Corporate Responsibility Policy
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Introduction

As an automotive thermal management solutions provider, Hanon Systems (Hanon) 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, we have developed a corporate responsibility strategy based on eight guiding principles, focusing on four key areas of performance: marketplace, workplace, environment and community. It is intrinsically tied to our corporate objectives, market drivers and the expectations of our stakeholders. This provides us with a structure that facilitates the effective management of company issues related to environmental, social and economic factors. By giving corporate responsibility this platform, Hanon is committed to being a proactive corporate citizen.
Guiding Principles

Informed by the ISO 26000’s “Principles on Social Responsibility”, Hanon’s eight guiding principles for corporate responsibility apply to employees at all levels and in all activities in which the company participates.

1. Communication, Accountability, Transparency & Speed

At Hanon, our operating principles CATS – Communication, Accountability, Transparency and Speed – are the main drivers that underpin our values. We recognize the importance of assessing, monitoring and being answerable for the impacts our decisions and actions have on the environment, society, the economy and our stakeholders. Aligned with this is an openness to disclose details of our operations, policies and progress in a transparent, comprehensive and timely manner. We also encourage dialogue with our stakeholders, realizing their collective voice provides invaluable feedback key to our corporate responsibility journey.

2. Continuous Improvement

At Hanon, we recognize being a socially responsible company is by no means absolute. There is no beginning or end; rather, a continuous process of reflection and improvement. We strive to better ourselves and will never become complacent in our efforts. Through benchmarking best practice and innovation in the corporate responsibility field, we are confident Hanon will continue to improve and bring positive impact.

3. Ethical Behavior

At Hanon, we foster an environment built on honesty, equality and respect. We realize everything we do and every success we achieve in business must come from ethical decisions and ethical activities. This is made possible by educating our employees on the company’s values, ethics policy and code of conduct to ensure ethical behavior is embedded throughout the organization.

Through open and transparent dialogue with our stakeholders, we also aim to continuously improve our approach and hope to inspire others, external to the company, to do the same.

4. Compliance

Although traditionally a topic found in our financial reports, we recognize the way we run the business is a fundamental aspect of our corporate responsibility. Whether it is complying with environmental regulations, international health and safety standards or financial reporting laws, all contribute to the sustainability of the company and its stakeholders. Hanon complies with all applicable laws and regulations internationally and locally.
5. Respect for Stakeholder Interests

Hanon is a global company with a global reach that impacts a multitude of stakeholders. Through open dialogue and transparency with our stakeholders, we aim to build and maintain a relationship of trust, addressing their concerns and interests. Stakeholder engagement provides the platform needed to drive these relationships forward.

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

Corporate responsibility, as a concept, has a very large scope. A company that attempts to satisfy every aspect within this scope is a company that has not stood back and assessed what is material and what is not. At Hanon, through stakeholder dialogue and self-assessment, we support the principle that an organization should focus its efforts on areas relevant to the company.

8. Respect for Human Rights

At Hanon, we support and promote the protection of internationally recognized human rights and have audits and policies in place to ensure these rights are not breached. We also recognize the universality of human rights and that, irrespective of location, culture or situation, they are globally applicable.

Key Areas of Corporate Responsibility Performance

Marketplace

At Hanon, we realize it is not what we do, but how we do it. To be a responsible company, we must ensure we operate on responsible foundations, on which our sustainability as a company can be built. We work within international laws and regulations in areas of human rights, labor and the environment, and remain transparent in communicating our financial health and management structure.

We are proud of the relationships we have built with our customers and business partners, and attribute this to high professional standards and an honest, open and ethical approach to how we do business. In return, we expect the same from all we interact with in our value chain.

To ensure this approach proliferates throughout the business and that our employees live by these same values, we make our code of ethics available to all internal and external stakeholders. This encourages a culture of compliance awareness.
Workplace

It makes sense a company that brings comfort solutions to its customers and consumers also focuses on bringing similar benefits to its people. Creating a work environment that prioritizes the well-being, development and creativity of our employees is what we strive for at Hanon.

By providing a safe, diverse and fair workplace that cultivates a culture of learning and supports the development and professional growth of its employees, Hanon can attract and retain the best talent.

Environment

Hanon is committed to protecting nature and reducing our carbon footprint and other environmental impacts through sustainable environmental management, and rigorous compliance with environmental regulations and customer requirements.

Eco-friendly workplace: Through the implementation of an integrated management system consistent with the ISO14001 and OHSAS 18001 standards, and a plan, do, check, adjust approach to continuous improvement, Hanon keeps the environment a priority. With a focus on emissions and energy, water and materials usage, Hanon can ensure it is working toward net positive impacts across its global operations.

Eco-friendly products: We provide technology and products that focus on fuel efficiency, emissions reduction and alternative refrigerants, all of which contribute to a more eco-friendly automotive market. Our technology solutions also enable the advancement of fuel cell, hybrid and electric vehicles across the globe.

Eco-friendly communication: We promote a culture where the environment plays a key role in all decisions. From choosing recyclable materials in the early stages of product design to encouraging employees to ride bicycles to work, being eco-friendly threads through all aspects of our day.

Community

Hanon strives to build strong relationships with the communities in which it operates. Through our global program, Hanon Citizen, each location reaches out to parts of society that need support. With a focus on three areas: the environment, the community and education, our social contribution scheme aims to make a difference for as many as possible.

Hanon Citizen

Hanon Citizen Environment

Tied closely with Hanon’s drive to provide eco-friendly and efficient solutions, the company is involved in activities within local communities that raise the awareness of environmental issues among stakeholders including employees and students.
Volunteer activities focus on the mitigation of pollution and restoration of natural habitats.

**Hanon Citizen** Community

As a business, Hanon is committed to bringing comfort and well-being to its customers through thermal energy management solutions. As a citizen, Hanon also is committed to activities that positively impact the welfare of the communities we touch. Areas of support include:

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

**Hanon Citizen** Education

Hanon relies heavily on the skills and expertise of its employees. From a long term perspective, it is imperative that the company contributes externally to the development and training of future generations. 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

Active involvement in the *Hanon Citizen* program is supported and encouraged by the company for all locations. However, the level of employee involvement/volunteering is subject to local HR guidelines. As general guidance, individual employee volunteer days should not exceed three days per annum.

Each location is encouraged to have at least one program annually in each of the *Hanon Citizen* categories (Education; Environment; Community).

Hanon leaders will encourage and support their team members when participating in the *Hanon Citizen* program.