

Corporate
Responsibility
Policy

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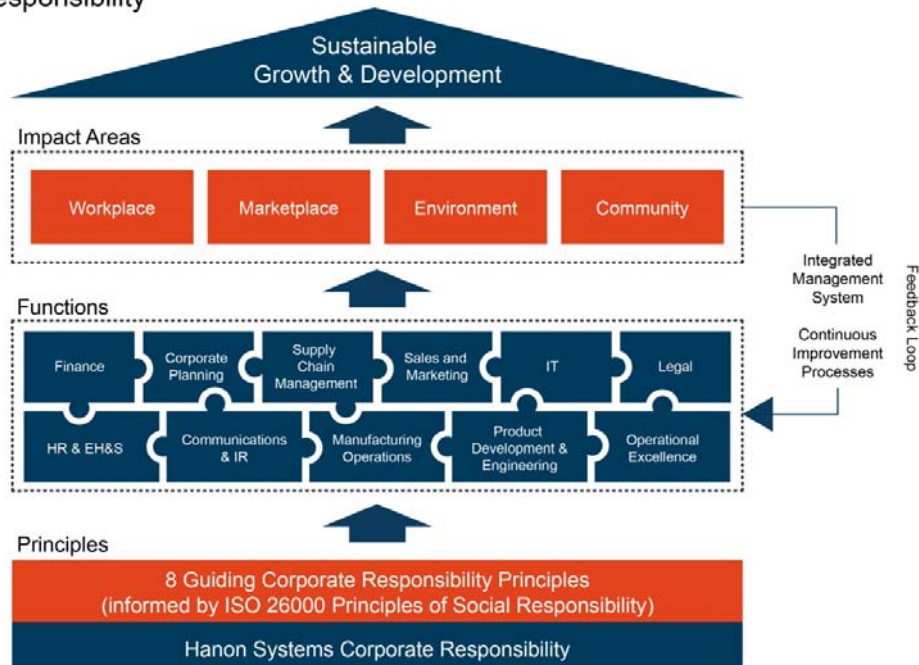
Hanon Systems Corporate Responsibility Policy

Introduction

As an automotive thermal management solutions provider, Hanon Systems is committed to driving positive change that brings value to our people, customers, environment, and the communities we work in, while maintaining outstanding professional, operational and environmental standards. We strive to understand and incorporate our stakeholders' interests into areas of our strategy, building a positive and sustainable future for all involved.

At Hanon Systems, the company has developed a strategy for corporate responsibility strategy based on eight guiding principles, focusing on four key areas of performance: marketplace, workplace, environment and community. This approach is intrinsically tied to the company's corporate strategies and the expectations of stakeholders, by providing a structure that facilitates the effective management of company issues related to environmental, social and economic factors. In giving corporate responsibility this platform, Hanon Systems is committed to acting as a proactive corporate citizen.

Hanon Systems Corporate Responsibility



Guiding Principles

Informed by the international standard (ISO 26000) for social responsibility, the company's *eight guiding principles* intend to establish a strong foundation for the organization to further develop its corporate responsibility efforts.

1. Accountability and Transparency

Just as important as communication and operating with speed, is the need to be accountable and transparent. It is important to assess and monitor, and be responsible for the impact those decisions and actions have on the environment, society, the economy and stakeholders. Aligned with this is an openness to disclose operational details, policies and progress in a transparent, comprehensive and timely way. The company encourages active dialogue with stakeholders, realizing a collective voice provides invaluable feedback that is key component of this corporate responsibility journey.

2. Continuous Improvement

The company recognizes that social, economic and environmental responsibility is by no means absolute, with no beginning or end. It is a process of continuous reflection with an active drive to always improve and avoid complacency. Through the deployment of leading practices in the journey toward operational excellence, Hanon Systems can continue to advance its corporate responsibility agenda and bring a positive impact to stakeholders.

3. Ethical Behavior

Hanon Systems fosters an environment built on honesty, equality and respect. It is recognized that every effort and every success in business must come from ethical decisions and ethical activities. This is made possible by educating employees on the company's values, ethics policies and code of conduct to ensure ethical behavior is embedded throughout the organization. The company also aims to use open and transparent dialogue with stakeholders to continuously improve this approach in the hope of inspiring others external to the company to do the same.

4. Compliance

While compliance is generally associated with financial reporting, Hanon Systems recognizes how a business is managed is a fundamental aspect of corporate responsibility. The company complies with all applicable laws and regulations internationally and locally. Whether it is complying with environmental regulations, international health and safety standards or financial reporting laws, adhering to all aspects related to compliance contribute to the sustainability of the company and its stakeholders.

5. Respect for Stakeholder Interests

As a company with global reach, Hanon Systems impacts a multitude of stakeholders around the world. Through open dialogue, active listening and transparency, the company aims to build and maintain relationships that are rooted in trust, and address stakeholder concerns and interests. Engagement of this level and honest consideration of the stakeholder's voice can provide the necessary platform to strengthen relationships and bolster a company's corporate responsibility position.

6. Respect for International Norms of Behavior

At Hanon, we respect international norms of behavior. In situations where regional or local laws fail to satisfy, or are indeed in conflict with international norms, Hanon will review its relationships and initiatives in that geographic area. We also are proactive in seeking ways we can influence stakeholders where such conflicts arise.

7. Focus on Relevant Issues

As a concept, corporate responsibility has a large scope, which is why it is critical to prioritize and first focus on the relevant issues. It is important to understand what is material and what is not. Through stakeholder dialogue and self-assessments, Hanon Systems supports the principle that an organization should focus its efforts on areas relevant to the company and where an impact can be made.

8. Respect for Human Rights

Hanon Systems supports and promotes the protection of internationally recognized human rights. Measures are in place to ensure these rights are not breached and assessed annually. The company also recognizes the universality of human rights and that, irrespective of location, culture or situation, they are globally applicable.

Key Areas of Corporate Responsibility Performance

Marketplace

Hanon Systems recognizes how a business is managed is a fundamental aspect of corporate responsibility. The company complies with all applicable laws and regulations internationally and locally. Whether it is complying with environmental regulations, international health and safety standards or financial reporting laws, adhering to all aspects related to compliance contribute to the sustainability of the company and its stakeholders.

Operating with integrity surrounds doing what is right, and being truthful in words and actions. The company's ability to build stakeholder trust and succeed in this competitive industry is rooted in operating in this manner across every aspect of the business. This pledge encompasses many business aspects, but none is more important than maintaining the highest degree of ethical integrity based on mutual respect, honesty and compliance with legal standards at all times. In return, the company expects the same principles and attitudes to be embraced with all stakeholders within the value chain.

To ensure this approach propagates throughout the business in a manner where all stakeholders understand the company's position and expectations, Hanon Systems has a set of ethics policies that are available in multiple languages and accessible to internal and external stakeholders. This action intends to serve as a public declaration of the company's commitment to ethical management and encourages a culture of compliance awareness.

Workplace

It makes sense a company that focuses on the delivering solutions that bring comfort and aims to improve the well-being of consumers also focuses on bringing similar benefits to its people. Hanon Systems strives to create a work environment that prioritizes the spirit of collaboration and inclusion, development, and creativity of its employees.

Hanon Systems strives to be an employer of choice by attracting and retaining the best talent, and supporting and promoting an inclusive working environment that embodies challenging assignments, fair labor practices, and is based on principles rooted in mutual trust and respect. By providing a safe, diverse and fair workplace, the company can cultivate a culture of learning, development and professional growth of its workforce.

Environment

Hanon Systems is committed to protecting nature, reducing its carbon footprint and addressing other environmental impacts through sustainable environmental management that includes rigorous compliance with environmental regulations, and meeting or exceeding customer requirements.

Eco-friendly workplace: A focus on the company's environmental impact is a priority at Hanon Systems. By leveraging the company's integrated management system (IMS), which conforms to the recognized standards of ISO14001 and OHSAS 18001, and applying a "PDCA" (plan, do, check, act) approach to continuous improvement, Hanon Systems can maintain a sharp focus on emissions and energy, water and materials usage, and ensure it is working toward net positive impacts across its global operations.

Eco-friendly products: Hanon Systems designs and develops automotive thermal and energy management solutions that improve fuel efficiency, reduce emissions, operate with alternative refrigerants and manage the temperature of electronic componentry in vehicles. The company takes great pride in its supplying eco-friendly solutions that address the needs of new energy vehicles, as well as in the solutions that enhance the driving experience by improving occupant comfort and cabin air quality.

Eco-friendly communication: Hanon Systems promotes a culture where the environment plays a key role in decision-making. From choosing recyclable materials in the early stages of product design to encouraging employees to ride bicycles to work, acting in an eco-friendly way is a thread that transcends day.

Community

Hanon Systems commits to creating positive impacts economically, environmentally and socially in communities where it operates in its effort to achieve sustainable economic growth.

Hanon Systems *Citizen*

Through the company's global social program, **Hanon Systems *Citizen***, the company reaches out to parts of society that need support with the aim to make a difference for as many people as possible.

Active involvement in Hanon Systems *Citizen* is supported and encouraged by the company across all of its locations; local guidelines for volunteerism are subject to guidelines managed by human resources. All social contribution activities – corporate or facility-level, or as an employee fundraising or volunteer-based event – are required to align with the company's vision and corporate strategy, and with one or more of the following areas:

Hanon Systems *Citizen* – Environment

Tied closely with the company's focus to provide eco-friendly and efficient solutions, Hanon Systems *Citizen* activities focus on improving the environment within local communities and raising the level of awareness of environmental issues among stakeholders including employees and students. Volunteer activities focus on the mitigation of pollution and restoration of natural habitats.

Hanon Systems *Citizen* – Community

The company is committed to delivering thermal energy and management solutions that bring comfort and well-being to the automaker's end consumers. As a corporate citizen, Hanon Systems also is committed to activities that positively impact the welfare of the local communities.

- child welfare
- disaster relief
- economically challenged groups
- involvement with local and regional cultural programs
- medical and health support

Hanon Systems *Citizen* – Education

Hanon Systems relies heavily on the skills and expertise of its employees. From a long term perspective, it is imperative the company contributes externally to the promotion, development and training of future generations. Such education-based activities include:

- encouraging students to follow science, technology, engineering and mathematics (STEM) subjects
- participating in events introducing students to the science around thermal energy management
- partnerships with universities and student bodies such as the Formula 1 "Formula Student" program

- partnerships with affiliations and industry consortiums that can influence future requirements and set standards for a better tomorrow.
- internship programs, mock interviews and work placements for university and college students

As general guidance, individual employee volunteer days should not exceed three days per year. Every location is encouraged to have at least one program annually in each of the program categories (Education; Environment; Community).

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