="list-style-type: none"> Establish and enhance the due diligence system by expanding the scope of human rights impact assessment to suppliers and the supply chain Require high-risk suppliers in need of improvement to submit improvement plans and provide support programs. Offer incentives using the win-win cooperation fund to suppliers participating in ESG diagnostic evaluations. 	Supplier Employees
Health and Safety	<ul style="list-style-type: none"> Although excellent guidelines and procedures are in place, practical measures to prevent major accidents need to be established. 	Employees
Community Impact	<ul style="list-style-type: none"> Ensure that not only the legal owner is identified during land purchases but also verify the existence of actual right holders according to local laws and customs. Review ownership transfer and the protection of displaced persons during the construction of new business sites. 	Local Residents
Child Labor	<ul style="list-style-type: none"> Although there are no issues of child labor, guidelines to address child labor need to be improved. 	Children

As previously mentioned, the parent company (Kumho Tire) supplies all the products we wholesale in the Australian market. Kumho Tire is a founding member of the Global Platform for Sustainable Natural Rubber, (GPSNR). Essentially, the GPSNR aim to improve the supply chain in respect of human rights, prevent land grabbing, protect biodiversity and water resources, improve yields and increase supply chain transparency and traceability.

GPSNR members adhere to the GPSNR Policy Framework and must commit to policy components under the Top 8 themes and must also report their progress in implementing the policy.

The policy framework includes the following components that relate to the commitment to eliminate Modern Slavery:

- Upholding applicable labour rights and labour laws in the jurisdictions where operating,
- Upholding the UN Guiding Principles on Business and Human Rights, and
- Upholding the intent of the International Labor Organization's eight core conventions. This includes:
 - No forced labour (ILO Convention No. 29 and its 2014 Protocol)
 - No child labour (ILO Convention No. 138 and No. 18)

Kumho Tire has also revised and published its Sustainable Natural Rubber Policy to prevent human rights abuses and environmental destruction within the natural rubber supply chain. The full policy is posted on the global official website of Kumho Tires.

Policies, Procedures and governance approach

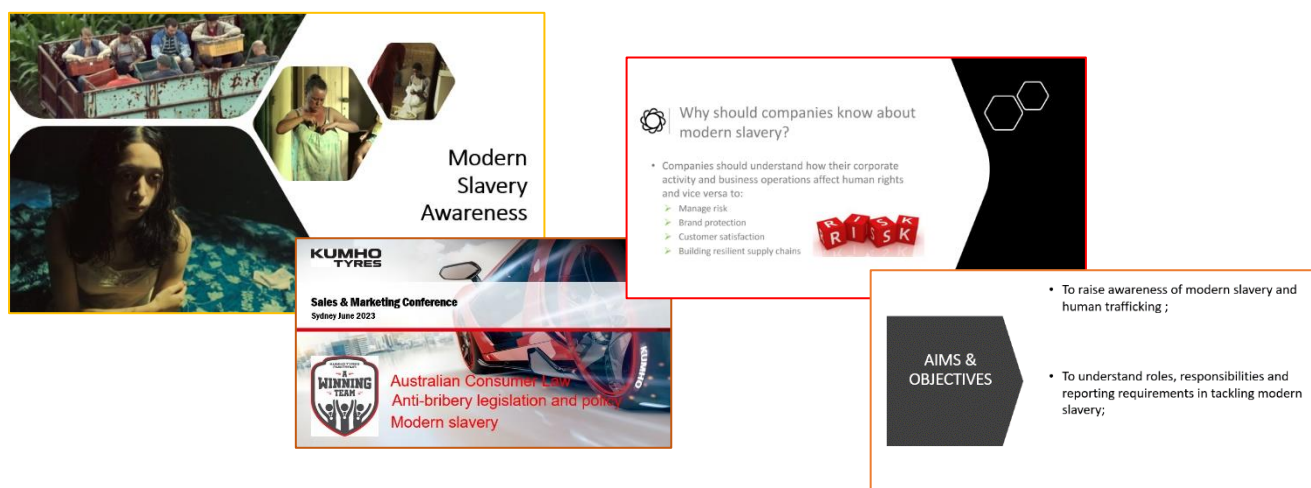
To assist in reducing moral risk, Kumho Australia has also implemented a number of policies and procedures to promote understanding of social issues and how to report concerns. These policies, which also incorporate a 'Whistle Blowing Policy' to protect employees who raise concerns and detail a process for investigation and resolution, are communicated to employees through regular training programs. The company has also implemented the position of 'Compliance and Protected Disclosure Officer' currently held by the General Manager, Operations to assist the monitoring, reporting and management of compliance concerns.

Training

Kumho Tyre (Australia) Pty Ltd provides training to foster understanding of the risk of modern slavery and human trafficking in our supply chain and our business amongst relevant members of staff. All directors have been briefed and made aware of the subject.

The training is delivered (and remedial training provided regularly) as part of our compliance training suite which also includes Competition and Consumer Law and Anti-Bribery Law training.

All interstate and Head Office Managers have been briefed in their compliance obligations including their awareness and responsibilities in relation to Modern Slavery at previous training sessions.



Future planning

To assist the further development of the company's approach and compliance to Modern Slavery issues the following objectives are planned for the coming year:

- Continued articulation of the requirement and expectation for employees to observe and support Modern Slavery elimination Policies in all employment contracts
- Continued rollout of Modern Slavery training to all managers
- Communication and reporting to senior managers of the progress in risk mitigation locally and by the parent company's supply chain

Kumho Policies that support Modern Slavery management

- Kumho Modern Slavery Policy (Australia)
- Kumho Anti-Bribery Policy (Australia)
- Kumho Whistle-Blower Policy (Australia)
- Kumho Code of Conduct (Australia)
- Human Rights Policy (HQ Korea)

Assessing the effectiveness of mitigation strategies

The above risk mitigation strategies' effectiveness is primarily measured by the number and significance of incidents (including complaints) received. Where incidents are noted or advised they are investigated and control measures agreed to by the senior management. These controls may include new policies, higher levels of training or a greater awareness to improve the culture throughout the company.

We will ensure that new suppliers acknowledge and agree to compliance with our Modern Slavery Policy. We will continue to report to our senior management the outcomes of any actions taken to prevent modern slavery.

Kumho takes a 'zero tolerance' policy in relation to Modern Slavery, and as such the company has set a target of zero verified modern slavery incidents which appear in the company's 'Zero Harm' Strategic Safety Policy.

Results for current reporting period (Jan 1 2024 – 31st Dec 2024)

1. Number of incidents arising from allegations, complaints in relation to Modern Slavery concerns: NIL
2. Number of incidents investigated and substantiated to contravene Modern Slavery Policies : NIL
3. Action taken to address incidents: Not Applicable

Consultation with other entities

Kumho Tyre (Australia) Pty Ltd does not own or control any other entities, therefore this criteria is not applicable.

References

Information contained in this report has been obtained in consultation with senior managers, the Policies and Procedures of Kumho Tyre (Australia) Pty Ltd and the 2024 Kumho Tire Sustainability Report.

Approval

This statement was approved by the Board of Directors which is the principle governing body of Kumho Tyre (Australia) Pty Ltd ACN 46 003 300 678 on 3rd March 2025, and signed below by a responsible member of the principle governing body, the entity's Managing Director.



John Jeon
Managing Director,
Kumho Tyre (Australia) Pty Ltd
3rd March 2025