

SMART PORT WITH

국민과 함께하는
스마트 종합항만

YOU

SMART PORT WITH YOU

About This Report

Report Overview

This report is the first sustainability report published by Yeosu Gwangyang Port Authority (hereinafter, “YGPA”). In publishing this report, we aim to identify the interests of stakeholders in our sustainable management activities and publicize our sustainable management activities and performance in a transparent manner. We are committed to proactively communicating with stakeholders by issuing regular sustainability reports in the future.

Reporting Guidelines

This report was prepared in line with the Core Options of the Global Reporting Initiative (GRI) Standards. In addition, it reflects the contents of the UN Global Compact (UNGC) and the UN’s Sustainable Development Goals (SDGs), while also incorporating the ISO 26000 standard regarding corporate social responsibilities.

Reporting Period, Scope, and Boundary

This report covers our activities and performance from Jan. 1 to Dec. 31 2020 and includes data from the past three years (2018 to 2020) so as to convey trends, both positive and negative, in quantitative performance. The scope of the report covers all business conducted by YGPA.

※ YGPA’s subsidiary (Yeosu Gwangyang Port Management Co., Ltd.) is excluded from the reporting scope.

Report Verification

To ensure the objectivity and reliability of this report, we have implemented third-party verification in accordance with the AA1000AP Principles (2018), which is the international verification standard. Further details regarding verification can be found in the Appendix.

Additional Information on the Report

The report is published in both Korean and English and can be accessed via our homepage. Should you have any comments or inquiries, please contact us using the contact details provided below.

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<https://www.ygpa.or.kr/en/>

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Message from the CEO



In an effort to transform into a **'Smart Port with You'**, we aim to generate social value through stable and innovative port management, and fulfill our social responsibilities and role as a public enterprise that contributes to further development of the national economy.

President of Yeosu Gwangyang Port Authority
Min-Sik Cha

A handwritten signature in black ink, appearing to be 'Min-Sik Cha'.

Dear stakeholders,

Since its foundation in 2011, Yeosu Gwangyang Port Authority has been striving to contribute to national development by developing Yeosu Gwangyang Port into a highly competitive hub of maritime logistics. Despite a decline in global trade volume caused by global crises such as Covid-19, at YGPA we dealt with imports and exports amounting to 211 million tons in 2020, and thus managed to maintain and solidify our position as the leading gateway port in Korea.

In July 2020, at YGPA, we established our 2030 vision, “Smart Port with You”, and implemented four strategic directions; future-oriented port; cultivating high value-added base markets; generating social value; and advancing sustainable management, and twelve strategic initiatives in accordance with those strategic directions. Consequently, Yeosu Gwangyang Port was the only Korean port to be awarded by the 2020 World Ports Sustainability Awards in the category of ‘COMMUNITY OUTREACH AND PORT CITY DIALOGUE’, as selected by the International Association of Ports and Harbors (IAPH). In addition, we also received the ‘Grand Award for Social Responsibility’, which was awarded by the Deputy Prime Minister and the Ministry of Economy and Finance at the ‘Social Responsibility and Management Quality Convention 2020’. In addition, YGPA’s performance and value in the field of sustainable management have been officially recognized in the form of a Presidential Citation, which was awarded to us on account of our excellent performance in public procurement, and in the form of our attainment of the top grade in a comprehensive integrity assessment. YGPA will continue to implement the following three commitments in a bid to position ourselves as a public enterprise trusted by the people of Korea.

Transform into a ‘Smart Port with You’

Here at YGPA, we will concentrate all of our capabilities on reshaping Yeosu Gwangyang Port into a ‘smart port’ through early implementation of port automation, intelligent port operation, and digital-based competitiveness. In 2020, we constructed a smart port testbed infrastructure in order to apply cutting-edge automation technology to four berths at Gwangyang port container terminal. These efforts are aimed at implementing an intelligent port which can result in securing the capabilities for a newly constructed smart port and establishing a blockchain-based integrated port logistics system, among other things. Moreover, we will establish a digital-based smart port by strengthening technological development centered around Industry 4.0, technology such as Artificial Intelligence (AI) and Big Data.

Engrave social value in our minds and implement socially responsible management.

We aim to be the top organization in terms of social value contribution and intend to proactively implement socially responsible management by: establishing safe/environmentally-friendly ports; creating jobs; and building a win-win social value system. Through our preemptive safety control in 2020, we contributed to developing an ‘accident-free’ industry by recording ‘Zero’ injuries or deaths, and ‘Zero’ confirmed cases of Covid-19 in the workplace. In addition, we are building environmentally-friendly ports including our project to achieve a 100% self-sufficiency rate of renewable energy (RE-100), and measures to reduce fine dust emitted from ships and equipment for handling/transporting ships and cargo. Furthermore, we are committed to the continuous creation of quality jobs through job-sharing and new recruitment, while establishing a mutually-beneficial ecosystem by bolstering support for SMEs, and through philanthropic activities in connection with local communities. YGPA will always value mutual prosperity and generate social value by encouraging a culture of shared growth and enhancing our philanthropic activities.

Achieve Unity among Diverse Stakeholders.

At YGPA, we aim to reinvent ourselves as a more transparent organization by making an effort to fully understand different stakeholders through active communication. In 2020, we moved swiftly and promptly in order to communicate and share emergency information in response to the prolonged Covid-19 crisis, and successfully integrated the SMGT and GWCT container terminal operators, thereby improving terminal competitiveness through enhanced productivity and services. We also provide a wider scope for stakeholders to participate in policy-making through channels such as the Virtuous Citizen Inspectors and the Citizen Participation Innovation Group. We are also expanding public participation channels by activating real-time communication and non-face-to-face communication channels. Moreover, we announced the ‘Standard Human Rights Management Charter for Ports & Shipping’ for the purpose of disseminating a culture which respects human rights and honors the safety of all workers, as well as the rights of residents within the local community, and with the eventual purpose of laying a foundation for mutual prosperity.



At YGPA, we will continue to realize our vision of a smart port based on our experience and trust built from the previous nine years in order to contribute to national development and the wellbeing of the general public. Your continued generous interest and support would be greatly appreciated.

Thank you.

Introducing YGPA

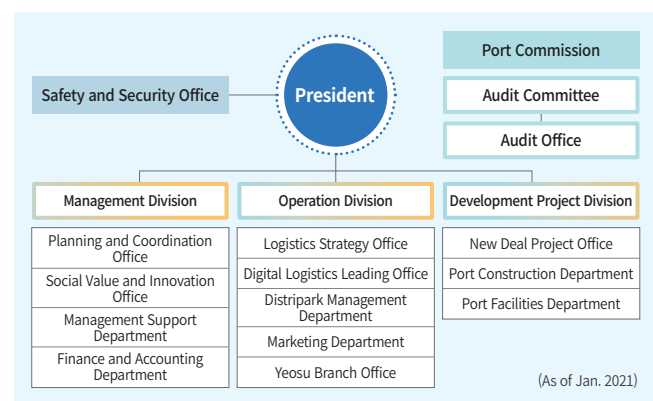
Corporate Summary

Established on August 19, 2011, YGPA aims to contribute to the development of the national economy by promoting Yeosu Port and Gwangyang Port as competitive hubs of maritime logistics. As of late 2020, Yeosu Gwangyang Port handled 211 million tons of import and export traffic and 275 million tons of total volume, making us Korea's unrivaled No. 1 import and export gateway port and the 2nd largest integrated logistics port in terms of total cargo.

 Company name	Yeosu Gwangyang Port Authority
 Head of the Organization	Min-Sik Cha (2018.11.5-2021.11.4)
 Foundation Date	August 19, 2011
 Organization type	Public Organization (Responsible government bureau : Ministry of Oceans and Fisheries)
 Basis of Establishment	Article 4 (2) of the Port Authority Act Enforcement Decree Article 1.2 (2) of the Port Authority Act
 Location of Headquarters	465 Hangman-daero, Gwangyang-si, Jeollanam-do (World Marine Center)

YGPA Organizational Structure

In December 2020, YGPA was reorganized into three divisions, seven offices, six departments, and one branch office to ensure the attainment of our mid-to long-term vision and the sustained development of Yeosu Gwangyang Port. We formed our organization in accordance with three directions: strengthening new business capabilities; fostering expertise; and strategically responding to market environments. Through these directions, we are implementing the government's new deal policies, creating smart ports, responding to Industry 4.0, and creating social value.



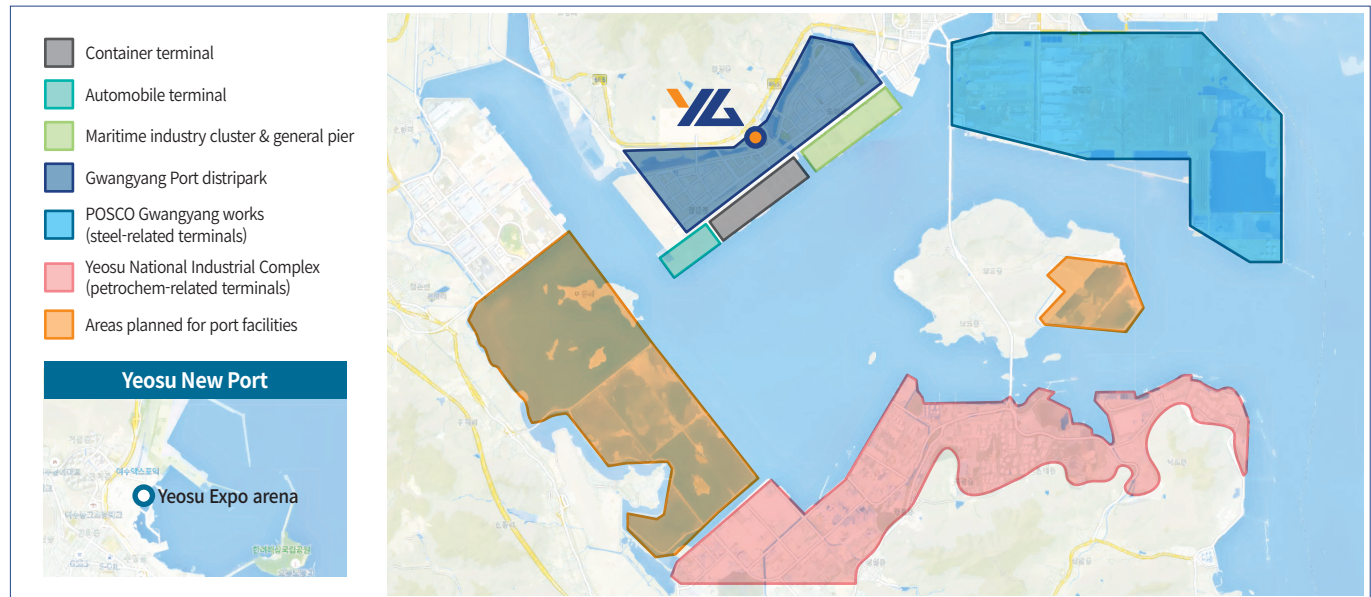
History of YGPA

YGPA was established on August 19, 2011, with the aim of furthering expertise and efficiency in developing, managing, and operating the ports of Yeosu and Gwangyang. Yeosu Port opened in 1923, while Gwangyang Port opened in 1986 after integrating with Samil Port (opened in 1969). Since then, we have gradually completed the construction of the container terminals since 1997 to build the ports that can be seen today.

2011	2012	2013	2014	2015
<p>2011. 08. The establishment of YGPA and the inauguration of the first President Sang-Jo Lee</p> <p>2011. 10. Reallocation of Gwangyang Port container terminals complete (improved operating system)</p> <p>2011. 11. Built Korea's first ever port-based solar energy facility</p> <p>2011. 12. Finalized construction of Gwangyang Port West Distripark Section 1 (1.07 million m²)</p>	<p>2012. 02. Further established the Europe Route for Gwangyang Port</p> <p>2012. 07. Finalized construction of Gwangyang Port West Distripark Section 2 (0.86 million m²)</p> <p>2012. 08. Additionally installed 2 units of 22-row container cranes</p> <p>2012. 08. Proclamation of Vision 2020; 'Comprehensive Port which Creates Future Value'</p> <p>2012. 08. Hosted the 7th Gwangyang Port International Forum</p>	<p>2013. 01. Achieved top rating in customer satisfaction for public organizations</p> <p>2013. 06. 140k-ton cruise ship, Mariner of the Seas, enters Gwangyang Port</p> <p>2013. 07. Gwangyang Port plays port of call for Mærsk Mc-Kinney Møller, a 18k TEU container ship</p> <p>2013. 11. Newly installed first 24-row container crane</p> <p>2013. 12. Selected as an exemplary government agency in human resource development</p>	<p>2014. 01. Inauguration of the second President Won-Pyo Seon</p> <p>2014. 07. Gwangyang Port opens 2nd Jungheung Pier</p> <p>2014. 09. Gwangyang Port opens Yecheon General Pier</p> <p>2014. 11. Hosted the 8th Gwangyang Port International Forum</p> <p>2014. 11. Proclamation of Vision 2025; 'Global Comprehensive Port to Lead Prosperity of Korean Industry'</p> <p>2014. 12. Achieved top rating in Integrity from the Anti-Corruption and Civil Rights Commission</p> <p>2014. 12. Awarded the Ulchi-Freedom Guardian Prime Minister Prize</p>	<p>2015. 03. Allocated new container services to Vietnam and Russia</p> <p>2015. 03. Allocated 3 new container services to China and Japan</p> <p>2015. 04. Allocated new service to China</p> <p>2015. 06. Established safety manual for cargo unloading for Yeosu and Gwangyang ports</p> <p>2015. 11. First ever foreign investment made in Gwangyang Port Complex District (USD 11.7 M)</p> <p>2015. 12. Achieved 1 million units in processing transshipments of automobiles</p>
2016	2017	2018	2019	2020
<p>2016. 04. Selected as an automobile terminal operator (Hyundai Glovis)</p> <p>2016. 05. Hosted the 9th Gwangyang Port International Forum</p> <p>2016. 06. Achieved 93 regular services per week for container ships</p> <p>2016. 10. Received Award of Excellence at the 2016 Korea Intelligence Awards</p> <p>2016. 12. Awarded President of Korean Chamber of Commerce Award in the 23rd Business Innovation Awards</p> <p>2016. 12. Berths No. 3 & 4 in Gwangyang Port are transitioned into automobile terminal</p>	<p>2017. 01. Selected as excellent agency in managing public workforce for the third consecutive year</p> <p>2017. 03. Inauguration of the third President Hee-Seok Bang</p> <p>2017. 04. Allocated new container service to America (SM Line)</p> <p>2017. 10. Installed 3 new 24-row container cranes</p> <p>2017. 12. Established subsidiary (Yeosu Gwangyang Port Management) and transitioned jobs into full-time positions</p> <p>2017. 12. Selected general pier operator of Gwangyang Port Phase 1, Berth No. 3 (Sebang)</p>	<p>2018. 01. Pavement construction complete for automobile terminal (Berths No. 19 & 20)</p> <p>2018. 04. Formed a disaster response system utilizing drones</p> <p>2018. 04. Allocated new container service to Africa</p> <p>2018. 07. Global lease container unit site begins operation in Gwangyang Port</p> <p>2018. 11. Inauguration of the fourth President Min-Sik Cha</p> <p>2018. 11. Hosted the 10th Yeosu Gwangyang Port International Forum</p> <p>2018. 11. Proclamation of Vision; 'The Top Marine Logistics Partner, Trusted by the People'</p> <p>2018. 12. Reached 300 million tons in total handling volume</p>	<p>2019. 01. Directly operated passenger terminals for Yeosu Expo and coastal routes</p> <p>2019. 06. Achieved Grade B in management evaluation for public companies for the first time</p> <p>2019. 07. Gwangyang Port entered into agreement for the third dredged soil grounds port redevelopment project</p> <p>2019. 07. 23k TEU container vessel allocated to Gwangyang Port</p> <p>2019. 08. Launched 'The Dream Smart Center' shared office for youth ventures</p> <p>2019. 12. Selected as top exemplary government agency in integrity</p> <p>2019. 12. Awarded Top Prize for Safety Quality Innovation</p> <p>2019. 12. Announcement of new management strategy system of YGPA</p>	<p>2020. 01. Coastal cruise enters Yeosu Port</p> <p>2020. 02. Allocated new container service to Northern Europe</p> <p>2020. 06. Emergency management system in response to Covid-19 is launched</p> <p>2020. 06. 2nd consecutive year earning Grade B in public company management assessment</p> <p>2020. 06. Received Sustainable Growth Award from IAPH (International Association of Ports and Harbors)</p> <p>2020. 07. Hosted the 11th Yeosu Gwangyang Port International Forum</p> <p>2020. 07. Proclamation of Vision 2030; 'Smart Port with You.'</p> <p>2020. 08. Construction began for Gwangyang Port 2nd Petrochem Pier</p> <p>2020. 08. Allocated new container service to the west coast of North America</p> <p>2020. 09. Building commenced at Gwangyang Port for Yulchon Integrated Distripark</p> <p>2020. 11. Awarded the Top Prize for Social Responsibility</p> <p>2020. 11. Awarded Presidential Certificate as exemplary agency in public purchasing</p> <p>2020. 12. The establishment of integrated operation company for Gwangyang Port container terminal</p> <p>2020. 12. Achieved Dispute-free agreement for wage and collective bargaining for 10th consecutive year</p>

Business Status

Our main business fields are: development, management, and operation of port facilities; construction, management, and operation of port distripark; R&D into ports; redevelopment of ports, establishment and operation of marina and port facilities; technology development, and human resource training.



Port Operation Business

- We manage, operate, and lease Yeosu and Gwangyang Ports, which are government appointed trading ports. Yeosu Port, which is the hub of marine tourism on the south coast of Korea, is equipped with 2 terminals including a cruiser terminal which can accommodate coastal terminals as well as 150k ton cruisers, and 2 vessel ports.
- Gwangyang Port is developing into the leading cutting-edge comprehensive port of Asia. It is equipped with 38 terminals, 102 berths, and a cargo unloading capacity of 346 million tons and 2.72 million TEU containers per year.
- We are achieving efficiency in terms of port operation systems via continuous improvements including: the successful integration of container operators in 2020; setting up a 24/7 operation system; a decrease in demurrage; securing port facilities in order to respond to customer demand; and establishing an integrated port logistics system.



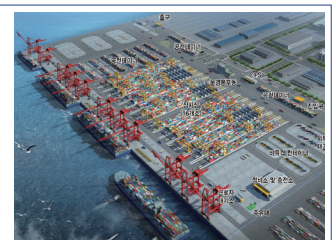
Port Logistics Business

- As sites have been constructed near our ports in order to form distriparks specializing in logistics and manufacturing, we have been able to develop our ports into high-value logistics hubs. The east & west sites, which are 387 million m² in size, have already accepted 55 residing companies as of 2020, creating 700,000 TEU in logistics volume and KRW 303.4 billion in added value.
- At YGPA, we are continuously working to secure sites such as the Northern distripark, Yulchon Integrated Distripark, and Sepung Industrial Complex to grow Yeosu & Gwangyang ports into industrial core ports and self-sufficient cargo creators. In addition, we carry out new projects related to areas such as marine tourism and logistics R&D.



Port Construction Business

- Yeosu & Gwangyang ports have facilitated the industrial development of Korea for a long time, hand-in-hand with the development of the petrochem and steel industries. We aim to become a 'Smart Port with You' through automation & modernization of the ports and through procuring port facilities.
- Automation & modernization projects include : establishing a 'completely automated port' composed of 4 berths in container terminal at phase 3-2 in Gwangyang; renewing Nakpo, Jungheung, and product ports; and reinforcing the durability of our ports. Port facility expansion projects include construction of a second petrochem terminal, and the Yecheon Myodo water pathway for establishing a marine route circulation system.

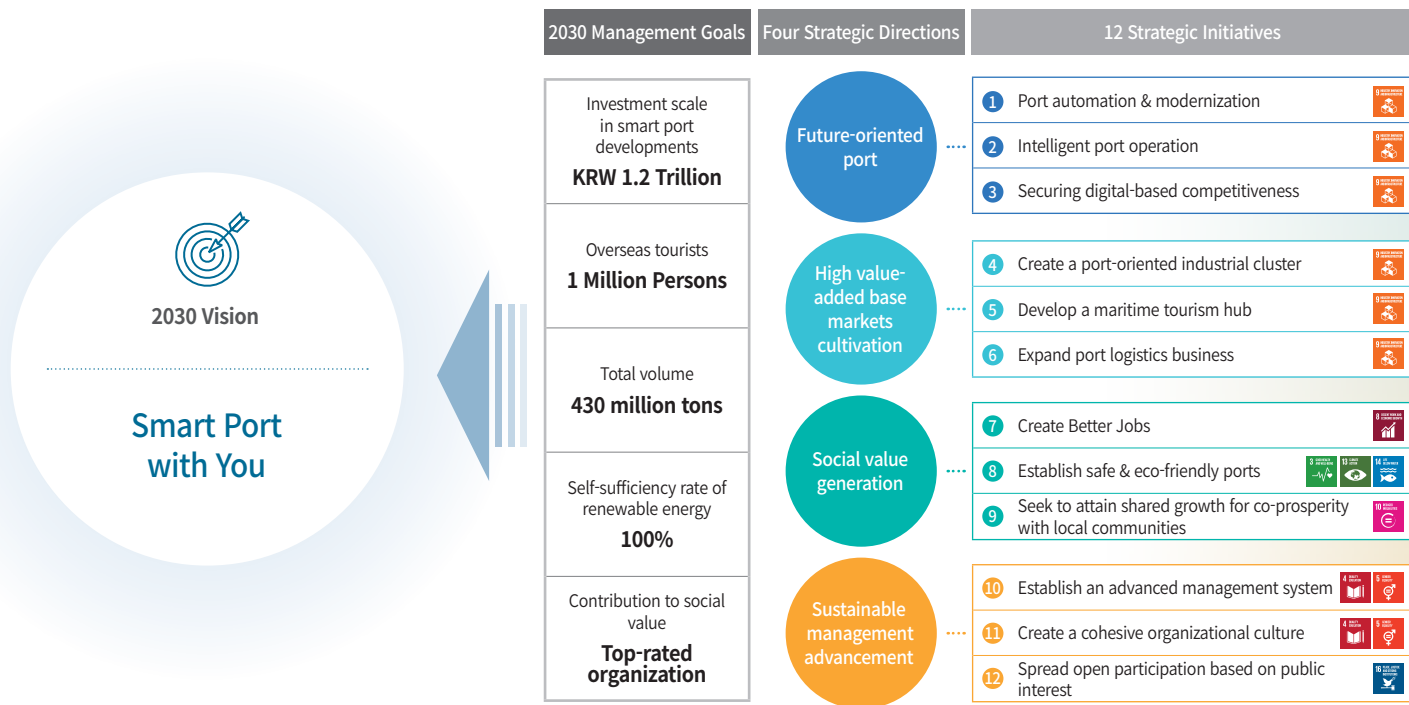


Vision and Strategies

Establishment of Management Strategy System

YGPA 2030 Management Strategies

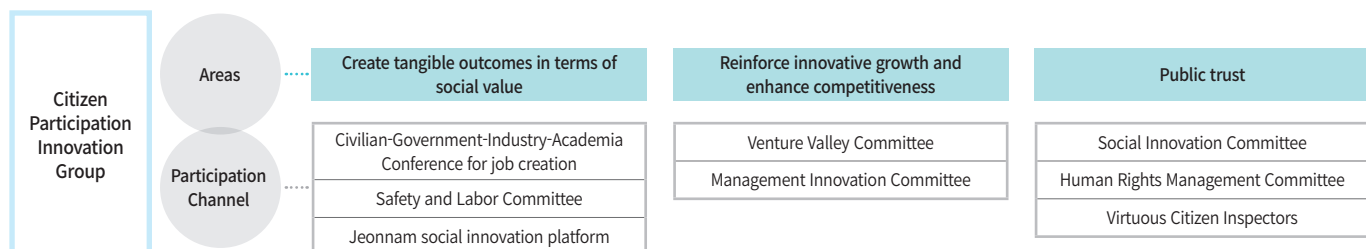
Under the vision of a 'Smart Port with You', here at YGPA, we have established the following four strategic directions: "future-oriented port"; "cultivating high value-added base markets"; "generating social value"; and "advancing sustainable management". In addition, we have increased the effectiveness of sustainable management and consolidated our commitment to socially responsible management by implementing 12 strategic initiatives consistent with social value tasks.



Forming a specialized task force for social value

At YGPA, we recently established the "Social Value and Innovation Office" which functions as a control tower for managing, in an integrated manner, social value performance throughout our business. The Social Value & Innovation Office is responsible for jobs related to social value creation and generates synergetic effects by linking social value creation tasks and projects within the enterprise. In addition, we have formed a Social Value Committee consisting of the representatives of sub-committees and the head of the Citizen Participation Innovation Group in order to facilitate the active participation of key stakeholders from different fields including job creation, safety, human rights, integrity, etc., in our policy-making processes and to aid them in making substantial and effective decisions.

Social Value Committee (Meetings of representatives of Citizen Participation Innovation Group/Chairperson : CEO)



Strengthen monitoring of strategic initiatives and performance indicators

Establish sustainable management indicators and objectives

Here at YGPA, we collected various opinions from both inside and outside the company so as to fulfill our social obligations as a public organization, and to create social value. We intend to achieve a 100% self-sufficiency rate in terms of renewable energy, recognition as the best organization in terms of social value contribution by 2030, and we will do our utmost to implement tasks related to social value and meet our core performance goals and objectives.

Strategic Initiatives	Tasks	Core Performance Indicators	2020		To Be
			Performance	Achievement rate	
Future leading port	Build automated container terminals	Establish automated container terminals	Announced the 4 th National Port Master Plan, selected 10 key tasks for Korean version of the new deal, selected as a candidate project for preliminary feasibility survey	100%	100% completion of construction (by 2026)
	1 Port logistics R&D project	Conduct OSS project	Start OSS project	100%	TBA
	Renovation of old terminals	Efforts to renovate old terminals	Reflect the 4 th Port Master Plan	100%	Complete the renovation of the product terminal, Jungheung (by 2030)
	2 Expansion of port facilities in line with customer demand	The progress rate of the construction work of the 2 nd petrochemical terminal	6.81%	100%	Terminal operation (by 2025)
	3 Adopt Industry 4.0 technologies	Efforts to build a port operation system based on IOT and AI	- Introduce safe accident-prevention system utilizing the Internet of things (IoT) - Establish and operate an intelligent occupational accident prevention system for port workers	100% (Zero Accidents)	100% (by 2025)
		Ssupport research into port drones	- Provide testbed and engage in joint research on specialized drones for ports (Measure fine dust)	100%	Combine modeling and cutting-edge technology for specialized maritime drones (Robot, A.I.)
Cultivate high value-added base markets	4 Yulchon Integrated Distripark Project	The completion rate of the 1 st stage redevelopment project (%)	Complete project plan establishment service, strategic environmental impact assessment	100%	Complete the construction of all sections of target land Zone 1
	Develop and secure distripark	Efforts to switch and secure industrial complex (Sepung, the 2 nd Yulchon Industrial Complex, Hwanggeum) into districts for the project	Establishment of plan to purchase the Sepung Industrial Complex	100%	Develop the northern base distripark (by 2025) Develop Yulchon Integrated Distripark, Yulchon 2 nd Industrial Complex, and Myodo dried soil dumping site (by 2030)
	6 Increase in port demand	Total volume (million RT)	275	86%	372 (by 2025)
		Container throughput (10k TEU)	215	89%	315 (by 2025)
		Distripark throughput (TEU)	697,088	111%	1,624,024 (by 2030)
	Attract leading global companies	Number of projects implemented, and companies attracted (no. of cases)	3	100%	20 (by 2030)
Realize social value	7 Drive job creation	Job creation in public-sector (no. of persons)	43	179%	11 (by 2023)
		Job creation in private sector	4,828	113%	6,793 (by 2023)
		Job creation by businesses in distripark (no. of persons)	1,899	98%	6,774
		Employment of people with disabilities (%)	4.1%	120%	TBA
	Expand employment based on social equity	Employment of patriots & veterans (%)	6%	100%	TBA
		Cultivation & support of maritime & logistics ventures (No. of beneficiary companies)	5	100%	15 (by 2030)
	8 Establish clean ports at Yeosu Gwangyang ports	Efforts to build environmentally-friendly port	- Operation of Vessel Speed Reduction (VSR) program (92% observance rate) - Sealed MOU with Hyundai Motor Company to pursue Hydrogen 'Con' Trailer demonstration project - Reduced CO ₂ with the use of recycled asphalt-concrete (8,445 tons used)	-	TBA
		Install Alternative Maritime Power (AMP) (no. of sites)	1 site	100%	22 sites
		Rate of renewable energy provision (%)	38.06	103.50%	100% (by 2030)
	Enhancement of on-site disaster and safety management	Secure earthquake resistance for port facilities	Secure 135 port facilities with earthquake-resistant features	100%	TBA
		Efforts to prevent safety accidents at construction sites, and outcomes thereof	No accidents recorded	100%	No accidents
		Efforts to reduce safety accidents	No disasters recorded	100%	No disasters
	Enhancement of the performance of port facilities	Attain the target safety level for port facilities	B level for 37 sites	100%	TBA
		Port security management performance	2.73	100%	3
Advance-ment of sustainable management	9 Mutual cooperation with SMEs and diversification of corporate philanthropy	Results of assessment of shared growth	Average (2019)*	-	Good
	10 Innovative organization operation & talent cultivation	Organizational culture gap index	0.48	83.3%	0.2 (by 2030)
	12 Increase public interest in distinctive projects	Customer satisfaction (points)	84.2 (2019)	-	100
		Social value contribution (score)	78.6 (2019)	-	100
	Integrity, ethics, and human rights management	Overall integrity (rank)	2	-	1

* The assessment result of shared growth for 2020 will be announced in April 2021.

CSR Highlights

CSR

Acknowledged excellence of Sustainable management

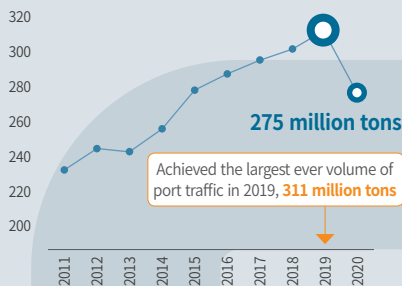
We received the 'Vice Prime Minister and Planning Financial Government Award', also known as the 'Social Responsibility Prize', at the 'Social Responsibility and Management Quality Convention 2020' in recognition of our pursuit of social interests through a long-term partnership with local communities, and our social responsibility management performance in general. In addition, in June 2020, Yeosu Gwangyang Port became the first Korean port to be recognized at the World Ports Sustainability Awards in the category of 'COMMUNITY OUTREACH AND PORT CITY DIALOGUE' as selected by the International Association of Ports and Harbors (IAPH). This marks the recognition of our efforts as a port authority that takes initiatives in local community development and in realizing social value. Furthermore, as we were the only Korean organization to receive such an award, we view this as recognition that our sustainable management performance is exceptional.

1



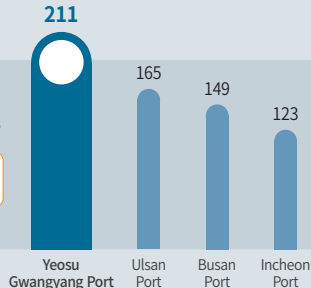
Total volume
(Unit : million tons)

Slight drop in total volume due to global crises including Covid-19



Import and export volume performance in 2020
(Unit : million tons)

No.1 in import and export volume for 10 consecutive years



Economy & Management

No.1 in import and export volume in 2020

2

In order to counteract the decline of port volume caused by the spread of Covid-19, we introduced diverse efforts such as providing shipping companies with incentives and attracting new port calls. As a result, the total recorded port traffic in 2020 was 275 million tons, which was the second highest in Korea. We handled a total of 211 million tons of import and export traffic, thereby maintaining our no. 1 position in Korea. We are aiming for a total of 430 million tons of port traffic by 2030 in order to make the leap forward to becoming one of the top 10 ports in the world (based on total volume).

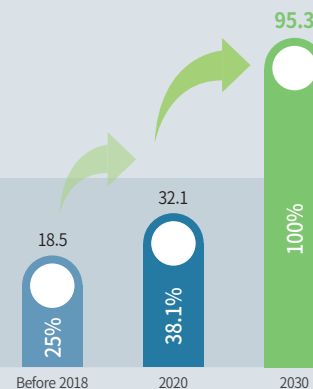
Environment

RE-100 Campaign Participation Declaration

In April 2020, here at YGPA, we announced that we will take part in the 'RE-100 Campaign' in order to establish self-sufficient and environmentally-friendly energy ports by 2020. The RE-100 Campaign refers to a voluntary campaign geared toward a reduction in fossil fuel consumption and toward 100% of power used by participating businesses and organizations coming from renewable energy. Since our first solar power generation business was established in 2018, YGPA has supplied the power for Yeosu Gwangyang Port with 32.1GWh of renewable energy, which is about 38.06% of our total power consumption of 84.4GWh. We aim to achieve our RE-100 goals by 2030 through various projects, such as our maritime solar project, in order to steadily develop into a self-sufficient and environmentally friendly port.

3

2030 Renewable Energy Self-Sufficiency Road Map
(Unit : Gwh)



Safety

Zero Major Disasters Recorded at Ports

4

We were certified as a Korea Occupational Safety and Health Management System (KOSHA-MS) by the Korea Occupational Safety and Health Agency in 2019. Moreover, in November 2020, we were awarded the certificate of “Outstanding Enterprise in Disaster Mitigation”, and in doing so became the first public agency affiliated with the Ministry of Oceans and Fisheries to receive this certificate. These achievements are the results of our efforts to proactively respond to various safety accidents and disasters, including Covid-19, at Yeosu Gwangyang Port via our advanced administrative capabilities in disaster mitigation. We also succeeded in recording ‘zero’ accidents for seven consecutive years by strengthening our safety controls including the introduction of new safety technology, system improvements, and the promotion of safety culture, etc.



Anti-corruption

Operation of world-class anti-corruption system for 3 consecutive years

5

In November 2018, YGPA acquired the ISO 37001* certificate, which is the international standard for anti-corruption management systems as certified by the Korea Productivity Center Quality Assurance. This certificate represents the fact that our integrity management system fulfills international standards and the fact that we have been assiduously abiding by the societal and ethical responsibilities that all public entities must uphold. In 2019, by virtue of running our anti-corruption system in a well-organized manner, we were rated first class in the assessment of our integrity as a public organization, and again attained the top grade** for the 2020 integrity assessment. We play an active role as a leading organization in terms of integrity management in the public sector.

* ISO 37001 : An international standard for anti-corruption management systems enacted in 2016 by the International Organization for Standardization (ISO) that has 161 member countries including Korea and specifies the requirements for establishing, implementing, maintaining, and improving anti-corruption management systems within an organization.

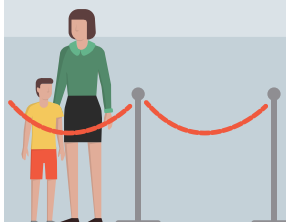
** Public organization integrity assessment 2020 : administered by Anti-Corruption and Civil Rights Commission. “Class 2” is the highest level in the public entities and relevant groups (type V) to which YGPA belongs and there is no organization ranked as “Class 1”.

Partner Companies

Received a Presidential Citation recognizing us as an excellent organization in terms of public procurement

6

In recognition of our contribution to the promotion of the advanced purchase of products from people with severe disabilities, we received the Health and Welfare Minister Citation in 2019. This was soon followed by the Presidential Citation recognizing us as an excellent organization in terms of public procurement, which was awarded to us at the public procurement promotion event hosted by the Ministry of SMEs and Startups. The citation recognizes our efforts in terms of mutual prosperity and cooperation with SMEs by promoting the sale of their products, supporting their market exploration, and other activities. While taking a lead in public procurement, we will also continue to support innovative technologies and market penetration by SMEs in order to enable them to strengthen their competitiveness.



PART :

01

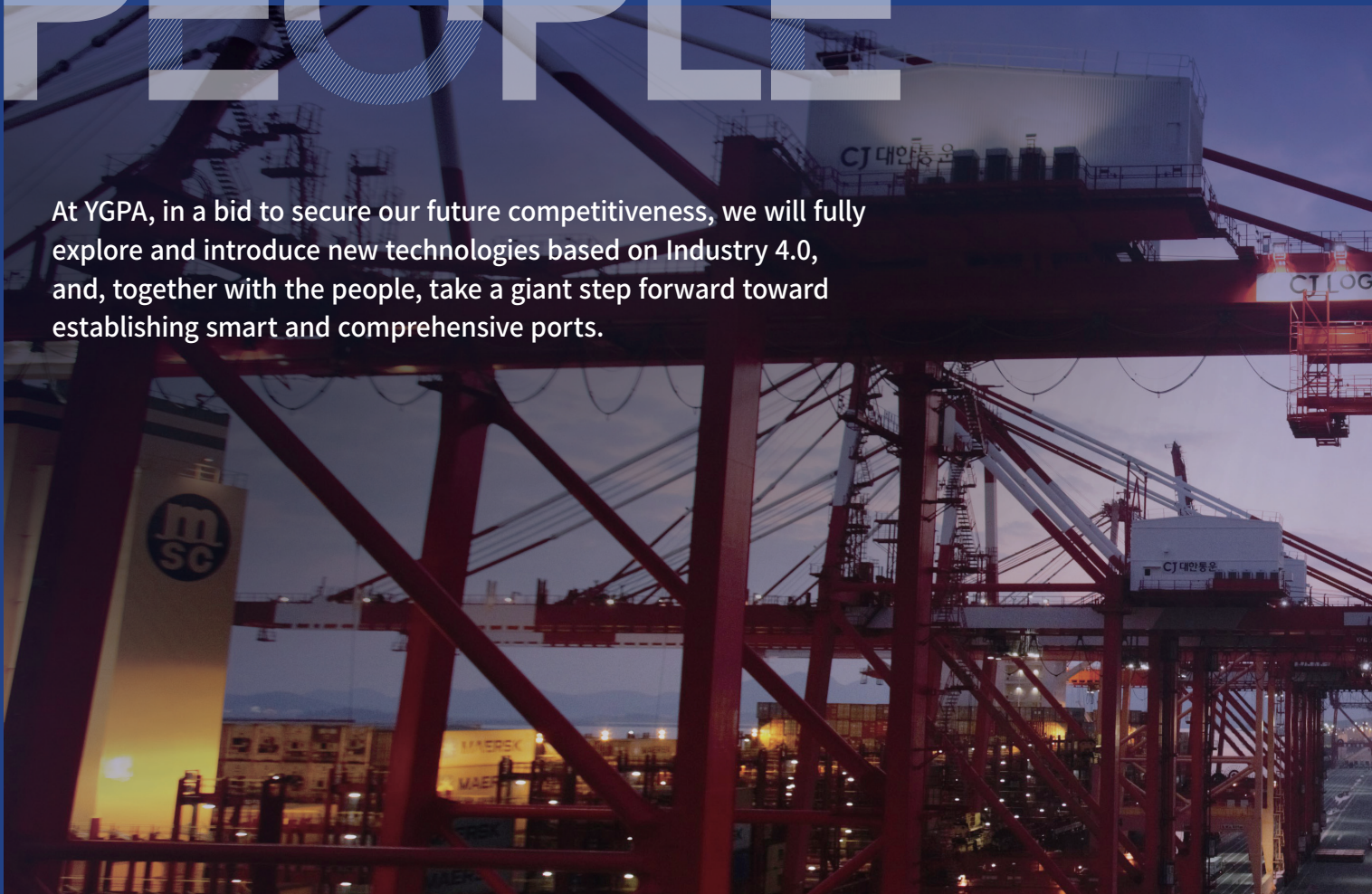
WITH

THE

YGPA LEARNS AND THINKS
WITH THE PEOPLE

PEOPLE

At YGPA, in a bid to secure our future competitiveness, we will fully explore and introduce new technologies based on Industry 4.0, and, together with the people, take a giant step forward toward establishing smart and comprehensive ports.





**YGPA Learns and Thinks with
the People** 11

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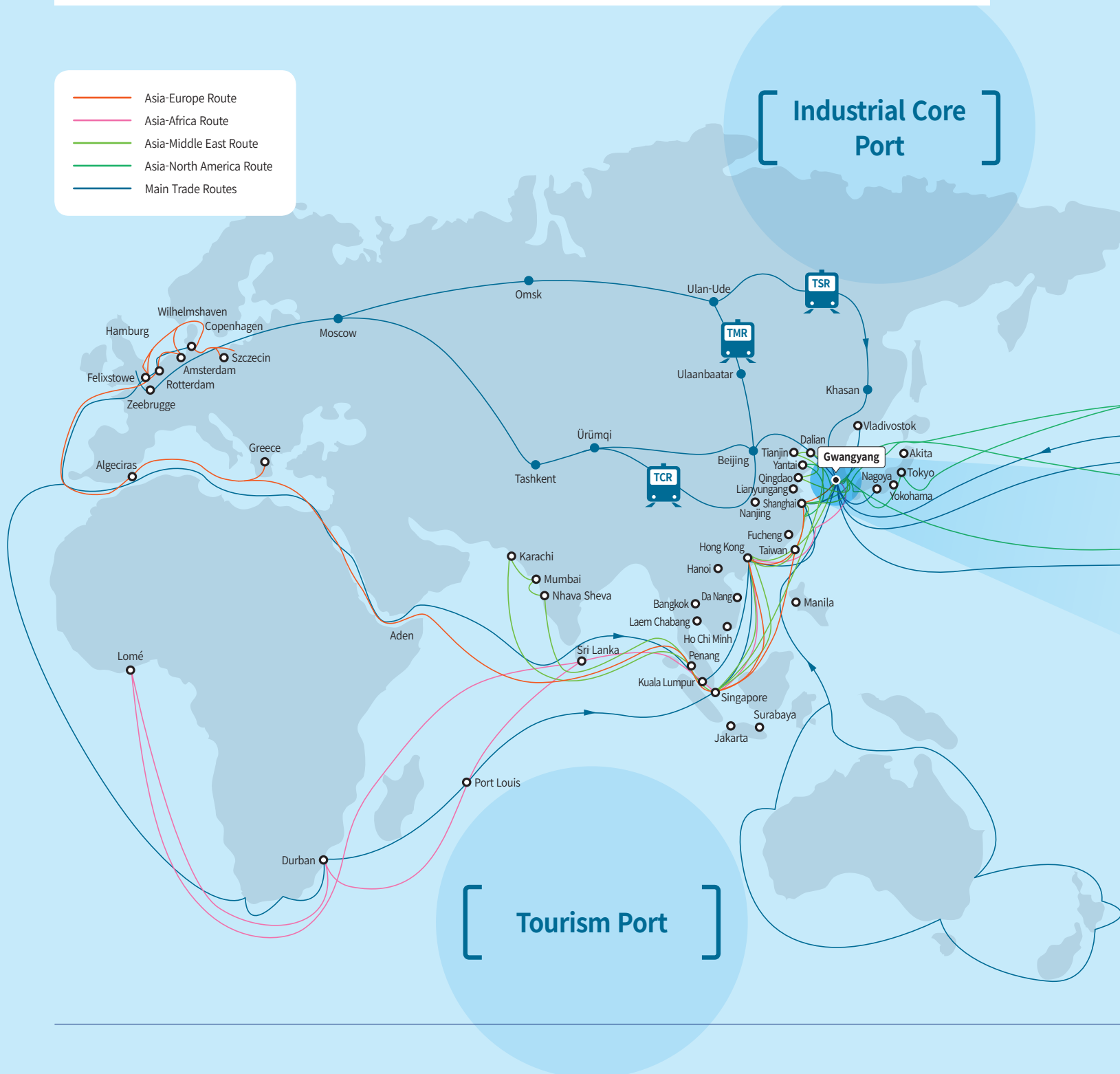


Introduction to Yeosu Gwangyang Port

Establishing a smart port complex unparalleled in Asia



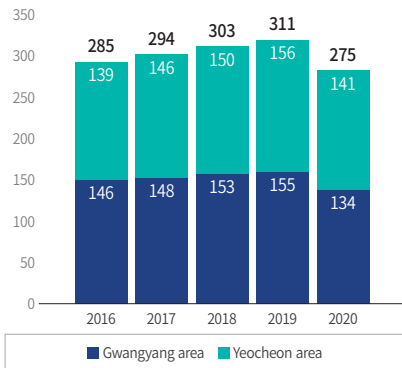
Under the 'Three-Year Project for PORT IST', which lays the groundwork for Yeosu Gwangyang Port for the next century, we plan to develop into an Industrial Core Port, a Smart Port, and a Tourism Port. In order to do so, we seek to turn Yeosu Gwangyang Port into an 'outpost for the Y-Route' stretching to China, Russia, and Europe.



Port traffic trends for Yeosu Gwangyang Port

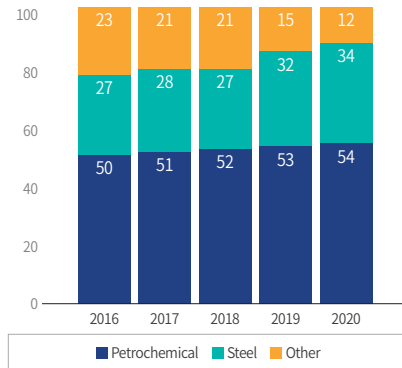
Total volume

(Unit : million tons)



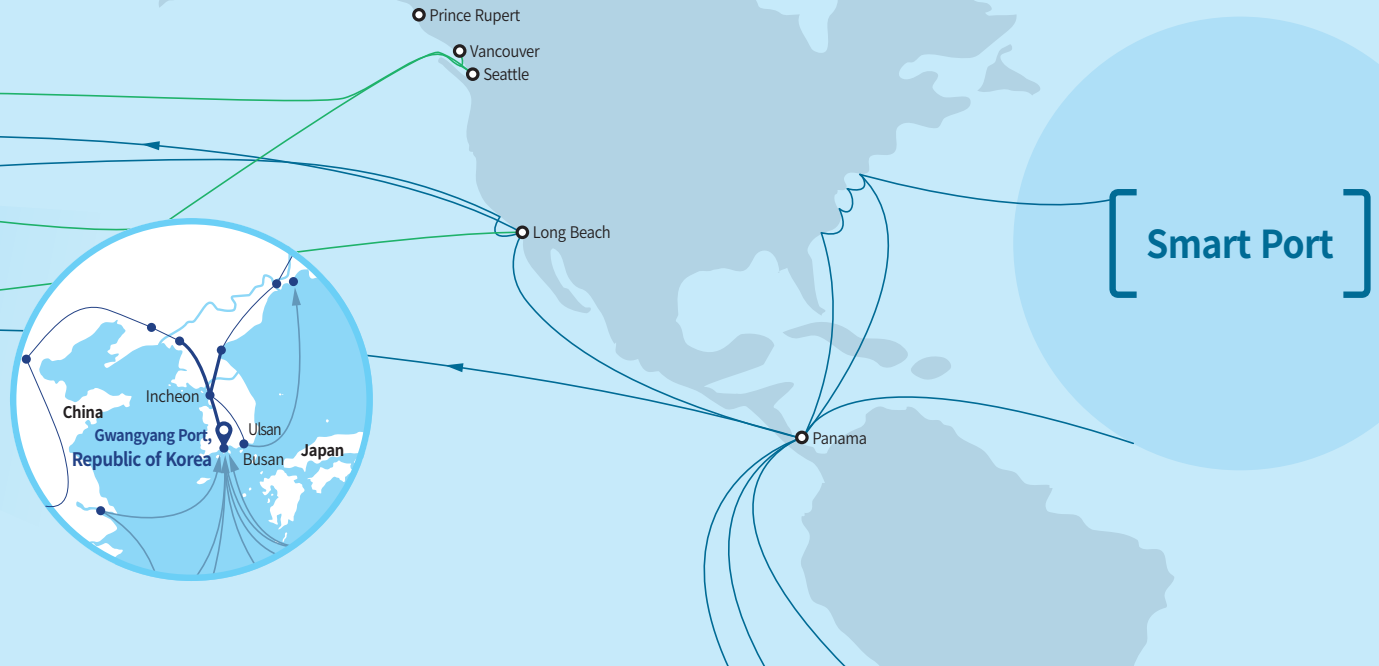
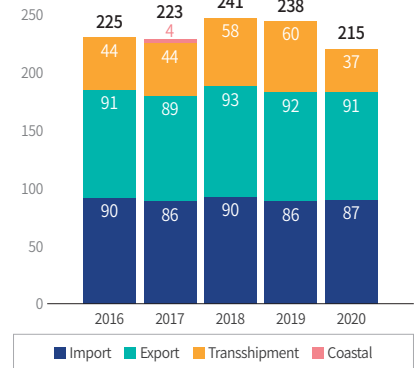
Proportion of volume by item

(Unit : %)



Container throughput

(Unit : 10k TEU)



No. of Passengers

(Unit : persons)

Classification	2016	2017	2018	2019	2020	Comments
Coastal Terminal	337,885	333,962	279,504	280,543	211,592	(Route) Geomun-do, Dunbyeong, Yeondo, Hamgumi
Expo Terminal	391,155	587,767	556,905	383,830	92,327	-
Coastal Passengers	387,824	586,330	552,615	371,870	92,327	(Route) Jeju, Dolsan
Cruise passengers	3,331	1,437	4,290	11,960	-	(Route) Taiwan, Japan, Worldwide, etc.
Total	729,040	921,729	836,409	664,373	303,919	

YGPA's Business Performance

1 Strengthen our role as an industry core port so as to lead national industrial growth

Ever since the opening of Samil Port in 1969 and the container terminal in Gwangyang port in 1986, Yeosu Gwangyang Port has been developing hand-in-hand with core industries in the Gwangyang Bay area including petrochemicals and steel. Today, we continue to consolidate our position as a combined logistics port that handles the most cargo for imports and exports in Korea covering petrochemical, steel, containers, automobiles, and general cargo. Going forward, Yeosu Gwangyang Port will create new value based on future core industries and continue to flourish as an industrial core port which serves to bolster national economic development.

Cementing our status as the no. 1 import and export gateway port in Korea

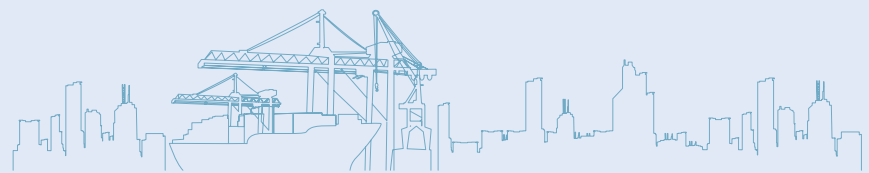
Yeosu Gwangyang Port is no. 2 in total volume, no. 1 in import and export volume, and no. 1 in steel cargo volume, in Korea. It is a combined logistics hub port that handles not only containers, but also a range of cargo such as petrochemical, steel products, and automobiles. Since recording 200 million tons of total volume in 2007, we have broken our previous record by exceeding 300 million tons of total volume in 2018. In 2020, the port recorded 275 million tons in total volume and 211 million tons in import and export volume. We intend to solidify our status as a global comprehensive port by handling 400 million tons by 2027.

Import and export traffic in 2020

No. 1 in Korea

Total volume in 2020

275 million tons



24/7 operation system of container terminal



Secure business competitiveness in terms of port logistics

In order to transform into the largest domestic industrial cluster port, Yeosu Gwangyang Port is acquiring future new growth engines by linking with the industrial complex in the Gwangyang bay area. To this end, we are engaging in full-fledged projects to build the Yulchon Integrated Distripark in order to develop facility sites for new future materials and high-tech industry, combined logistics, manufacturing, etc. Furthermore, we have integrated container terminal operators (SMGT, GWCT → GWCT) and established a 24/7 operation system. In order to reduce demurrage rates (the waiting time after a ship's entry into a port), we plan to streamline our operations in the short term, including shortening ship berthing and unberthing time, night ferrying, etc., and, in the mid- to long-term, plan to fundamentally solve this issue through the expansion of port facilities, such as the construction of a 2nd petrochemical terminal.

(Unit : million tons)

Classification	2019	2020	Comments
Import and export volume	231	211	No. 1 in Korea
Total volume	311	275	No. 2 in Korea
Petrochemical	164	149	
Steel	100	92	
Other	47	34	

* Petrochemical : crude oil/petroleum, petroleum refining products, etc.
 Steel : bituminous coal/antracite, iron ore and steel products, etc.
 Other : cars, textile, wood, cement, etc.

2

Development of port distripark in order to generate self-reliable cargo

In anticipation of the scarcity of industrial space for the Yeosu National Industrial Complex, we plan to develop a distripark of 23.52 million m², which is six times larger than the current site, by 2040. If we succeed in establishing a virtuous cycle at our self-sufficient port (wherein raw materials imported via the port are processed and manufactured at the industrial site around the port before being exported) the development of the port into an industrial core port in which future core industries are converged to create new value will be secured.

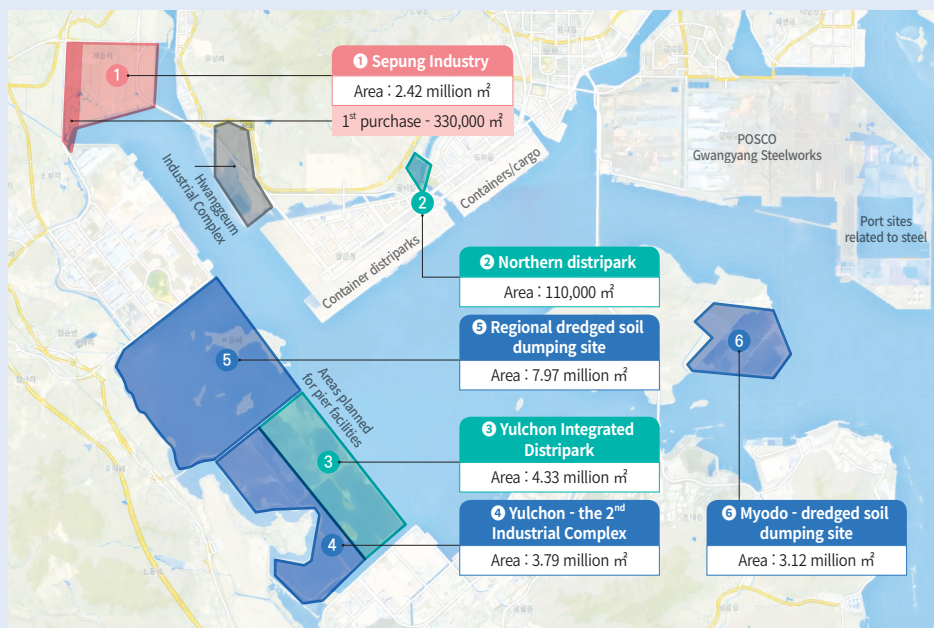
Establishment & implementation of our mid- to long-term master plan for distripark

As of the end of 2020, the eastern and western districts of Gwangyang port (3.87 million m²) accommodated 55 businesses and are estimated to be fully filled by tenant companies by 2021. Consequently, we reviewed the measures for securing sites and the direction of development for the early provision of a distripark and, as outlined in our 2040 mid- to long-term district development plan, we have laid a foundation for the creation of self-sufficient cargo by planning to secure a distripark of 23.52 million m² by 2040. In addition, we will bring the scheduling forward for the northern distripark (110,000 m²) and the Yulchon Integrated Distripark (4.33 million m²) from 2030 to 2025 and 2027, respectively, so as to become the top smart port in Asia.

Short-term (2020 - 2022)		Mid-term (2023 - 2030)		Long-term (2031 - 2040)	
Strategy	Expand business sites that specialize in customers and demand	Strategy	Bolster the features of the port industry cluster	Strategy	Expand the high value-added port logistics ecosystem
Target	Sepung Industrial Complex (330,000 m ²)	Target	Northern (110,000 m ²), Yulchon Integrated Distripark (4.33 million m ²)	Target	Regional dredged soil dumping site (7.97 million m ²), etc

Classification	Unit	2020	2025	2030	2035	2040
Total area of distripark	10,000 m ²	420	569	1,152	1,747	2,352
Annually generated throughput	k TEU	608	794	1,624	2,454	3,298
Amount of added value	KRW 100 million	2,648	3,860	8,734	14,466	21,143
No. of total tenant companies	ea	55	71	150	229	309
Job creation in distripark	persons	2,002	2,615	6,774	10,933	15,153

The Mid- to Long-Term Yeosu Gwangyang Port Expansion Plan



Secure additional distriparks

Short-term

- 1 Sepung Industrial Complex [Stage 1]
 - Total area : 330,000 m²
 - Project duration : 2020-2022
 - Project expenses : KRW 99 billion

Mid-term

- 2 Northern District
 - Total area : 110,000 m²
 - Project duration : 2021-2025
 - Project expenses : KRW 24.7 billion
- 3 Yulchon Integrated Distripark
 - Total area : 4.33 million m²
 - Project duration : 2019-2030
 - Project expenses : KRW 719 billion

Long-term

- 4 Yulchon 2nd Industrial Complex
 - Total area : 3.79 million m²
 - Project duration : 2010-2030
 - Project expenses : KRW 926.9 billion
- 5 Regional Dredged Soil Dumping Site
 - Total area : 7.97 million m²
 - Project duration : 2020-2040
 - Project expenses : KRW 3.1 trillion
- 6 Myodo Dredged Soil Dumping Site
 - Total area : 3.12 million m²
 - Project duration : 2015-2029
 - Project expenses : KRW 252.8 billion

Total

- Total area : 19.65 million m²
- Industrial expenses : KRW 5,122.4 billion

YGPA's Business Performance

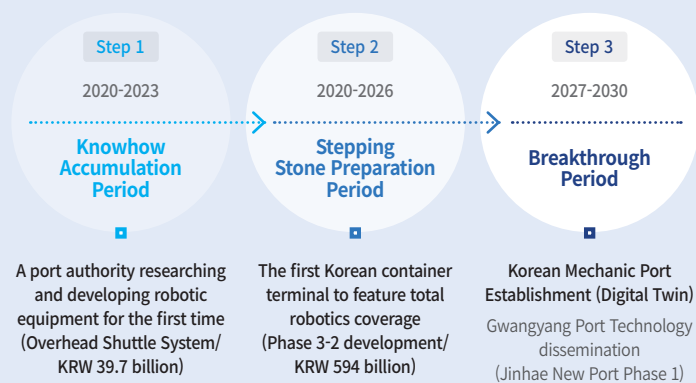
3 — Enhance global competitiveness via smart port construction & operation

At YGPA, we will establish a smart port in which all processes are automated, from container loading and unloading to transferring, through Industry 4.0-based technologies characterized by Artificial Intelligence (AI), the Internet of Things (IoT), and Big Data. Furthermore, we will make progress in terms of the connection between terminals and vehicles, and the digital capabilities of logistics. We will also replace old port loading and unloading facilities in order to turn Yeosu Gwangyang Port into a port driven by sustainable growth.

Build Gwangyang Port Container Terminal having Smart Automation Feature

With the ultimate aim of building the world's largest automated container terminal, we are looking to move forward with the construction of a domestic smart port and looking to secure the necessary technological competitiveness by investing KRW 594 billion in four berths at the Phase 3-2 terminal to be opened in 2026 at Gwangyang Port. With these new facilities, here at YGPA, we will achieve information connection and intelligence in terms of logistics and operation optimization, such as through the establishment of an integrated platform within the port, thereby sharpening the port industry's competitive edge. Starting with the Phase 3-2 smart automated container terminal in Gwangyang port, we aim to represent a Korean-style digital port by establishing a high productivity and unmanned, fully automated port founded on Industry 4.0 technology.

Establish roadmap for smart Korean port construction with Gwangyang Port*



* 2030 port policy strategies reported to the president

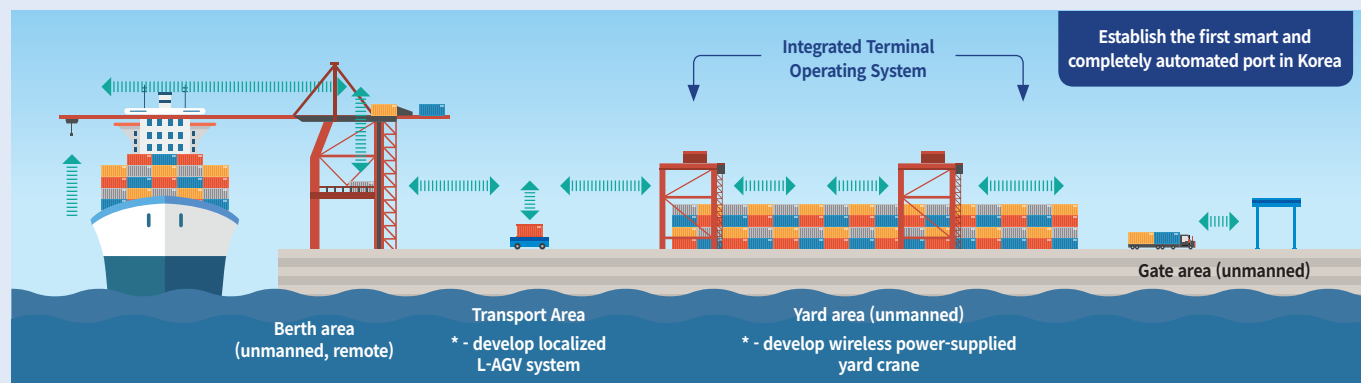
Establish a smart port complex unparalleled in Asia

We aim to develop a completely automated world-class port with our smart automated port project encompassing the introduction of automated container loading and unloading, autonomous driving technology to facilitate cargo transport between quay and yard, and more. Part of this project includes unmanned vehicle transport technology and a container terminal that is able to fully connect the entire flow of cargo within the terminal from ship and yard to gate. We are taking the initiative in introducing Korea's first container terminal that is fully automated throughout the entire work area, in addition to verifying fundamental technology such as cranes in stages. Building on our accumulated performance and experience, Gwangyang port will be reborn as the leading smart port in Asia.

Goals	Implement the first 'completely automated container terminal' in Korea via 'Korean Devices and Systems'		
Classification	Berth area (Ship↔Quay)	Transport area (Quay↔Yard)	Yard Area (Loading/Retrieval)
Global major ports	● Unmanned (remote)	● Unmanned (AGV, etc.)	● Unmanned (automation)
Domestic	▲ ¹⁾ Manned	× Manned	● Unmanned (remote)
Gwangyang Port	● Unmanned (remote)	● Unmanned (L-AGV) ²⁾	● Unmanned (automation)

1) Busan Port is currently introducing Phase 2-5 of unmanned (remote) cranes

2) L-AGV (Lift Auto-guided Vehicle) : a robotic system for transferring containers between quay and yard



4

Lay a foundation for a tourism hub port

Yeosu Gwangyang Port is more than merely a logistics port at which cargo is imported and exported. It is a platform that connects various cities with the sea. The eastern part of Jeonnam, which is where Yeosu Gwangyang Port is located, is one of the most popular tourism areas in Korea and attracts more than 10 million visitors each year. By harnessing a range of infrastructure for passengers, we seek to foster the development of Yeosu Gwangyang Port into a maritime tourism hub port where people from all walks of life can enjoy a tourist experience in a safe and convenient manner.



Foster a Consensus Regarding the Public Development of Yeosu Expo Site

In order to develop Yeosu Port into the center of the Maritime Tourism Belt on the south coast, we established a mid- to long-term development plan which seeks to revitalize maritime tourism in Yeosu Port and pursues the public development of the Yeosu Expo site, focusing on its capacity for broadening the scope of new future maritime businesses. In particular, after successfully hosting the Yeosu World Expo, the potential ex-post services of the expo site were deliberated via commissioned studies such as the 'Financial Feasibility Review on Changing the Utilization Plan of the Ex-post use of the Yeosu World Expo Site' (Ministry of Oceans and Fisheries) and the 'Estimation of Profit Model for the Yeosu Expo site' (YGPA). The site ultimately obtained a positive evaluation in terms of financial feasibility for the introduction of profit models for different sites. In addition, we have fostered a consensus on public development through active communication with the government, municipalities, NGOs, and other associations. Going forward, when YGPA is appointed as the responsible entity for the ex-post use of the Yeosu Expo site, we will develop the site into a maritime tourism hub for the south coast via gradual and balanced development.

Yeosu Port

Study on Mid- to Long-term Development Strategies for Revitalizing Maritime Tourism

- Establish mid- to long-term development strategies by generating a master plan and discovering ways to revitalize maritime tourism in Yeosu
- Expo site utilization and comprehensive development plan for maritime tourism at Yeosu Port

Yeosu Expo Site

Financial feasibility study to modify post use plan

- Assess financial feasibility for subsequent public sale of Yeosu Expo sites in terms of sale, lease, and project implementation

Yeosu Expo Site

Develop and Estimate Profit Model for Yeosu Expo site

- Propose a business model in consideration of public interest and profitability of the target sites at the Yeosu Expo site, and estimate profit

Attract regular coastal cruise lines that create new maritime tourism model

Restrictions on overseas travel due to Covid-19 have highlighted the need for alternative forms of tourism, such as new sights and opportunities. Accordingly, we have taken the lead in revitalizing maritime tourism by developing maritime tourism products that combine domestic travel with maritime tourism. Our pilot operation of a combined Yeosu tour and coastal cruise in 2020 received relatively high product satisfaction with 87% of the 205 passengers indicating that they would be willing to repurchase the product. Following this, we established regular coastal cruise routes and we have earned high trust from passengers with our preemptive and preventive measures for protecting against Covid-19, such as limiting the number of passengers by 50% and making it mandatory to wear a mask. Furthermore, we are strengthening non-face-to-face promotion through YouTube and other promotional videos in an effort to aid recovery of the stagnant local economy by revitalizing the tourism industry.

Aiming to be
the only cruise
company in Korea

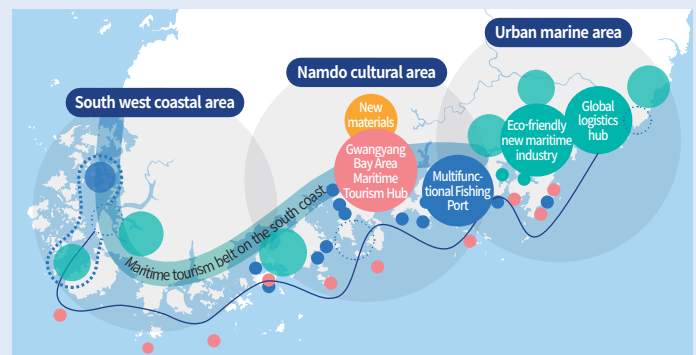
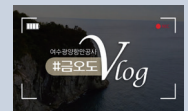
- Pilot operation of a coastal cruise combining a Yeosu tour and a cruise experience (Jan 2020)
- Safety guaranteed via double quarantine measures at the terminal

Promotion to the
general public

- Participate in online global events, run virtual booths
- Produce PR video featuring port facilities, tourist attractions, etc.

PR ambassador
for finding people
online

- Film V-Logs of island tours in Yeosu



YGPA's Response to Covid-19

Working together to overcome Covid-19!



In order to battle the continuing Covid-19 crisis across the globe, here at YGPA we are taking proactive countermeasures against the pandemic. In particular, we have a strong crisis management system in place so as to identify major risks in various fields and to surmount management challenges while bolstering our internal capability to swiftly respond to external and internal environmental changes. Furthermore, we are carrying out a variety of projects including purchasing local specialties, and creating jobs so as to revive the local economy and market suffering from the effects of this pandemic.

“Battle through Covid-19!” Emergency management system in operation

In order to proactively confront the challenge and overcome the management crisis imposed upon us by Covid-19, we set up five emergency committees: the Covid-19 Response Group; the Port Operation/Marketing Group; the Finance Administration Group; the Local Economy Revitalization Group; and the Port Construction & Maintenance Group.

Chairperson (President)	Areas	Team leader	Team members
	Covid-19 Response Group	Chief Security Officer	Safety and Security Office, All Divisions
	Port Operation/Marketing Group	Head of Operations	Logistics Strategy Office, Distripark Management Department, Marketing Department, Yeosu Branch Office
	Finance Administration Group	Head of Management	Planning and Coordination Office, Finance and Accounting Department
	Local Economy Revitalization Group	Head of Management	Planning and Coordination Office, Management Support Department, Social Value and Innovation Office
	Port Construction & Maintenance Group	Head of Development Projects	New Deal Project Office, Port Construction Department, Port Facilities Department



We also expanded our specialized meeting room to enable multi-party video conferencing and infrastructure in accordance with the rising demand for remote communication. In addition, the CEO, executives, and employees took part in the “Thank you Challenge” to express their gratitude for the front-line medical teams fighting against COVID-19.

Establish an integrated COVID-19 Prevention Gate across land and sea!

At YGPA, we implemented a total blockage of Covid-19 through a multi-approach pandemic prevention system in cooperation with relevant government agencies such as Yeosu National Quarantine Service and the government's joint support group. The multi-approach pandemic prevention system is composed of the following features: primary passenger quarantine for ships entering the port depending on the origin countries of the passengers; always inspecting port entry and exits; regular inspections of port logistics; and regular checks in the Yeosu region. This is then followed by a secondary check and a tailor-made test for related site personnel. Furthermore, as a third check, we perform daily inspections of ships entering the port in conjunction with Yeosu Regional Marine Fisheries Office, in addition to operating our own inspection team, with a view to thoroughly checking construction sites, logistics facilities, and multi-purpose facilities in order to prevent the pandemic from spreading to the local community.

Environment Analysis	Countries designated as quarantine areas (60 countries)	Increase in confirmed cases via airports/ports	Virus spreads from ports to local community via close contact cases
Multi-Approach Pandemic	(1 st) Intensify maritime quarantine Strengthen mutual cooperative system made up of government policies and the frontline	(2 nd) Strengthen port quarantine Strengthen the tailored prevention system and the Covid-19 emergency system	(3 rd) Prevent spread into local community Intensify inspections at port worksites and establish a hotline for communication with the relevant organizations



Zero Covid-19 cases recorded at Gwangyang Port

At YGPA, we supported the installation of a special entry screening facility* that enables Covid-19 testing for every passenger disembarking from a ship entering Yeosu and Gwangyang ports. In addition, we continue to implement our joint quarantine and prevention system in cooperation with the relevant agencies including municipalities and quarantine offices in order to completely block Covid-19 and thus prevent it from spreading into the local community. As a result of these efforts, there was not a single confirmed case of Covid-19 at Yeosu Gwangyang Port in 2020.

* Yeosu National Quarantine Center is responsible for managing and operating the quarantine and waiting facility for passengers disembarking ships.

Revitalize the local economy through effective response to Covid-19 Appr. KRW 5.6 billion*

* In addition to the performance outlined below, financial support funds, advanced purchases, and payments are also included

We continue to provide the shipping and port industries, which are suffering from the effects of the prolonged Covid-19 crisis, with approx. KRW 4.1 billion in financial support. We are currently allowing port-related companies to be exempt from rental costs and service charges depending on the type and size of their business, and we have adopted new Covid-19 emergency support incentives so as to facilitate attracting transshipment cargo from shipping companies.

In addition, we are providing assistance to SMEs and micro businesses with loan rates and we are engaged in reinvigorating the local economy by purchasing goods from within the local community. Notably, our executives have voluntarily donated 30% of their salaries for 4 months, while employee bonuses were offered in the form of gift cards to be spent on purchasing products within the local community.

ZERO Bankruptcy in Port-related Businesses

Local community	Local economy	People-oriented	Port-related businesses
Support socially vulnerable and marginalized groups (KRW 224 million)	Customized local economy/ market revitalization strategy (KRW 1.236 billion)	Healthy Workers, Safe Yeosu Gwangyang Port (KRW 593 million)	Implementation of emergency support measures for the shipping and port sector by the government (KRW 3.406 billion)
<ul style="list-style-type: none"> Purchase gift cards for local products Support flood victims Group blood donation events Provide assistance to people with disabilities, and to elderly people living alone Support children and the elderly Sponsor youth protection facilities, etc. 	<ul style="list-style-type: none"> Purchase local specialties Revitalize traditional markets Create jobs in the local community Purchase agricultural and livestock products Purchase preventative items produced by tenant companies Revitalize floricultural farms, etc. 	<ul style="list-style-type: none"> Budget allocation for Covid-19 response Provide port workers with preventive actions and support related to Covid-19 Operating the Gwangyang port health care center 	<ul style="list-style-type: none"> Reduce rent costs or fees for port related businesses and terminal operators Support the companies residing in the distripark

Establish a Construction Site Response Manual

We established and currently operate the 'YGPA construction site response manual' at construction sites in response to Covid-19. The manual encompasses a range of measures against Covid-19 including Covid-19 prevention guidelines and appropriate measures to take when a suspected or confirmed case of Covid-19 is identified, etc. In an additional effort to completely block Covid-19 from spreading through our ports, we ensure safe working environments by offering preventative items, such as KF94 masks, to port workers.

Certified as an Outstanding Enterprise in Disaster Mitigation

In November 2020, YGPA was certified as an 'Outstanding Enterprise in Disaster Mitigation' in recognition of our ability to ensure the continued operation of core port functions in disaster situations such as Covid-19. Going forward, in a bid to brace our ports for the post-Covid era, we will continue to work on preparing an in-house response system that enables our ports to be largely unaffected by disaster and accidents such as infectious disease.



Set up a contingency plan for YGPA's core businesses which reflects internal/external risk factors including Covid-19

To fully respond to the rapid change of management environment at Yeosu Gwangyang Port, we have analyzed risk factors of core businesses and subsequently generated a contingency plan to combat the worst scenario.



First, we identified key themes under the umbrella of 'macro-environment' such as society, technology, economy, environment, policy, post-Covid era, etc., and also under the umbrella of 'micro-environment' such as shipping, petrochemical, steel, and tourism industries, and 'YGPA's core businesses', and identified risk factors within these themes.

Following this, we came up with detailed scenarios and countermeasures for high-risk businesses that are likely to be exposed to risks which will significantly influence Yeosu Gwangyang Port.

In addition, we drew up response strategies for finance, organization, and human resources and rearranged our 2030 business portfolio and roadmap with a view to attaining our 2030 management goals by means of combating difficult situations by smoothly implementing countermeasure strategies for each scenario.

YGPA's Social Value Creation

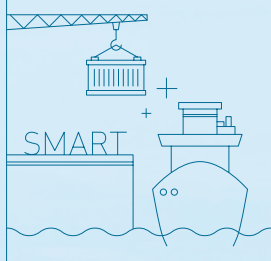
Smart Port



Build a Smart Automated Gwangyang Port Container Terminal

Here at YGPA, we established a roadmap for building a smart port, which is one of the key initiatives of the Korean version of the New Deal, and we are assiduously and gradually implementing that plan. In 2020, in order to construct a Korean-style smart port, we were fully committed to developing cutting-edge port technology using domestically-produced devices, which in turn helped us to not only secure the competitiveness of the Korean port industry but to also lay a foundation for the creation of social value such as creating new jobs and adding value, etc.

Construction of testbed for smart port at Gwangyang port



Effects of inducing production	KRW 1,152.9 trillion
Effects of added-value	KRW 426 billion
Employment effects	6,688 persons

Development of Gwangyang Port Integrated Distripark

At YGPA, we are fully implementing the 'Yulchon Integrated Distripark project' at Gwangyang port. This is a project to establish facilities for new materials of the future, cutting-edge integrated projects, and combined logistics and production, on the target site for the "Gwangyang Port third Dredged Soil Dumping Area - Port Redevelopment Project". Starting with the free economy zone development plan drawn up in October 2020, we continue to conduct various types of research for this project including drawing development and working design, and environment, disaster, and traffic impact assessments, etc.

Yulchon Integrated Distripark Development Project at Gwangyang Port



Effects of inducing production	KRW 981.2 billion
Effects of added-value	KRW 330.4 billion
Employment effects	20,203 persons

Innovation Acceleration Port



Work efficiency aided by the introduction of innovative technology

We are devoted to ceaseless innovation in terms of our business operation as we continue to embrace digital transformation as shown through our introduction of a BIM* platform to the field of ports. Through this we have been able to construct a platform applying smart construction technologies and review designs in a more effective manner with minimum errors.

* BIM (Building Information Modeling) : 3D solid modeling technology that includes attribute data on things such as materials, processes, construction costs, specifications, etc.



Held the Yeosu Gwangyang Port International Forum online for the first time

We held the '11 Yeosu Gwangyang Port International Forum' at the World Marine Center at Gwangyang Port in July 2020. This marked the first time such an event has been held online in the public maritime and shipping sector. This teleconference was attended by relevant organizations and municipalities and broadcast live via YouTube and Facebook, thereby enabling worldwide participation. An announcement of the vision of Yeosu Gwangyang Port marked the beginning of the event, followed by presentations, debates, and online Q&A sessions regarding topics such as the integration of ports and industry, intelligent port, and smart logistics, among others.

Establishment of remote video conferencing system

Here at YGPA, we officially opened our 'Smart Floor 6' in July 2021. Smart Floor 6 refers to a communication space equipped with smart devices so as to create an adaptable space suitable for different types of meetings and conferences with a view to increasing the productivity of employees. This space is used for marketing activities targeting ship owners or cargo owners and is equipped with a video conference system ideal for the post-Covid era. As such, we are providing the means for remote communication in order to promote internal and external communication. This includes training of employees and executives, and we intend to open the system to port users in an effort to share value with local communities.

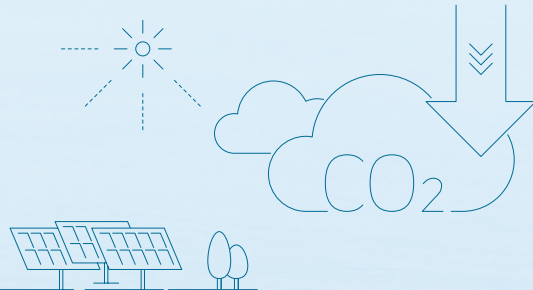
Eco-friendly port



Increase Alternative Maritime Power (AMP) Supply

We have replaced the power necessary for anchoring large vessels in the port with Alternative Maritime Power (AMP) which enables a reduction in environmental pollutants. The AMP installation work took about 10 months, starting in December 2019, and the pilot test was successfully completed with container carriers in September 2020. Unlike other systems, AMP uses a 40 ft container as an apparatus for connecting land with ship, which helps decrease environmental pollutants emitted from large vessels. Furthermore, we are continuing to work on creating an eco-friendly port with projects such as LED replacement, solar power generation, Y/T DPF (Yard Tractor Diesel Particulate Filter), and other projects.

Strengthen Activities aimed at Improving Port Air Quality



Fine dust

Reduced by **33.7** tons

Greenhouse gas

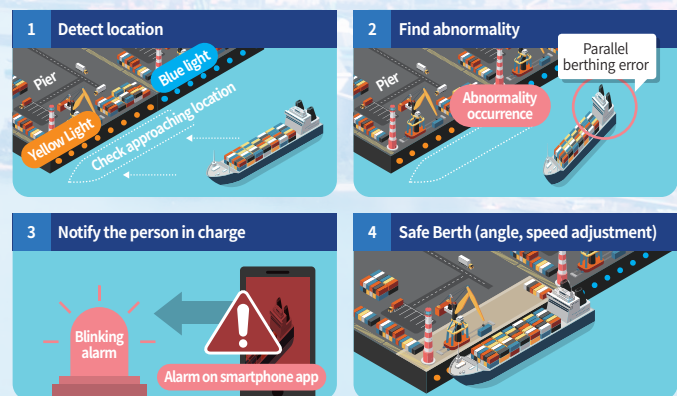
Reduced by **16,958** tons

(Reduced by means of solar power generation, LED replacement, AMP installation, eco-friendly asphalt-concrete, Y/T DPF, etc.)



Smart visual guidance system

At YGPA, we developed our own technology and registered patents for an environmentally-friendly and smart visual guidance system to deal with the issue of pilots being inconvenienced during night flights and also to prevent ship collisions. This technology helps to identify the location and approaching speed of berthing ships so that ship collisions that may be caused by difficult situations such as a lack of light, fog, or human error can be prevented. In addition, we have been able to reduce greenhouse gas emissions by utilizing self-generating solar modules, and we are transferring our environmentally friendly and smart visual guidance system to SMEs to provide business opportunities, thereby creating social value.



Create social/environmental value by upcycling plastic waste

Plastic waste is one of the major culprits of marine environmental problems. We are involved in the 'UP-Social project', which assists social enterprises (people with severe disabilities) to enhance their competitiveness through developing new products using plastic waste. In order to do so, we have formed a resource cycle innovation network along with relevant agencies with an aim of promoting plastic waste upcycling, while also contributing to the establishment of a sustainable business environment for social enterprises in terms of product diversification and market penetration, etc. With our 'UP-Social Project', we have created diverse value via employment stabilization, maritime environment protection, and the enhancement of the competitiveness of social enterprises, etc.



Restoration of marine ecosystem together with people with severe disabilities

Marine waste	Collection	PET processing	ingredient production	Final product manufacture
Waste generated from ships, beach resorts, etc.	Collect recyclable materials	Pre-processing of PET bottles (classification, cleaning, crushing)	Produce upcycling ingredients (textiles)	New products (bags, aprons, etc.)

FOR SOCIAL VALUES

YGPA CARES FOR AND
SPREADS SOCIAL VALUES

Here at YGPA, we are committed to always thinking about the meaning of social value for the people and we are committed to socially responsible management by keeping our ports safe and clean and establishing a win-win social value system.





YGPA Cares for and Spreads Social Values 23

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Materiality Assessment

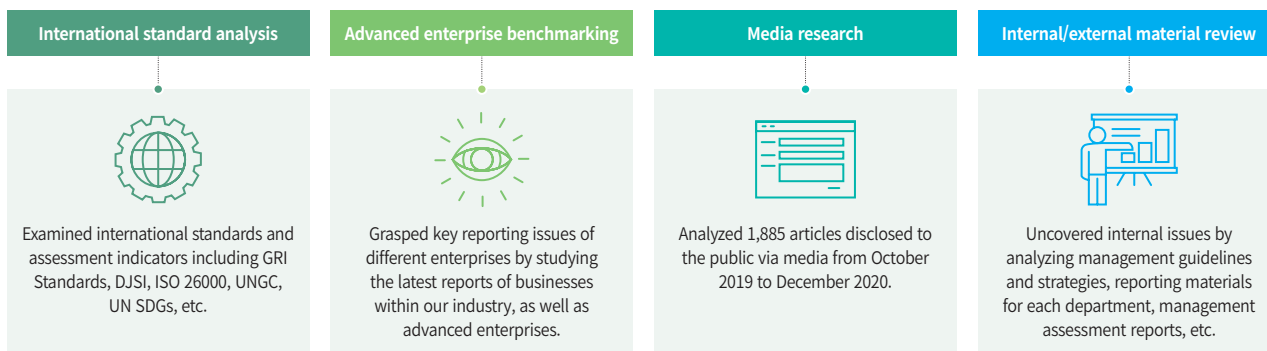
Materiality Assessment and Reporting Process

Create a key issue pool and conduct a materiality assessment

In order to uncover the most important sustainable management issues to stakeholders, we regularly collect and manage internal and external opinions. In addition, we strive to keep ourselves updated regarding relevant issues including analysis of international standards, media research, advanced enterprise benchmarking, etc., while also identifying key issues for stakeholders via materiality assessments and fully reflecting those findings in our sustainability report.

STEP 01. Creation of a sustainable management issue pool

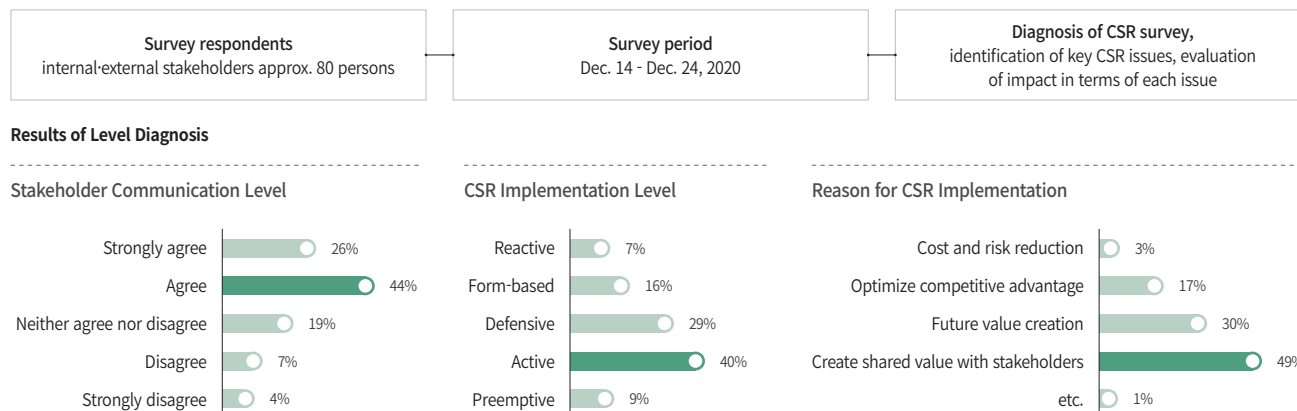
We identified 34 potential issues related to YGPA through analysis of international standards, media research, advanced enterprise benchmarking, internal material analysis, etc.



STEP 02. Carry out a materiality assessment

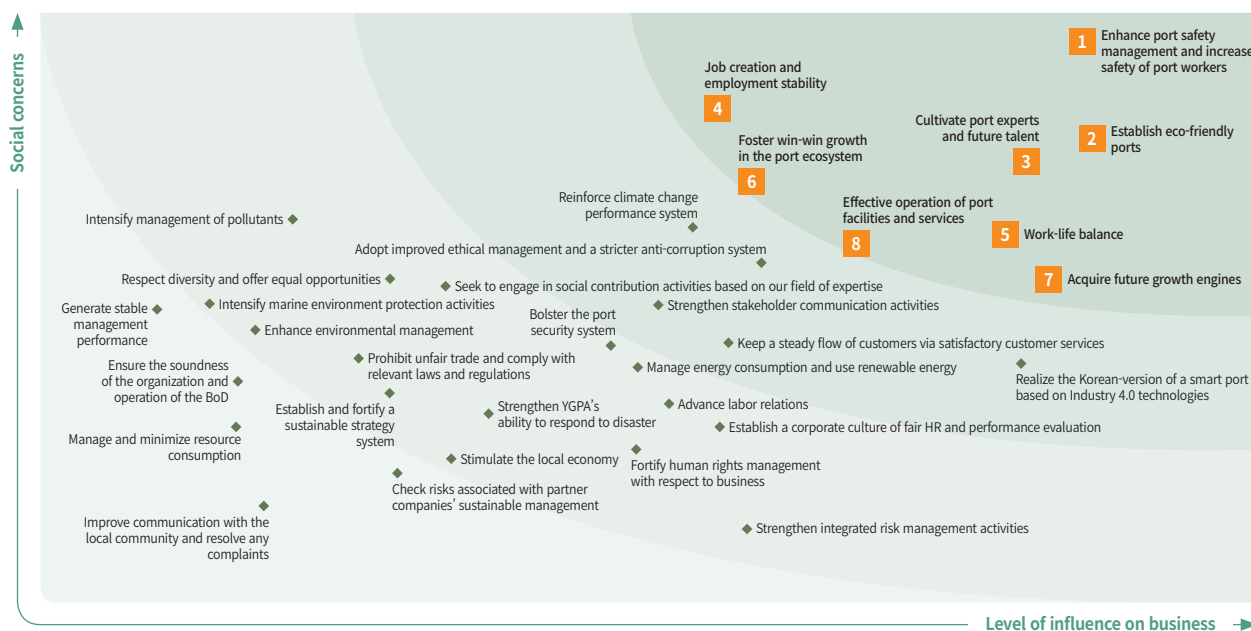
The 34 identified issues were put through a materiality assessment in thorough consideration of social concerns, the degree of influence on business, and other factors. Throughout this process, we measured priority based on survey and research outcomes, and ultimately we were able to identify core issues related to YGPA. In addition, we also studied the degree of impact that the selected key issues had in terms of financial, operational, strategic, and reputational factors.

<Reference> Survey Outcomes



STEP 03. Select Key Issues

We selected 8 key issues via the materiality assessment and internal review. These issues are fully reflected in the 2020 Sustainability Report and connected throughout with the reporting content thereof.



NO	Key issues	GRI Indicators	Reporting boundary					Analysis of level of influence*	Reporting content
			Executives and employees	Partner organizations	Customers	Local community	Government and relevant organizations		
1	Enhance port safety management and increase safety of port workers	403-1	●	●	●	●	●	Operational influence	Topic 2. Establish Safe and Eco-friendly Ports
2	Establish eco-friendly ports	305-1, 305-2	●	●		●	●	Reputational influence	Topic 2. Establish Safe and Eco-friendly Ports
3	Cultivate port experts and future talents	404-1	●					Strategic influence	Topic 3. Create a Cohesive Organizational Culture
4	Job creation and employment stability	401-1				●		Operational/strategic influence	Topic 1. Create Better Jobs
5	Work-life balance	401-3	●					Reputational influence	Topic 3. Create a Cohesive Organizational Culture
6	Increase shared growth in the port ecosystem	204-1		●		●	●	Reputational influence	Topic 4. Pursue Shared Growth for Local Co-prosperity
7	Secure future growth engines	-	●				●	Strategic influence	YGPA's Business Performance
8	Effective operation of port facilities and services	-		●	●			Effective operation of port facilities and services	YGPA's Business Performance

* Operational influence : influence on value-creating business activities and their processes (ex. throughput, efficiency, customer attrition, etc.)

Strategic influence : influence on the plans or goals of business (ex. market share growth, profit/sales increase, emission reduction etc.)

Reputational influence : influence caused by a loss of trust from stakeholders (ex. increase in negative public sentiment, change in external evaluation score, etc.)

1

TOPIC

Create Better Jobs

Report Context

We are currently living in unprecedented times because of an economic recession brought on by Covid-19, further resulting in companies avoiding new recruitment and thus exacerbating the problem of youth unemployment. Accordingly, the role of the public sector is of increased significance. Thus, the government has established job creation in the public sector as one of its primary initiatives in terms of state affairs, and many public enterprises and agencies are taking the lead, whether directly or indirectly, in creating quality jobs.

2020 Key Performance



Job creation
performance

4,871 persons



Continued employment through
integration of terminal operators

261 persons



Our Progress

At YGPA, we continue to help address the issue of youth unemployment by generating new jobs. In order to do so, we have created various jobs via our job-sharing system which includes the employment of permanent part-time workers and the broadening of preliminary successful candidates. We also engage in providing socially equitable employment for marginalized people. Furthermore, we support local SMEs and venture companies in the maritime industry and have assumed a leadership role in terms of efforts to increase jobs in the private sector by offering jobs linked with the local community.

Our Plan

We are actively implementing government policy in terms of our efforts to create jobs in the public and private sectors. We have increased socially equitable employment opportunities and sharpened the industry's competitive edge by nurturing venture companies and various talented members of the workforce in order to lead the future maritime industry. In particular, we plan to generate sustainable jobs through various means including a private employment hub center, further maritime/logistics startup support programs, a specialized training support project for improving job quality, etc.

Job creation
target
(Unit : persons)



Seeking to create sustainable jobs

Advance job creation system

Establish strategies to create future-oriented port employment

In order to take a lead in providing sustainable jobs and contribute to the establishment of an employment safety net for the local community in cooperation with relevant organizations, we have established job creation strategies consisting of 13 tasks under the following four strategic directions: inclusive public sector jobs; core business jobs linked with YGPA's field of expertise; future-oriented innovative growth jobs; and cooperative social value jobs.

Target	Create 6,793 jobs by 2023			
Strategic direction	Inclusive public sector jobs	Core business jobs linked with YGPA's field of expertise	Future-oriented innovative growth jobs	Cooperative social value jobs
Strategic initiatives	<ul style="list-style-type: none"> Reduce the gap between our quota and the current no. of employees Socially equitable talent recruitment Diversify types of work Stable operation of subsidiaries 	<ul style="list-style-type: none"> Port construction/ maintenance and repair Job creation Job creation within companies residing in the distripark Incorporation of Container terminal operators 	<ul style="list-style-type: none"> Cultivate enterprises with innovative technology Develop digital technology for ports Attract companies to port distripark and support their management 	<ul style="list-style-type: none"> Increase mutually cooperative jobs Increase jobs for the vulnerable and marginalized Port safety/ environment expert cultivation and training enhancement

Performance indicators	Unit	2018	2019	2020		2021	2022	2023
				(Performance)	(Target)			
Jobs in the public sector	persons	78	46	43	24	18	8	11
Jobs in the private sector	persons	3,746	4,184	4,828	4,286	4,450	5,921	6,782
Total	persons	3,824	4,230	4,871	4,310	4,468	5,929	6,793

Provide inclusive public sector jobs

Significantly Increase new recruitment

Here at YGPA, we have hired more than 20 new employees for three years in a row in order to alleviate the problem of youth unemployment owing to Covid-19 and other factors. In 2020, we created 11 new vacancies and hired 20 new employees, a 6.6% rise from the previous year. Moreover, we hire employees for 100% of the new vacancies so as to manage the gap between our quota and our actual number of employees. In addition, we successfully filled all 11 new vacancies by recruiting twice a year and eliminating any overlapping applications between port authorities.

Classification	Unit	2016	2017	2018	2019	2020
Quota*	persons	118	130	149	155	166*
No. of current employees	persons	106	122	137.5	148	165
Recruitment rate (Gap)	%	89.8(△10.2)	93.8(△6.2)	92.3(△7.7)	95.5(△4.5)	99.4(△0.6)

* Including posts for indefinite term contract workers

Seeking to create sustainable jobs

Results of diversification of labor type



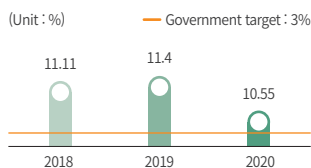
Job creation via the diversification of job types

We are involved in securing job creation and personnel expenditure via several means: increasing our quota; diversifying the existing types of jobs; and improving work processes. We have introduced our PC-OFF system aimed at preventing employees from exceeding 52 working hours per week, and we encourage our employees to strike a healthy work-life balance through our flexible work system and childcare leave system. In addition, in order to provide a foundation for job sharing, we adopted a reduced work hour schedule for those subject to the salary peak system, wherein employees could work less hours in proportion to a decrease in salary. Moreover, we are expanding experience-focused internships in order to cultivate port logistics experts.

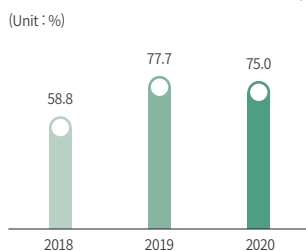
Management of excessive work hours	Flexible work/child-care leave	Promote reduced work hour schedule	Experience-focused internship
<ul style="list-style-type: none"> • Introduction/operation of PC-OFF system - Prevent work hours from exceeding 52 hours per week - Introduce intensive work hours 	<ul style="list-style-type: none"> • Implement reduced work hours related to child care and pregnancy • Proactive child care leave for work & life balance for both men and women 	<ul style="list-style-type: none"> • Introduce a reduced hour schedule for those subject to the salary peak system - Shortened work hours in proportion to a reduction in salary (12 hours for those in their 2nd year, 16 hours for those in their 3rd year) 	<ul style="list-style-type: none"> • Expand experience-focused internship in terms of operation and duration in order to raise experts in the field of port logistics (16 persons in 2019 → 14 persons in 2020)

Socially equitable employment

Youth employment rate compared with the quota



Employment rate of talented individuals from the local community



* Employment rate of talented individuals from the local community/new employees

Broaden employment opportunities for youths and high school graduates

The year 2020 posed a daunting challenge to youths looking for jobs as companies vastly reduced recruitment efforts due to Covid-19. To this end, we have committed to delivering on our social responsibility as a public enterprise by increasing our recruitment quota in order to boost employment and provide youths with work opportunities. In order to achieve this, we introduced experience-focused internships, short-term employment for young people from four schools via industry-academia collaboration, and provided short-term employment for 14 people. In addition, we added 11 new vacancies to hire more youths, in addition to introducing a high school graduate employment target system and developing suitable positions for such graduates. We are also continuing various other efforts aimed at expanding youth employment opportunities.

Hiring local talent

Though YGPA is not an organization subject to 'the Special Act on the Establishment and Development of Innovative Cities', we maintain a proportion of local talent recruitment that is higher than the legally required percentage for the relevant agencies (24%). Moreover, we hold recruitment conventions and offer experience-focused internships for local universities located in Gwangju and the eastern part of Jeonnam. In 2020, we held, in compliance with Covid-19 prevention guidelines, a non-face-to-face recruitment fair for local talented individuals to gather necessary employment information.

Hiring people with disabilities, national patriots, & veterans

At YGPA, we expanded employment for people with disabilities, and patriots and veterans who are capable of working in order to support their independence and economic activities as well as contributing to the establishment of a robust employment culture. Since 2018, the number of patriots and veterans in our workforce has grown from 8 to 10. Furthermore, in 2020 we recorded 150% of the compulsory number of hires of people with disabilities.

Increased job creation for core businesses

Performance in terms of inclusion of port workers



Employment retention
for **261** workers



Wage increase rate
25%

Support for the integration of operators



KRW **344.5** billion
(rent fee grace period,
installments, new
equipment, etc.)

Hosted the 'Hi-Job Program'



Stabilized employment by supporting integration process of terminal operators

In a bid to combat the crisis, caused by Covid-19, of a stagnation in shipping and logistics at container terminals at Gwangyang port, we are actively seeking to integrate terminal operators. In order to avoid the possibility of massive dismissals in the process of integrating two operators, we actively intervened and mediated the process, thereby successfully retaining 261 port workers.

'Zero' dismissals, retainment employment of port workers through inclusion policy			
Communication & Consultation	Operate TF consisting of operators, stockholders & YGPA + Conference with port workers & labor union + Consultation with experts and relevant agencies		
Key issues	Job security	Wage gap	Labor conditions
Issues	Integration of two operators → possibility of dismissal of workers (97 under direct employment, 164 under indirect employment)	Approx. 25% wage gap (KRW 1.5 million) existed between the two operators	Absence of rest area for workers in the port
Effort and achievements	Maintained employment of 261 workers with 100% employment succession	Switched to the upper salary system to bridge the gap in wages	Improved labor environment by installing 6 lounges for workers

Improve the conditions for workers and the quality of employment at affiliated companies

In 2017, we provided 100 temporary workers working in the field of security with permanent positions at Yeosu Gwangyang Port Management Co., Ltd., and, in 2018, provided 57 temporary workers working in facility management with permanent positions, thereby hiring all 157 employees as permanent staff members. In addition, we continue to facilitate the transition of temporary employees into permanent members of staff. We continue to ensure better treatment of our permanent workers. We improved the payment timetable for contract fees, adopted financial measures to ensure reasonable periods for existing tests and payment, and enhanced the fairness of contracts by outlining guaranteed autonomous operation, improvements to the treatment of workers, and ways to augment shared interests in management agreement between parent and affiliated companies.

Seek to improve the treatment of workers by improving working conditions at affiliated companies	
Job benefits <ul style="list-style-type: none"> Free use of the company's physical training facilities and group insurance coverage for workers → Find solutions by collecting the opinions of workers 	Wage increase <ul style="list-style-type: none"> Increase in job benefits Qualification & position allowances → wage increase based on reasonable payroll system (approx. 5% ↑)
Job security <ul style="list-style-type: none"> Ensure permanent job status until retirement age of between 60 to 65, establish a management system with support from the parent company's HR department → Bolster job security through early stabilization of affiliated companies 	Improvement in work environment <ul style="list-style-type: none"> Increase no. of lounges and replace old PCs with new ones → Offer custom-made facilities for different work environments

Create jobs in the local community via the 'Hi-Job Program'

Here at YGPA, we introduced our 'Hi-Job Program' in an attempt to resolve any "mismatching" issues in the job market such as labor shortages experienced by the tenant companies of Gwangyang Port distripark, and the difficulties faced by youths in finding jobs. Participants included HR staff of the tenant companies and college students specializing in port logistics. We provided students with necessary information through various programs such as field visits to port logistics sites, career consulting, and lectures, to name a few. Whereas companies were offered opportunities to find talented youths, we plan to make use of the 'Hi-Job Program' by hiring members of the local community at a range of facilities and at parks and playgrounds, as part of our green space management, within the distriparks, and by continuing to improve the quality of jobs by conducting safety checks on such jobs and establishing necessary plans.

Seeking to create sustainable jobs

Offer innovative jobs through the advancement of YGPA's New Deal policies

As part of the Korean version of the New Deal policies, we plan to provide innovative jobs through: digital transformation of port logistics and infrastructure; green/energy new business; and reinforced employment and a social safety net. By 2025, under the vision of the YGPA version of the New Deal, 'port innovation DNA (Digital · Net-Zero · Action)', we will create 10,150 new jobs by investing KRW 771.8 billion.

Vision		Innovation D.N.A. (Digital-Net-zero-Action) for implementing the YGPA-version of the New Deal				Job creation target by 2025		
Target		Total investment of KRW 771.8 billion; creating 10,150 jobs (by 2025)						
Digital transformation of port logistics and infrastructure (Core business ①, ②)	Ripple effect by strategic initiative		2020-2021	2022-2023	2024-2025			
	① (Core) Develop Korean version of automated container terminals	(Investment) KRW 594 billion (Job creation) 7,032 persons	50 persons	3,100 persons	3,882 persons			
	② (Core) Establish logistics maps based on big data	(Investment) KRW 900 million (Data) Disclose 1,200,000 items	Offer public data to the general public Disclose 10 types - 1,200,000 cases of accumulated data					
	③ Apply BIM, smart maintenance, & management technology	(Investment) KRW 200 million (Job creation) 120 persons	40 persons	45 persons	35 persons			
	④ Develop a visual guidance system based on digital sensors	(Investment) KRW 900 million (Job creation) 457 persons	145 persons	160 persons	152 persons			
	⑤ Develop a specialized marine device for terminal inspection	(Investment) KRW 12 billion (Job creation) 114 persons	30 persons	35 persons	49 persons			
	⑥ Introduce a vessel safety monitoring system	(Investment) KRW 60 million (Safety) System spread	Expand & introduce vessel safety monitoring systems to terminals 2 sites	1 sites	1 sites			
	[Investment] KRW 608.1 billion [Job creation] 7,723 persons		265 persons	3,340 persons	4,118 persons			
Green & Energy New Business (Core business ①, ②)	Ripple effect by strategic initiative		2020-2021	2022-2023	2024-2025			
	① (Core) Attain RE-100 for energy independent port	(Investment) KRW 67.5 billion (Job creation) 1,050 persons	340 persons	370 persons	340 persons			
	② (Core) Hydrogen container trailer demonstration project	(Investment) KRW 17.6 billion (Data) 124 persons	35 persons	41 persons	48 persons			
	③ Increase AMP in container terminals	(Investment) KRW 36.8 billion (Job creation) 242 persons	70 persons	90 persons	82 persons			
	④ Yard Tractor Diesel Particulate Filters (DPF) installation project	(Investment) KRW 700 million (Eco-friendly) Increase in DPF installation	Eco-friendly transition for loading equipment that use fossil fuels Complete mounting of 84 units of DPFs					
	⑤ Construct eco-friendly solar parking lots	(Investment) KRW 1.4 billion (Eco-friendly) Energy independence	Solar power generation project using the idle sites in YGPA's building parking lots. Generate 0.5 GWh of power through solar power generation in company buildings					
	⑥ Project to change lights to eco-friendly LEDs at distriparks	(Investment) KRW 1.2 billion (Eco-friendly) Reduce carbon emissions	Project to change lights to highly-efficient, eco-friendly LEDs Cut carbon emissions by 388 tons/year by switching to LEDs at 603 sites					
	[Investment] KRW 125.2 billion [Job creation] 1,416 persons		445 persons	501 persons	470 persons			
Employment/ social safety net reinforcement (Core business ①, ②)	Ripple effect by strategic initiative		2020-2021	2022-2023	2024-2025			
	① (Core) Run Job Square, an employment hub	(Investment) KRW 260 million (Job creation) 1,160 persons	380 persons	370 persons	-			
	② (Core) Establish AI work accident prevention system	(Investment) KRW 200 million (Job creation) Prevent fall accidents	AI based, non-face-to-face behavior analysis of intoxication of port workers (Distinction/accident) 4,800 persons/0 case (Distinction/accident) 4,900 persons/0 case (Distinction/accident) 5,000 persons/0 case					
	③ Implement YG-MOOC in connection with local communities	(Investment) KRW 500 million (Education) Remote contents	Public development of educational content in conjunction with regional universities Produce remote content about port & logistics education					
	④ Establish Smart Floor 6 for remote communication	(Investment) KRW 100 million (Shared office) Customer use	(Seminar) 386 cases (Customer) 24 firms	(Seminar) 390 cases (Customer) 30 firms	(Seminar) 395 cases (Customer) 35 firms			
	⑤ Job security for port workers at integrated operators	(Investment) KRW 34.4 billion (Job creation) 261 persons	Achieve 100% employment succession rate of workers facing risks of dismissal in the process of the integration of operators -					
	⑥ Introduce IoT safety equipment at port work sites	(Investment) KRW 700 million (Safety) Improve workplace environment	Introduce IoT safety equipment at port workplace (Equipment) 24 items (Equipment) 30 items (Equipment) 35 items					
	[Investment] KRW 38.5 billion [Job creation] 1,011 persons		641 persons	370 persons	-			

7,723 persons

Investment KRW 608.1 billion

1,416 persons

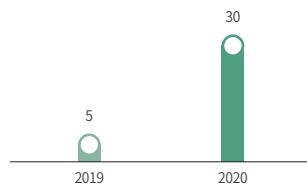
Investment KRW 125.2 billion

1,011 persons

Investment KRW 38.5 billion

Create innovative jobs through ‘The Dream Smart Center’

(Unit : persons)



New technology in ‘The Dream Smart Center’ Held business presentations



Employment bus, ‘Job-Us’



Job Talk Brunch



Create jobs in the field of innovative technology by cultivating marine logistics venture companies

Here at YGPA, we opened ‘The Dream Smart Center’ in order to promote the cultivation of venture companies in the field of marine logistics by sharing our resources and seeking to generate jobs related to innovative technology. As of December 2020, there were five venture companies in the field of marine logistics and we are, through development and review of business ideas and demonstration projects etc., playing an active role in assisting these enterprises to exhibit their expertise. Through the establishment of the center, the number of jobs related to innovative technology has increased from 5 in 2019 to 30 in 2020. We will continue to offer new jobs related to Industry 4.0 technology in the future.

Key job creation results due to ‘The Dream Smart Center’

Project name	Shipping management system for products related to steel and ports (coils)	Integrated vessel safety monitoring	Air quality measurement using drones (localize devices)
Improvements by means of cooperation	Reliant upon manual excel tasks → Plan based on Digital Twin and verification SW	Reliant on the naked eye during vessel docking → Screen and data monitoring SW based on AI	Inability to pinpoint the source of air pollutants → Air quality measurement and monitoring via the utilization of drones

Operation of JOB-SQUARE, a comprehensive employment platform geared toward the generation of jobs for youths

We operate ‘Job-Square’, a cooperative innovation platform for relevant agencies to provide SMEs with stable employment and customized job training in the Gwangyang Port Distripark, thereby leading the way to the creation of more jobs for youths in the local community. Not only do we create jobs, we are also engaged in managing the youths employment crisis and stabilizing the job market by providing participants in the program with opportunities to improve their practical skills and find employment. The program also affords companies the opportunity to hire talented individuals to suit their needs.

(Platform) Performance of JOB-SQUARE, an integrated employment hub (190 persons)

Background	<ul style="list-style-type: none"> Resolve the continuous decline in the employment rate for youths in Jeonnam region (△1.3% decline in 2019, National Statistical Office) Lack of infrastructure needed to alleviate local job insecurity arising by Covid-19 	
Directions of Improvement	<ul style="list-style-type: none"> Establish local governance to help eliminate blind spots for employment information by integrating dispersed employment support projects via different project propagators (19 organizations including YGPA, Ministry of Employment and Labor, the province of Jeollanam, etc.) 	
Cooperation and efforts centered around governance	① Shared current issues and prepared for countermeasures (Nov. 2019) ③ Working-level discussion on the foundation of a center (Jan. 2020) ⑤ Built the center in a shopping mall (for the first time in Korea) (May. 2020)	② Discussed cooperation in a consultative meeting (Nov. 2019) ④ Secured business expenses amounting to KRW 620 million for establishment (Feb. 2020) ⑥ Launched operation of the center on Jun. 2020
Operation of JOB-SQUARE, an integrated employment center	Key Details <ul style="list-style-type: none"> Job seeking/matching (7 projects) Self-directed youth employment living lab Cultivate experts tailor-made for the industry (2 projects) 	Effects of improvements <ul style="list-style-type: none"> More sustainable jobs by assigning roles among participating organizations Pursuit of local organization connected projects and feedbacks

2

TOPIC

Establish Safe and Eco-friendly Ports

Report Context

In the face of ongoing environmental issues such as climate change, fine dust, and marine waste on a global scale, it is paramount that we have preemptive measures in place in the event of meteorological disasters caused by climate change which may lead to significant damage to national infrastructure such as ports and roads. Therefore, social infrastructures such as ports and airports are fully engaged in responding to risks associated with climate change by building environmentally-friendly facilities and fortifying their disaster response capabilities. Meanwhile, as the Covid-19 pandemic continues, it is impossible to overstate the importance of establishing a response system to ensure that ports can operate largely unaffected by disaster and safety accidents such as infectious diseases.

2020 Key Performance



Certificate for
Outstanding Enterprise
in Disaster Mitigation

**Outstanding
Enterprise**



Reduced amount
of greenhouse gas
emissions at Gwangyang
port in 2020

16,958tCO₂



Self-sufficient energy
rates based on
renewable energy

38.06%



Our Progress

Starting with being awarded the certificate of Occupational Safety and Health Management System (KOSHA-MS), YGPA continues to be recognized for our efforts in maintaining our key functions and business results during disasters. It is on account of such recognition that we were awarded the certificate for Outstanding Enterprise in Disaster Mitigation. Thanks to our diverse efforts to enhance safety such as safety checks at port facilities, strengthening safety capabilities, and the introduction of new safety technology, etc., we did not record a single occurrence of a serious accident* in 2020. In addition, we are increasing the proportion of renewable energy use in order to achieve our management goal of achieving 100% renewable energy self-sufficiency, and we are striving to establish sustainable and eco-friendly ports via eco-friendly port facility improvement, resource recycling, and the application of a climate change implementation system, etc.

* Serious accidents : accidents that resulted in two or more people being injured and resulting in hospitalization for over 3 months or even death, or injuries of more than ten people.

Our Plan

At YGPA, we continue to participate in the RE-100 campaign with the aim of achieving 100% self-sufficiency in renewable energy, in addition to maintaining plans to establish environmentally-friendly and energy self-sufficient ports. In order to maintain our success in having zero disasters recorded in the workplace, we will enhance our safety and disaster management capabilities based on our mid- to long-term disaster and safety master plan.

Serious accidents
in workplaces

Maintain **Zero**

Self-sufficient energy rates
based on renewable energy

100%

Enhancing port safety management

Strengthening disaster and safety management at Yeosu Gwangyang Port

Safety management principles and strategies

With the establishment of our 'Safety Management' paradigm at all workplaces, we are committed to recording zero accidents at ports and promoting safety culture. To this end, we placed the Safety and Security Office, responsible for safety tasks, under direct control of the President and appointed the head of operations as a safety officer. We also diversified our safety management efforts such as advancing our disaster safety management system, strengthening preemptive port safety control, and enhancing safety checks and repairs for port facilities, etc. Consequently, we have been able to record zero deaths for seven consecutive years.

Safe Yeosu Gwangyang Port, nothing is more precious than peoples' lives and safety					
Target	Maintain "zero persons" involved in serious accidents at Yeosu Gwangyang Port				
Five initiatives	Advance disaster and safety management system	Strengthen preemptive port safety management	Safety inspection, and repair & maintenance of port facilities	Bolster safety education and disaster prevention	Promote safety culture throughout the nation
Key initiatives	<ul style="list-style-type: none"> Enhance authentication for safety management systems Increase cooperation with third-party disaster and safety organizations Strengthen response capabilities via repetitive and practical emergency training 	<ul style="list-style-type: none"> Run port safety monitoring system Introduce new technologies for port safety 	<ul style="list-style-type: none"> Intensify safety inspections for workplaces Strengthen safety checks for facilities and equipment Repair and maintenance of port facilities 	<ul style="list-style-type: none"> Intensify safety training for port workers Intensify safety training for construction workers Support disaster prevention for workers Reinforce measures against safety accident within ports 	<ul style="list-style-type: none"> Establish safe ports inclusive of the public Promote safety culture such as enhanced safety management in the workplace Activate the operation of the citizen's safety inspection group

* Occupational Safety and Health Management System (KOSHA-MS) : a safety and health management certificate system independently developed by the Korea Occupational Safety and Health Agency in 1999, by capitalizing on the strengths of the previous safety and health management certificate, KOSHA18001, in line with the requirements of the Occupational Safety and Health Act and the international standard (ISO45001).

Held a meeting of the safety management committee in cooperation with partner companies, workers, and third-party safety experts (Dec. 2019)



Advance disaster and safety management system

In 2019, YGPA was awarded the certificate of Occupational Safety and Health Management System (KOSHA-MS)* by the Korea Occupational Safety and Health Agency after undergoing screening and field auditing. This is a system in which business owners reflect safety and health policies in their autonomous management principles and specify implementation policies and standards, followed by an evaluation of the performance of an organization's safety and health plan which in turn leads to further improvements and the necessary adjustments. We acquired this certificate in 2019, and in November 2020 we were the first public agency affiliated with the Ministry of Oceans and Fisheries to be awarded the certificate for 'Outstanding Enterprise in Disaster Mitigation'. Going forward, we will continue to strive to improve our safety and disaster system in order to ensure the smooth operation of our businesses despite adverse situations such as Covid-19.

Internal/external organization formed to prevent safety accidents

In May 2019, we formed the 'Yeosu Gwangyang Port Safe Work Council' which is participated in by nine agencies including Yeosu Regional Office of Oceans & Fisheries, Korea Occupational Safety and Health Agency, etc., so as to conduct well-organized activities to enhance port safety and to secure respect of port workers' human rights. We also established a safety management committee participated in by experts and field workers, etc., in December 2019, and we are currently utilizing this committee as a deliberation body for pertinent matters. Through these efforts, we continue to take a multi-faceted approach to the propagation of safety culture as demonstrated by our active adoption of the voices of partner companies, local communities, and safety experts within our internal and external organizational operations.

Enhancing port safety management

Intensify safety inspection activities

Period	Performance
Thawing period (major inspection of national safety) / Feb-Mar	34 improvements including dealing with destruction to steel grating
Rainy, winter season / May-Jun, Nov-Dec	73 improvements including dealing with loss or damage to fenders

Customized health services provided to workforce at port

1	Created first aid manual
	<ul style="list-style-type: none"> Distributed manuals that include initial response system for emergencies, as well as CPR and AED methods (1,800 publications printed and distributed)
2	Established health care center
	<ul style="list-style-type: none"> Prevention of musculoskeletal system disorders and cerebral cardiovascular diseases, PTSD consultation, VR equipment to prevent safety accidents (post-care for necessary cases following medical check)
3	Provided mental health consultations for workers
	<ul style="list-style-type: none"> Provided EAP consultation for employees dealing with internal/external customers and new employees for stress management (expanded services to workforce in third-party ports)

Health care center in Gwangyang port



Safety inspection, and repair & maintenance on port facilities

We became the first port in Korea to prepare storage of harmful chemical substances in order to prevent work accidents, and further prevented such accidents by expanding safety facilities including when painting hazardous areas within the port, sensors and alarms, lashing cages (safety table lifts), etc. We also carried out special safety checks at predetermined intervals, and joint safety inspections by experts in each field in order to intensify facility safety inspections. As a result of these efforts, we have secured 100% safe facilities through our activities aimed at enhancing safety, and maintained zero deaths recorded due to accidents at our construction sites for seven consecutive years.

Strengthen safety capabilities as an organization responsible for disaster management

YGPA became the first domestic port to sign a Memorandum Of Understanding (MOU) with the Western Regional Coast Guard Headquarters and Gwangyang Fire Station in order to establish an emergency helicopter lifesaving response system. With a particular emphasis on marine disasters and accidents, we conducted joint lifesaving training with related agencies. The joint lifesaving training involved dropping life rings and swiftly carrying out lifesaving measures using drones, followed by emergency rescue and urgent patient transfer training in cooperation with helicopters from the coast guard and rescue vehicles from Gwangyang fire station. In addition, we held an open competition involving creating safety projects for marginalized people within the local community and searched for partners through a cooperative platform, thereby subsequently establishing a cooperative system. In 2020, we intensified our safety capabilities in terms of protecting socially marginalized people by carrying out cooperative safety activities including providing safety training on eight occasions, four safety inspections, and Covid-19 training. In addition, we provided items related to disaster prevention and safe evacuation, etc.

Establish safe and healthy ports

The type of workers who work at ports are diverse, for example crane drivers, lashing workers, and signalers. It thus follows that different types of health and safety management are required for each occupation. Accordingly, we signed a "Customized Health Service Agreement for Port Workers" with seven other organizations including Eastern Jeonnam Worker Health Center, operators, port labor unions, etc. We carried out diverse efforts to enhance the health of our port workers and prevent disease. These efforts included emergency action manual distribution, health services, basic examinations for musculoskeletal disorders and cardiovascular diseases, and psychological counseling for workers at the health care center, which is the first center of its kind to be built at a domestic port. In addition, we also prepared lounges in which field workers can safely take refuge from heat waves, intensely cold weather, and other unusual weather, and we strive to ensure safe working environments for our workers by installing safety guideline signs, and providing health and safety items, etc.

Promote safety-first culture

Here at YGPA, we strive to establish safety culture at our ports in cooperation with our partners such as port labor unions, operators, and stevedore companies. In particular, we encourage partner companies to partake in meetings concerning safety measures, safety management committees, briefing sessions, etc., on an ongoing basis, and we support the promotion of safety culture through campaign activities for vulnerable sites and the preparation of safety manuals, etc.





Executive	Workers		
<ul style="list-style-type: none"> Continued to carry out workplace safety activities (sharing information via e-mail or social media) Intensive safety inspections of frequent incidents such as falls, fires, and strangulation Open competition for safety slogans (154 cases) in order to implement a policy with public participation. 	4-4-4 Safety Inspection	Safety suggestion	Create safety manuals
	<ul style="list-style-type: none"> Check vulnerable sites and run safety campaigns → 95 resolved cases and 12 campaigns 	<ul style="list-style-type: none"> (In-house) safety communication space, (external) safety issue reporting center → 54 identified and resolved cases. 	<ul style="list-style-type: none"> Create stevedore safety manuals appropriate for worksites with the participation of partner companies → 6 types of work including yard and lashing

Strengthen preemptive port safety management via introduction of new technology

Due to the industry working environment, workers who work at sea may suffer serious accidents caused by minute negligence. In response to continuous accidents at port sites, we introduced Industry 4.0 technologies such as Artificial Intelligence (AI), the Internet of Things (IoT), and Big Data in order to analyze and prevent in advance safety accidents from occurring.

Introduction of safety accident prevention system based on the Internet of Things (IoT)

At YGPA, we adopted a 'Falling & Strangulation Prevention System using IoT technology' in order to prevent safety accidents at port worksites. This system sounds an alarm when workers fail to fasten the chin straps of their safety helmets properly or approach a danger zone, provides information regarding the current location of workers (GPS), and has mountable sensors for sirens on heavy machinery. In addition, workers can automatically connect to their phones or send texts in case of an emergency by pressing an emergency button.

Smart safety chin strap	Chin strap - heavy machinery alarm siren	Emergency button	Smart safety TV for safety training
			
GPS notification of emergency button	Loud siren voice speaker	Automatic phone, text GPS information	Real-time safety status transmission training, manuals

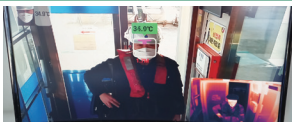
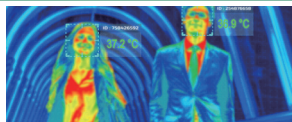


Utilizing drones for safety and security

Here at YGPA, we utilize Safety First Flying Patrol (SFFP) drones embedded with thermal imaging cameras, broadcasting speakers, etc., for port security tasks as well as various disaster and accident prevention activities including patrols to prevent safety accidents and safety checks within dangerous zones, etc.

Background	Key Details	Performance
Prevent the introduction of harmful alien pests	• Establish a system to facilitate early eradication through initial measures concerning the introduction of harmful alien pests (Asian gypsy moth, red imported fire ant, etc.) from import and export cargo at Gwangyang port	Complete blockage of harmful alien pests
Effort to cut down emissions from various pollutant sources within the port	• Establish a proactive monitoring system to block and reduce emissions from various pollutant sources (fugitive dust, fine dust, SOx, etc.) generated from berthing vessels, port workplaces, construction sites, etc.	Identify pollutant sources and carry out improvements (2 sessions)
Necessity of various disaster prevention activities	• Design effective countermeasures against various accidents occurring at the port (security, incidents of drowning, oil pollution incidents, etc.) in accordance with flexibility and coverage	Carry out lifesaving training (1 session)

Adopt A.I.G. (Artificial Intelligence Guard), a accident prevention system for port workers

On account of a few port workers tragically losing their lives due to accidents caused by heavy drinking, we have introduced an AI-based, non-face-to-face alcohol consumption checker. This allows us to cut off this source of potential accidents and, consequently, there were no alcohol-related accidents in 2020.

Intelligent monitoring system (Smart VMS)			Assist in deploying workers at site (eco-friendly electric cart)
Face recognition	Temperature recognition	Behavioral pattern recognition	
			
Intoxication detection	Temperature check	Check gait etc.	Help return workers to ships after alcohol check

Prepare a safety map which provides information regarding disasters and safety risk areas

We select disaster and safety risk areas from among the big data in our safety system, and provide workers with a safety map that visualizes the location of safety facilities, etc.

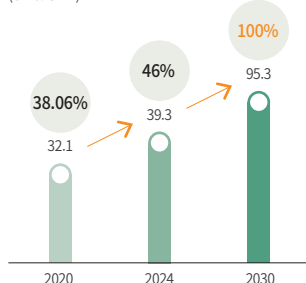
(2019) Vessel berthing monitoring system	+	(2020) Safety accident prevention system	+	(2021) Safety support system for port worksites
• Applying Big Data to maritime and worksite incidents involving workers, enabling the provision of warning notices concerning disaster-affected areas and the visualization information on safety facilities.				

Establish eco-friendly ports

Establish sustainable, eco-friendly ports

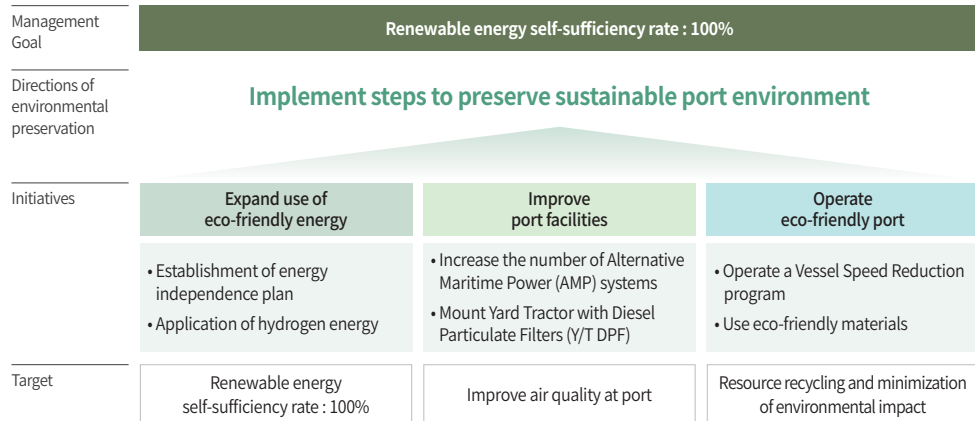
2030 Renewable Energy Self-Sufficiency Plan

(Unit : GWh)



Directions of environmental management

We aim to achieve our management goal of '100% renewable energy self-sufficiency' and to make eco-friendly, energy self-sufficient ports. To achieve these goals we put environmental management into practice by setting up initiatives such as the 'expansion of eco-friendly energy', 'port facility improvement', and 'eco-friendly port operation', etc. In particular, we aim to establish eco-friendly ports by 2030 by achieving production and supply of renewable energy at a rate of 100% via our participation in the RE-100 campaign and our expansion of renewable energy use.



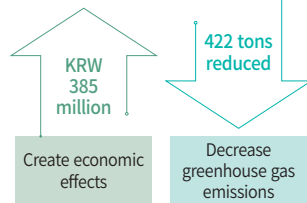
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Expansion of eco-friendly energy

In 2018, we became the first port authority in Korea to launch a solar power generation business and, through this, in 2020 we produced 32.1 GWh of power in the form of renewable energy, which accounts for approximately 38.06% of the power used by Yeosu Gwangyang port. Going forward, we plan to increase our production and supply of renewable energy to 100% by 2030 with various renewable energy projects, including floating marine solar power. Furthermore, we have entered into a MOU with Hyundai Motor Company in relation to the development and application of hydrogen electric trucks for cargo by 2023, in addition to deciding to build a hydrogen refueling station at Gwangyang port.

Increased use of recycled asphalt-concrete*

Recycle construction waste and use environmentally-friendly materials (17,915 tons of recycled asphalt-concrete)



Classification	2019	2020	by 2023
Recycled asphalt-concrete	9,470 tons	8,445 tons	34,745 tons
Budget saving	KRW 107 million	KRW 129 million	KRW 508 million
Economic benefits	KRW 35 million	KRW 32 million	KRW 133 million
Environmental benefits	KRW 43 million	KRW 40 million	KRW 169 million

* Recycled asphalt-concrete : contribute to resource recycling by reusing the asphalt-concrete (as-con) pre-used in construction sites. Recycling is made possible through quality control and continued monitoring.

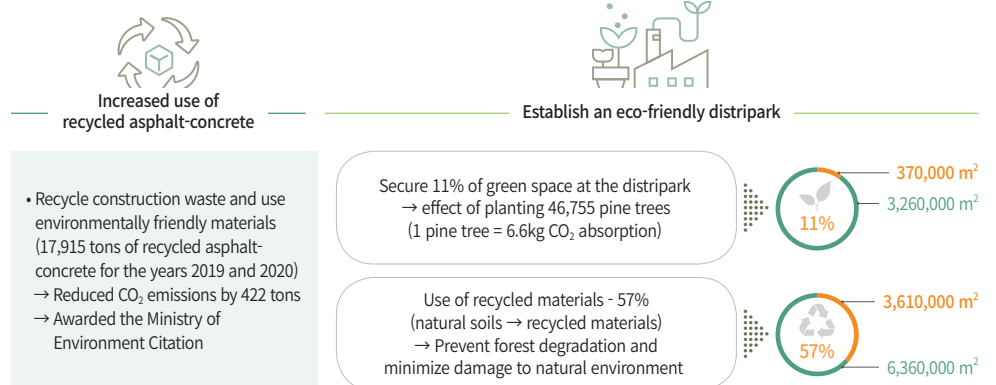
** Company performance related to the 'Vessel Speed Reduction Program' may be subject to minor changes following the final audit in March 2021.

Improve eco-friendly port facilities

At YGPA, we have adopted an Alternative Maritime Power (AMP) system designed to provide berthing ships with AMP in order to decrease vessel-induced air pollution at Gwangyang port. AMP refers to a system which helps to reduce environmental pollutants such as exhaust fumes, noise, and dust by replacing existing diesel power generators with shore power when supplying power to large vessels during their stays at ports. We installed AMP systems at our Phase 3-1 and 3-2 terminals in Gwangyang port in 2019 and gradually built an AMP system at our Phase 2-2 terminal, thereby reducing air pollutant emissions. In addition, we equipped 84-yard tractor units in operation at Gwangyang port with emission reduction devices (DPF). As a result, we anticipate that fine dust emissions from yard tractors will be reduced by over 80%.

Establish eco-friendly port via resource recycling efforts

Here at YGPA, we have been carrying out pavement repair works using recycled asphalt-concrete since 2019, and when carrying out such repair works of the harbor road at Gwangyang port, we used 100% recycled asphalt-concrete. Accordingly, we were successful in minimizing the generation of greenhouse gas and pollutants, in addition to receiving direct and indirect economic and environmental benefits. Our efforts were recognized when we were selected as an excellent organization in terms of environmentally-friendly energy consumption at the '2020 promotion for environmentally-friendly technology and consumption' event. Meanwhile, we are also striving to create an eco-friendly distripark by preventing forest degradation and minimizing damage to the natural environment through our use of recycled materials such as natural soils, and the creation of green space.



Introduction of Vessel Speed Reduction (VSR) program

With a view to reducing fine dust emitted from vessels, we introduced a 'Vessel Speed Reduction (VSR)' program that provides ships which enter the port while traveling slower than a certain speed with rewards, such as discounts for using port facilities. From December 2019 to December 2020, 2,206 out of a total of 7,408 applicable vessels at Yeosu Gwangyang Port participated in the program, amounting to an approximate 29% participation rate. In December 2020, we adjusted the applicable ship types and streamlined the participation process for shipping companies and agencies, and increased reduction rates of port entry and exit fees during periods when the concentration of fine dust is particularly severe in order to encourage more shipping companies to partake in the program.

* Applicable to 3 types of ocean liners weighing over 3,000 tons that are prone to emit more fine dust including container vessels, general freighters, and LNGs at the 'Yeosu Gwangyang Port Vessel Speed Reduction Area' (20nm from the Odongdo lighthouse), as designated by the declaration by the Ministry of Oceans and Fisheries. We excluded general freighters from the target vessels and added semi-container ships that share similar navigation features with container vessels. This modification, which is set to result in the system having a more concrete effect, will be reflected in the revised version of the 'Notification on Vessel Speed Reduction and Standard for Target Vessel Types' which will come into effect in January 2021.

Establish eco-friendly ports

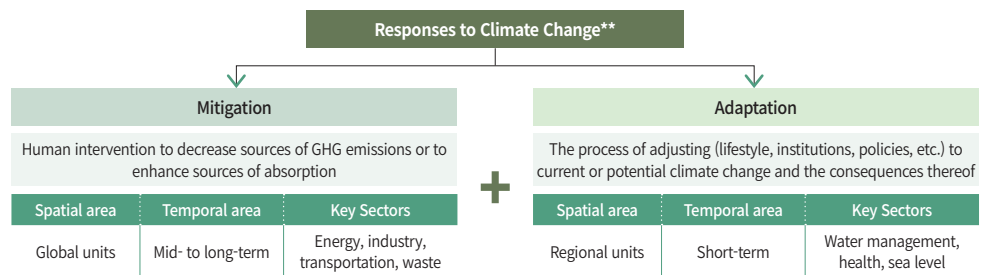
Preemptive response to climate change

* Due to changes to the organization (Jan. 1, 2021), the department in charge was changed from the Development Strategy Office to the Digital Logistics Leading Office

** IPCC (2014), Climate Change 2014 : Synthesis Report

Establish a climate change implementation system

Here at YGPA, we have established and continue to implement measures against climate change as part of our new climate change system in order to respond to domestic climate change policies. To this end, the Digital Logistics Leading Office* oversees climate change adaptation and mitigation, while the Management Support Department manages energy saving and GHG emission reductions for company buildings.



Our commitment to reduce GHG emissions and save energy

Here at YGPA, we are increasing the efficiency of energy utilization by installing 100% LED lighting, and encouraging energy saving activities by continuously monitoring monthly and daily energy consumption. In 2020 we introduced one hybrid vehicle and electric vehicle for patrol, and established a suitable environment in which to use the patrol cars by setting up an EV charging station. Moreover, the concerted effort made by all employees and executives in terms of energy saving resulted in us exceeding our reduction target of GHG emissions (508tCO₂) by 113% in 2020, along with also achieving 100% rationalization of energy consumption.

Strategic goals	Lead social value creation in the environmental sector by achieving highest target in terms of reducing GHG emissions		
2020 Management Goals	① 30% reduction in GHG emissions	② 100% rationalization of energy consumption	
Government standards	Standard emissions of 770.88 tCO ₂ in comparison to 30% (government standard - 231.27 tCO ₂) mandatory reductions in 2020		
Directions of Improvement	Increase energy consumption efficiency <ul style="list-style-type: none"> Install highly-efficient, eco-friendly facilities Replace with items with highest ratings in terms of energy efficiency, etc. 	Reduce automobile-related emissions <ul style="list-style-type: none"> Active introduction of eco-friendly automobiles Encourage use of passenger vehicles 	Monitor GHG emissions <ul style="list-style-type: none"> Full participation in energy saving by all employees Daily and monthly energy consumption check and analysis
Outcomes	<ul style="list-style-type: none"> Cooling and heating GHG emissions reduced by installing high-efficient, low-NOx burners Stop using and discard old items, and purchase of environmentally friendly certified PCs (approx. KRW 100 million) Take part in energy events (room temperature 2°C ↑) 	<ul style="list-style-type: none"> Set up a charging station and introduce electronic vehicles for police training (No.1 in traffic volume among work cars) Encourage use of passenger cars for long-distance business trips or trips including more than 1 person 	<ul style="list-style-type: none"> Decrease gas consumption by monitoring and building energy management system (BEMS) Hold energy management committee and perform monitoring via voting Professional training for those responsible for issues related to energy
Improvement results	<ul style="list-style-type: none"> Drop in GHG emissions rate of increase (5.7%) in proportion to increased office spaces (12.9%) * 2019 : 460tCO₂, 2020 : 488tCO₂ 	<ul style="list-style-type: none"> Increase in eco-friendly vehicles in operation by 5.4% Increase in the use of passenger vehicles by 16.8% * the number of operating vehicles is identical to the year before 	<ul style="list-style-type: none"> 7% decline of urban gas consumption via daily monitoring during intensely hot summer season * Less than increase of cooling devices by area (17%)

YGPA's efforts to adapt to climate change

Damage brought about by climate change may result in adverse effects such as vessel breakage and the debilitation of port functions, etc. Thus, we are fully devoted to the preparation of preemptive measures against climate change in order to strengthen our adaptive capabilities.

Direction of adaptive measures against climate change

At YGPA, we formulated adaptive measures protecting against climate change for Yeosu Gwangyang Port in December 2017, and, as of 2018, we have been implementing these measures in a way that is specific to each department. Each year, the responsible persons self-monitor the results of our initiatives, and the relevant departments review the implementation outcomes and consequently modify and supplement the measures as required. This process allows us to identify damage caused by climate change and identify areas within our organization that are vulnerable to risks arising from climate change, and thus take the necessary preventive measures. In order to mitigate such risks, we conduct checks on the implementation details of the measures against climate change.



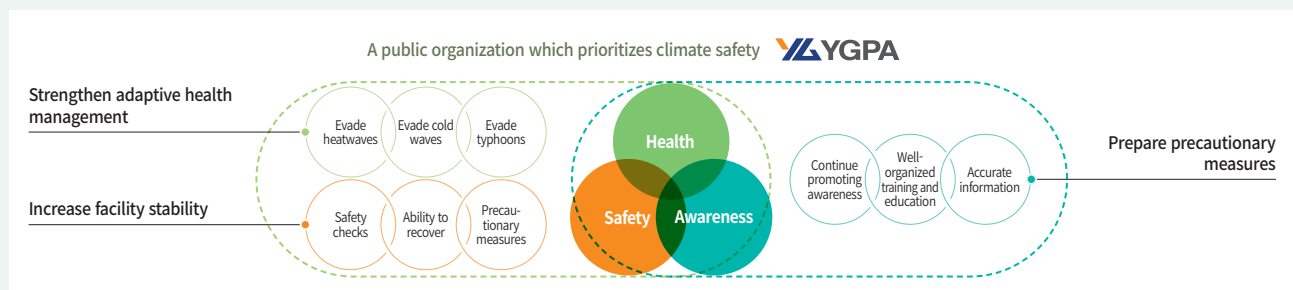
Climate change risk and vulnerability assessment

An increase in the range and frequency at which Yeosu Gwangyang Port is influenced by weather phenomena caused by climate change, such as heavy rainfall, typhoons, and heavy snowfall, is leading to damage to facilities at the port and the surrounding area. Therefore, we have established appropriate response and recovery measures by identifying climate change risks according to different port facilities. In particular, we formed risk management measures in order to prevent damage from heatwaves, cold waves, heavy rainfall, brisk winds, heavy snowfall, etc., and we prepared and operate preventive measures and responses, follow-ups, and procedures appropriate to our organization.

Key performance in terms of adapting to climate change

We are currently implementing detailed action plans under the following goals: 'strengthening adaptive health management'; 'improving facility safety'; and 'preparing precautionary actions.' As part of our efforts to further reinforce our ability to tackle climate change, we conduct emergency care and safety training and are involved in various efforts including having first aid items such as Automated External Defibrillators (AED) on site, safety inspections of port facilities, and increasing public awareness regarding climate change.

Yeosu Gwangyang Port's visions and goals regarding measures aimed at adapting to climate change



Health

Strengthen adaptive health management to tackle climate change



- Form an emergency medical system against climate change
- Minimize exposure to extreme weather by establishing advanced warning system
- Prepare extreme weather evasion facilities (heatwave, cold waves, etc.) to improve adaptive capabilities
- Install Alternative Maritime Power (AMP) system

Safety

Enhance facility safety to better brace ourselves against climate change



- Have a regular safety inspection system in place for extreme weather
- Ensure minimum damage and a quick return to normality in times of disaster via prompt recovery measures
- Install preventive and protective facilities in response to climate change
- Operate monitoring systems in areas at a high risk of disaster

Training and PR

Form training and monitoring systems to maximize adaptive abilities



- Establish precautionary measures and safety manual
- Assist those involved and visitors to adapt to climate change with continued PR
- Cultivate professional organization and manpower via organized and accurate training

3

TOPIC

Create a Cohesive Organizational Culture

Report Context

The need for continued training and competency building in the face of sudden changes across the industry and technological advancements is well established. In particular, it is necessary to facilitate changes to the capabilities of members of our organization and changes to the work environment in order to better respond to the rapid digital transformation occurring in the era of Industry 4.0. Other important and prevailing issues include the utilization of various types of work systems with an aim of increasing work efficiency and improving work-life balance.

2020 Key Performance



Training
hours per
person

134 hours



Management assessment
rating for organization
and HR (work-life balance)
(2019)

B0



First contribution
to the employee
welfare fund

KRW **500** million



Our Progress

At YGPA, we foster future leaders by providing a range of customized competency-building programs for our employees. Furthermore, we provide high school and college students with training and employment support programs to nurture the talent required when working in the port logistics industry. With a view to fostering a corporate culture that is enjoyable to work in, we also increased our in-house employee welfare fund and established various systems to ensure a positive work-life balance for our employees, including childcare leave, telecommuting, enabling employees to leave work on time, etc.

Our Plan

We intend to continuously enhance the capabilities of our executives and employees by improving, both qualitatively and quantitatively, our competency building programs offered to different groups and, in doing so, contribute to cultivating the kind of talent that is required throughout the industry. In addition, we are establishing a happy workplace by ensuring our employees enjoy a work-life balance by enabling our employees to carry out their duties in an autonomous way while also enabling them to enjoy their free time at home every day.

Management assessment rating for organization and
HR (work-life balance) (2025)

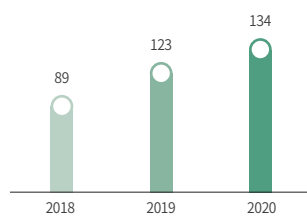
A+

Strengthen HR management

Lay a foundation for nurturing talent in an organized way

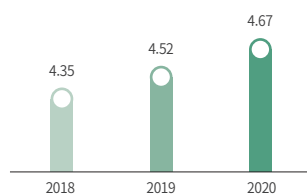
Training hours per person

(Unit : time)



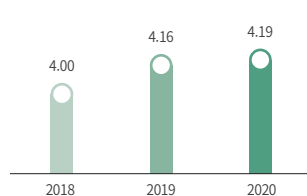
Education satisfaction rate

(Unit : point)



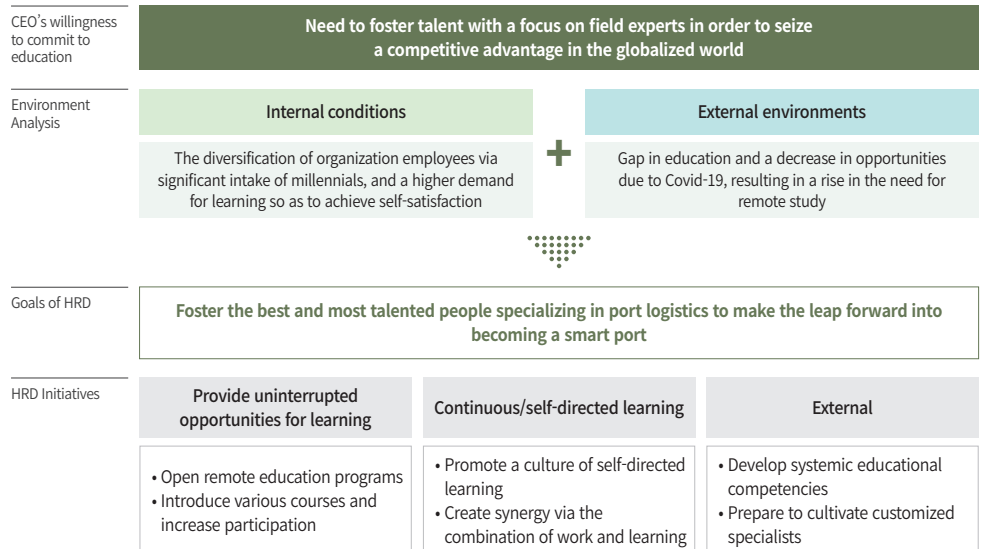
Work engagement

(Unit : point)



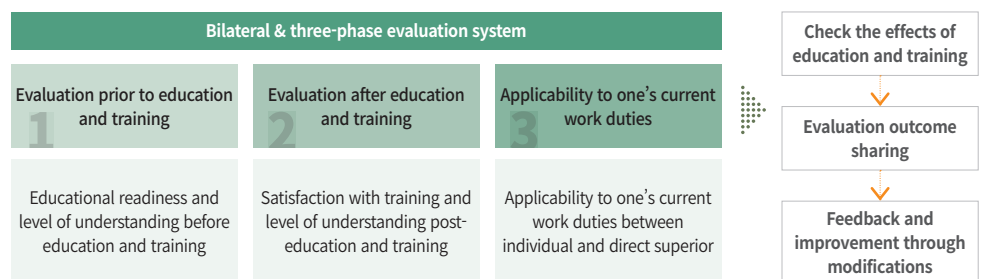
Strategic HR development in line with management strategies

We have established education and training strategies linked to our mid- to long-term management strategies so as to both respond to a rapidly changing management environment and to meet individual educational needs. In addition, we executed a vast training budget with a huge number of training hours, and continued to increase our training participation rate by offering incentives for excellent trainees including overseas training opportunities, rewards, etc. Moreover, we increased remote education and training including smart learning, e-learning, video education, book learning, etc., in order to prevent Covid-19 from spreading and, at the same time, to make the training more convenient for participants.



Conduct a 'bilateral & three-phase evaluation system' to raise the level of education

We found that the existing satisfaction survey for educational programs did not reveal the actual effect of training. Accordingly, we have devised a 'bilateral & three-phase evaluation system' to tackle this issue and raise the satisfaction rates for education and training. As a result, we were able to clearly identify issues, solve these issues based on feedback, and subsequently obtain the desired outcome of a higher satisfaction rate in terms of education. We also introduced education customized according to life cycles based on the Individual Development Program (IDP), and we enhanced the degree of our employees' work engagement.



Strengthen HR management

Increase educational programs to enhance specialist competencies

Performance of remote education and training



Smart learning
1,332 hours
(166 courses)



Book learning
1,045 hours
(181 courses)



Multi-campus learning
2,375 hours
(147 courses)

Education and training for fostering work specialists

At YGPA, we offer a work specialist cultivation program based on the Individual Development Program (IDP), which is an individual career management system based on career life cycles. This program divides one's career into three major stages (exploratory stage - maturing stage - utilizing stage) and offers participants training most suitable for their current stage. Thus, it provides a solution to the issues of a mismatch between the organization's needs and available workers, in addition to maximizing the effectiveness of education.

Education and training for cultivating global specialists

We run a 'global port talent cultivation program' for our executives and employees in order to nurture future port logistics leaders who are equipped to meet the challenges of an ever-changing management environment. In addition, we cultivate global maritime and port specialists by dispatching our employees to both short-term and long-term training programs abroad. We also support employees' efforts to enhance their foreign language skills through multi-campus, customized language courses through in-house lectures and lectures contracted through private language schools.

Cultivate future managers through customized training for minorities

Our 'SEA for U' program is a customized education support program designed especially for minorities working within our organization (female talent, high school graduates without degrees, retiree candidates, and non-fixed-term contract workers). The program is designed to cultivate female managers in consideration of various features of the lifecycle of women, while also supporting employees who graduated from high school but did not go on to further education by enabling them to develop their careers by providing them with options to continue their studies. In addition, we help retiree candidates to plan out their lives after retirement by offering courses conducted by retirement planning experts, and enabling them to acquire various qualifications. As for non-fixed-term contract workers, we assist them in improving their work competencies across various job types with on/offline work training, short-term overseas training, and other opportunities.

Strengthen capabilities of our female workforce

At YGPA, we provide females employees who return to work after childbirth, child care, etc., with education appropriate for their lifecycle stage and we focus on cultivating female managers with women's leadership and work training programs, workshops to cultivate female managers, and mentoring programs for women, etc. We are committed to establishing gender equality so as to assist female workers in the development of their work competencies by assigning them core duties.

Increase remote education programs

In order to prevent gaps in education caused by Covid-19, we employ various remote training programs including smart learning, book learning, multi-campus learning, etc., so as to encourage the self-directed learning of all individuals. These remote education programs are used to increase participation and include smart learning, which is a means of studying various subjects through videos via smart devices such as smart phones, tablet PCs, etc., multi-campus learning, and book learning, which is a remote learning method using textbooks and is held via the internet.

Create a corporate culture through which work is enjoyable

Labor relations for cultivating improved corporate culture

Develop labor relation strategies

We have established and continue to implement labor relation strategies in order to create a society that respects trustworthy and cooperative labor, and to generate greater social value through open communication between labor and management. The labor relations strategies are composed of three strategic directions and nine initiatives and are related to our in-house management strategies, accordingly they help accomplish the promotion of sustainable management and the creation of social value, which are our management strategy goals.

Moreover, we continue to put forth a diversified effort to obtain improved outcomes from labor and management consultation. We aim to avoid the usual top-down style negotiation and, instead, we remain open to various ideas and voices with horizontal participation from delegates and juniors. In addition, the topics up for discussion have been broadened from a somewhat limited scope such as wages and welfare, to overall management issues and social value creation. These efforts enable us to lay a foundation for joint efforts toward management goals by both labor and management.

Management strategies	Advance sustainable management and create social value		
Vision of labor relations	“Build a partnership between labor and management to create social value through open communication and cooperation”		
Three Strategic Directions	Sustainable management based on participation and communication	Cooperative partnership to materialize value	Foster happy working conditions
Initiatives	<ul style="list-style-type: none"> Revise a work-based wage system Respond to changes in work environments in the Covid-19 era Reasonable collective bargaining and wage negotiation 	<ul style="list-style-type: none"> Diversification of communication lines between labor and management regarding Covid-19 Create social value shared by both labor and management Strengthen specialized competencies in relation to labor relations 	<ul style="list-style-type: none"> Elevate the quality of life of employees by securing a work-life balance Improve working conditions and job benefits Prevent discrimination against minority workers
Monitoring	<ul style="list-style-type: none"> Labor-management Committee and collective bargaining Frequent consultations including labor-management TF 	<ul style="list-style-type: none"> Monitoring of government policies etc Cooperate with relevant agencies 	<ul style="list-style-type: none"> Satisfaction survey on labor relations

Joint practice agreement between labor and management to overcome the Covid-19 crisis



Increase communication to facilitate mutual cooperation between labor and management

In an attempt to cultivate an advanced corporate culture, we are engaged in proactive labor-management communication in order to solve grievances at work and build a more solid mutual trust, etc. More specifically, we have various programs in place to promote mutual communication between labor and management. We hold C.S. (Communication, Sympathy) workshops at which representative members of labor and management gather together twice a year to discuss cooperation and negotiation centered around the topics of the prevention of labor-management conflicts and the development of YGPA. We also conduct junior group workshops each quarter in order to bridge the gap between generations and to develop ideas and solutions for work-related grievances. In addition, we encourage cooperation among executives and employees by frequently holding ‘Lunch box meetings with the CEO’ under the umbrella themes of positions within the company, gender, and other such topics. Going forward, we will continue to share and identify ideas and suggestions through various communication channels in order to form a new and flexible organizational culture and build robust trust between labor and management.

Create a corporate culture through which work is enjoyable

Making a happy workplace

Establish the value of a Great Work Place (GWP)

At YGPA, we are fully devoted to creating a happy workplace for all employees by implementing fresh changes to our organizational culture. These positive changes take place across a range of areas in order to enable our employees to display their competencies and take the initiative at work in a freer and more robust working environment. We will continue our efforts to improve working conditions until we become the leading company in terms of organizational culture.

Classification	Key points	Results of initiatives
Working hours	<ul style="list-style-type: none"> • Solve the problem of long working hours (adhere to 52-hour maximum work week) • Extend celebration or mourning leave to public officers 	<ul style="list-style-type: none"> • Introduce PC-OFF system (Nov. 2020) • From 2 days to 3 days in case of the death of grandparents
Healthy work environment	<ul style="list-style-type: none"> • Provide lounges and communication spaces for employees • Health concerns due to fine dust • Promote mental health through relief of stress 	<ul style="list-style-type: none"> • Improve cafeterias (number of monthly visitors - about 1,000 persons) • Install air purifiers in company buildings (27 units) • 39 expert counselors through the employee support program
Improve working conditions	<ul style="list-style-type: none"> • Enhance employee morale by widening promotion opportunities • Improve working conditions for comparatively vulnerable and marginalized people 	<ul style="list-style-type: none"> • Increased promotion opportunities from 2 times a year (2018) to 4 times a year (2019) • Increase wages of non-fixed-term contract workers (from 85% of a permanent employer's salary to 90%)

Establish a job-centered organizational culture through the introduction of a new work classification system

Here at YGPA, in 2020, we commissioned a study on 'Mid- to long-term organizational HR management' in order to establish an optimized job system for our organization. With a view to figuring out job arrangements for different departments, the study examined adjacency, significance, degree of difficulty, job performance requirements, and other factors. In addition, we re-established a horizontal and vertical classification system according to the results of this study. As such, we were able to secure job expertise through the early application of this new job classification system, and we became the first port authority to introduce job-based pay. Moreover, this new job classification system has been applied to our HR organization including in terms of wages (job-based pay), education, career development, etc., and we are in the process of developing the system further. Going forward, we plan to identify any issues by means of on-going monitoring and feedback and thus establish an improved version of the system in order to establish an improved organizational culture.

Raise the employee welfare fund to enhance job benefits

We raised the 'Yeosu Gwangyang Port employee welfare fund' for the first time since our establishment in order to fulfill two purposes: uplift the morale of employees; and enhance job benefits which were previously relatively low in comparison to labor costs. Following a close consultation with the Ministry of Economy and Finance, we have successfully secured a contribution amounting to 5% of earnings before tax, and we plan to implement a profit-based business using basic assets. In the process, we founded a funding corporation in Dec. 2020, and the fund will be contributed to in accordance with the budget compilation guidelines for public enterprises and quasi-governmental agencies following consultation with the Ministry of Economy and Finance. We expect that the accumulated contributions and the revenue-generating business will serve to greatly enhance job benefits for our employees.

First contribution to the employee welfare fund



KRW 500million

Efforts to create a balance between work and life

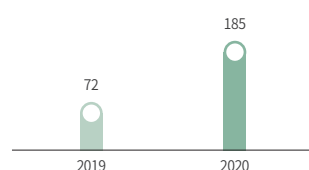
Family friendly certificate awarded by the Ministry of Gender Equality and Family



certification awarded for
9 consecutive years

Use of flexible work arrangements*

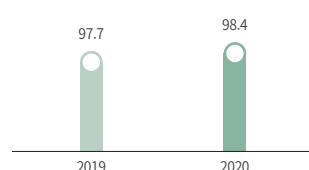
(Unit: persons)



* these figures include part-time work, flexible work, and distance work systems (overlapping permitted)

Usage rate of paid leave

(Unit: %)



Create a corporate suitable for raising children

At YGPA, we operate and continue to improve various systems in order to alleviate the burden of workload to female employees by their duty to childcare, and in order to form a good work-life balance. We introduced maternity protection hours to provide pregnant employees with some time to rest and visit hospital. We also revised our childcare leave system to allow employees to use special leave so that they can accompany their child to hospital when necessary. We also encourage male employees to take parental leave in order to mitigate the skewed childcare burden that society places on women. These efforts resulted in the development of a corporate culture in which parental leave is used by employees regardless of gender, as evidenced by the fact that male employees made use of parental leave in both 2019 and 2020.

Classification	Key Details
Improve female health care leave system	• One day a month menstrual leave for female employees (unavailable for those who are pregnant) → One day a month fetal examination leave for pregnant employees
Obligatory reduced work hours for pregnant employees	• (Existing) Work hours shortened by two hours for first 12 weeks of pregnancy and from week 36 of pregnancy → (Modified) Work hours shortened by two hours during pregnancy
Improve parental leave system	• Max. 3 years' leave regardless of gender and accumulated years of service, career training for returning female workers, prevention of career break
Family care leave & reduced work hours	• Able to use leave or shorten work hours in case of emergency situations related to childcare, illness, or illness of family members
Exclude pregnant employees from working overtime	• Compulsory exclusion of pregnant employees from overtime work (On-call, emergency duty, etc.) to ensure healthy pregnancy and childbirth

Increased use of flexible work arrangements

Flexible work arrangements refers to a system which allows employees to customize their working schedules and places of work in order to increase work efficiency and assist them in carrying out their main duties. In particular, in 2020 social distancing on account of Covid-19 led to more than 80% of our current employees telecommuting, consequently resulting in the expansion of flexible work arrangements. We plan to take the lead in introducing advanced work environments by promoting various flexible work arrangements including a flexible working hours system, alternative work schedules, and remote work.

Encourage liberal use of annual leave

We operate an alternative leave system and also promote the use of various types of paid leave for a day, a morning, an afternoon, etc., to make up for emergency shifts caused by Covid-19. In addition, we have implemented the PC-OFF system in order to get rid of unnecessary night duty, and to support the work-life balance of our employees. Furthermore, we have designated every Friday as 'Family Love Day' to urge employees to leave the office on time. We also modified our family care leave system, through agreement between labor and management, such that five out of the ten days can now be taken as paid leave, meaning that employees can spend more time with their family members. As a result of these efforts, we were recognized both internally and externally as evidenced by our recently earned designation as a leisure friendly corporation as certified by the Ministry of Serial/Oxford comma should be added in "Culture, Sports, and Tourism"

4

TOPIC

Pursue Shared Growth for Local Co-prosperity

Report Context

The global pandemic brought about by the Covid-19 virus, which began at the end of 2019, has greatly influenced our lives. Restrictions on every part of our daily lives have resulted in a major crisis within the global economy. Consequently, many businesses and micro-businesses are facing serious difficulties. In the midst of this situation, with a return to normalcy not on the horizon, the role of public enterprises in terms of leading the industry's ecosystem and creating social value cannot be overstated.

2020 Key Performance



Amount provided as
part of the co-prosperity
payment system

KRW **20** billion



Merit of public
procurement 2020

**Awarded the
Presidential Citation**



Social contribution
investment*

KRW **538.3** million

* This amount refers to actually executed costs from the 2020 social contribution activity budget of KRW 713.6 million



Our Progress

As a public enterprise leading the port industry in the Jeonnam region, we strive to achieve a win-win relationship with the local community and stakeholders of the port industry. We continue our efforts to establish a fair-trade culture within the industry and create social value by public procurement while also providing various customized support programs. In addition, as a responsible member of the local community, we continue to consolidate our ties with the local community through significant and sustainable social contribution activities.

Our Plan

Here at YGPA, we employ a shared growth and social contribution strategy system for the purpose of well-organized and effective shared growth together with the local community. More specifically, we intend to pursue diversified shared growth and social contribution activities by strengthening expertise in cooperation with professional organizations and by involving various stakeholders in problem solving, etc.

1% matching
donation rate

100%

Assessment result of shared growth by
Ministry of SMEs and Startups

Good

Promote a culture of shared growth among partner companies

Develop a system for the advancement of shared growth

Establish YGPA shared growth strategy system

In order to elevate the competitiveness of the entire port industry, it is imperative that we forge a joint effort with various partners. We not only implement government policies related to cultivating SMEs and social enterprises but also effectively advance our own shared growth activities in order to sharpen the competitive edge of the overall industry. With this in mind, we operate the 'YGPA shared growth strategy system' consisting of three directions and nine key initiatives. We intend to continue to consider diverse opinions and make further enhancements to our system with the goals of co-prosperity and shared growth with partners in mind.

Vision	Construct a global maritime logistics hub based on shared growth and cooperation with a focus on co-prosperity		
Directions of progress	Spread a culture of shared growth	Expand SME support	Strengthen the foundation for sustained growth
Key initiatives	<ul style="list-style-type: none"> Strengthen shared growth engine Broaden shared growth and innovative hub activities Consolidate co-op activities with relevant agencies 	<ul style="list-style-type: none"> Advance shared growth investment finance project Expand the agricultural and fishing villages collaborative cooperation fund Intensify support for SMEs to pioneer markets 	<ul style="list-style-type: none"> Disseminate benefit (cooperation benefit) sharing system Strengthen technology protection of SMEs Support SMEs in fostering key personnel
Executing entities	Shared growth acceleration team		
	Mutual cooperation executives Control tower	Shared growth team Responsible for practical business and responding to evaluation	On-site department Pursue shared growth projects
Monitoring	Shared growth acceleration team meeting / shared growth innovation hub committee / evaluation of public agencies' shared growth, management assessment		

Establish shared growth acceleration group

In order to conduct more effective shared growth-related tasks, we assigned this work to the Finance and Accounting Department and founded a new shared growth department internally. This will enable the strengthening of the connection between the unique duties of the Finance and Accounting Department such as contracting, procurement, and finance, and their shared growth tasks in a more efficient way. In addition, we operate a shared growth acceleration group by means of gathering staff from departments in need of cooperation in order to increase expertise in terms of work performance. In 2020, we hired an additional specialist to revitalize the project and assigned one employee to focus on furthering our exploration of new markets.

Increase shared growth activities through cooperation with outside organizations

In order to implement our activities aimed at facilitating shared growth, we signed MOUs with various external organizations that are engaged in work around co-prosperity with SMEs including the Korea Foundation for Cooperation of Large & Small Business, Rural Affairs, the Korea SMEs And Startups Agency, and the Industrial Bank of Korea. In particular, we actively participate in the 'shared growth innovation hub' that provides SMEs and micro businesses with various shared growth programs such as customized and innovative consulting and management improvement activities via private, government, and public cooperation within Gwangyang area. We will continue to further our cooperative activities with external organizations in order to enhance the productivity of partner companies, to contribute to local economic development, and to foster a culture of co-prosperity.

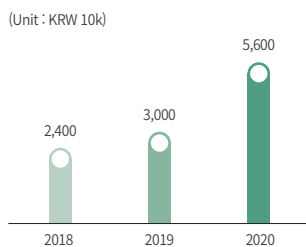
Participated in the Shared Growth Innovation hub, a joint shared growth platform for private, government, and public sectors



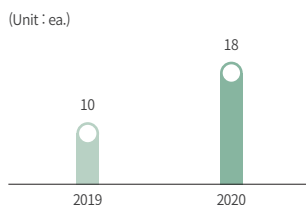
Promote a culture of shared growth among partner companies

Strengthen support and basis for shared growth

Amount of contribution to shared growth investment
(Unit : KRW 10k)



No. of tasks registered for cooperative benefit sharing system
(Unit : ea.)



Rent support for tenants at Gwangyang Port district complex



73 companies
KRW **1,503** million

Expand financial support for co-prosperity with SMEs, and agricultural and fishing villages

At YGPA, we are upgrading SME support programs by significantly increasing investment in shared growth for partner companies. With this increased financial contribution, we were able to increase the number of applicants and expand the areas for which support is offered from the field of management administration, such as improving work environments, to R&D, productivity growth, and inducing employees to work at our organization long-term, etc. In addition, in 2020 we sizably increased the revitalization of agricultural and fishing villages collaborative cooperation fund, which was founded in 2019, and we also increased the co-prosperity fund by KRW 6 billion. These efforts actively support the growth and development of small businesses and agricultural and fishing villages.

Classification	2019
Key performance (amount, no. of companies)	KRW 30 million/ 5 companies
Sponsoring projects	Focused on the field of management administration such as improving work environments
Co-prosperity fund contribution	KRW 5.5 billion

2020
KRW 56 million/13 companies
<ul style="list-style-type: none"> Expanded the support areas to R&D, productivity growth, etc., along with the field of management administration Invested in in "Future Hiring Deduction" to induce long-term services of key staff
KRW 6 billion

Sharing results and benefits with partner companies

We share results and benefits generated by our joint endeavors with our partner companies. In order to do so, we signed an agreement with the tenant companies at our district complex to share cooperative benefits in a bid to increase and revitalize throughput at Gwangyang port, and, as a result of this agreement, we shared profits with two partner companies who had been evaluated as 'excellent'. As part of a benefit sharing system aimed at the safe operation of ship companies at Yeosu port, we provided shipping companies that earned remarkable ratings in terms of safe operation with safety support subsidies. However, our efforts do not stop there. We also held briefing sessions for partner companies in order to facilitate their active engagement in sharing benefits and cooperative profit, and we held an internal open competition with a view to identifying related tasks and ideas.

Support program for tenant companies at district complex

In 2020 we witnessed a hefty plunge in global transactions. Gwangyang port was unable to evade the influence of the pandemic as evidenced by the considerable drop in the amount of trade and throughput in comparison to 2019. We operate a package-type tenant support program in order to alleviate the financial burden placed on tenant companies who are suffering from a deterioration in their operating balance and insufficient operating funds due to diminished sales. Through this program, we reduced rental fees by a maximum of 30% on two occasions from March 2020 to present, and prevented workers in the district complex from losing their jobs via an employee retention subsidy. In addition, we distributed administration practice manuals to the tenant companies in order to assist them in dealing with complicated administrative tasks such as occupancy agreements, building construction, permits and approval, etc. Moreover, we made an effort to provide effective support by visiting 48 tenant companies and frequently listening to their complaints and grievances via a consultative body specifically for distripark tenant companies.



Sales by tenant companies of The Dream Smart Center



KRW **3.9** billion

(117% increase on the previous year)

Business presentation by startups at The Dream Smart Center



Implementation rate of government recommendation policies in terms of public procurement



286%

Support partner companies in fostering core talent

One of the essential elements when it comes to enterprises strengthening their competitiveness is the cultivation and retention of core talent. As part of our effort to cultivate core talent in business, we provide the staff of our partner companies with self-directed training programs for language learning, various qualifications, etc., and offer competency-building training for new employees and core talent. We also partially support payment made by SMEs for the 'Future Hiring Deduction' in order to assist SMEs in retaining their core talent. Going forward, we plan to select five employees from each partner company, a total of 30 people, and invest a maximum of KRW 180 million into them over the next 5 years.

Support SMEs in using new marine technology

'The Dream Smart Center', our platform aimed at exploring co-prosperity with local startups, plays a key role in implementing our various support projects aimed at establishing a smart port by developing digital technologies and thereby strengthening our global competitiveness. As of December 2020, there are five startups at the center. We provide these startups with a business network, a test bed using port space, and the development of interactive technology with participating customers. This support helped the tenant companies to achieve KRW 3.9 billion in sales, a 117% rise from the previous year, and gave rise to various achievements including penetrating overseas markets, developing innovative technologies, and localizing parts and accessories, to name a few. To further create a mutually prosperous port ecosystem, we will continue to transfer to SMEs, our various intellectual property such as patents and new construction technology obtained by our own R&D activities.

Key performances of the support provided to tenant companies by 'The Dream Smart Center'*

Classification	Steel and port-related products (coil) shipping management system	Integrated vessel safety monitoring	Air quality measurement via drones (localized devices)
Support details	<ul style="list-style-type: none"> Enhance technology and data in cooperation with Research Institute of Medium & Small Shipbuilding 	<ul style="list-style-type: none"> Provide test bed, business enhancement of the users, and introduction of 2nd stage 	<ul style="list-style-type: none"> Sensor test support, upgrade measurement data, and provide space
Key performances	<ul style="list-style-type: none"> Secure overseas market: concluded a purchase agreement of developed products with an Indonesian steel mill Attained KRW 1.7 billion in business sales in 2020 	<ul style="list-style-type: none"> Acquired certificates for new technology and innovative technology products, became the first port to introduce the 2nd (Jungheung & Nakpo ports) Achieved KRW 800 million in business sales in 2020 	<ul style="list-style-type: none"> Sold localized air quality measurement sensor prototypes to Incheon, Iksan and others Achieved KRW 300 million in business sales in 2020

* Aside from the businesses mentioned above, YGPA opened a market and supported joint technology development for businesses that develop coil shipping inspection systems and warehousing system technology at the district complex

YGPA's social value creation through public procurement

In accordance with the government's recommendations and policies, we create social value by actively using the products and services of social enterprises, SMEs, female enterprises, and enterprises for people with disabilities. In 2020, we exceeded 100% of the implementation targets outlined in the government recommendation policies in all sub-indicators concerning public procurement. Notably, female enterprises and enterprises for people with disabilities saw an increase in purchasing value of 64% and 465% on the previous year, respectively, which contributed to their market penetration and increases in sales. Furthermore, we continue to increase the public procurement of innovative products in order to facilitate the smooth market entry of innovative technologies and products, and we plan to increase such purchases to 10% of our total purchase amount. These efforts were recognized by the Ministry of SMEs and Startups when it awarded YGPA the Presidential Citation for 'excellence in public procurement in 2020'.

Awarded the Presidential Citation for Excellence in Public Procurement (2020)

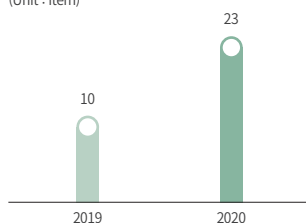


Promote a culture of shared growth among partner companies

Sustainable supply chain management

Expand stamp tax support for social enterprises

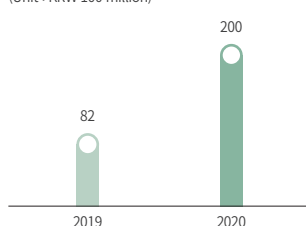
(Unit : item)



* The beneficiaries of stamp tax support were not limited to social enterprises (KRW 800k for 10 cases in 2019 → KRW 860k for 23 cases in 2020) but also included support for general companies by up to 50% of the fee (KRW 1,040k for 26 cases in 2020)

Amount paid as part of the co-prosperous payment system

(Unit : KRW 100 million)



Establish a system for promoting fair trade culture in the port industry

In order to establish and promote fair trade culture within the port industry, we identify and implement the necessary improvement measures and joint initiatives according to four best practice models in cooperation with other port authorities. The identification of joint initiatives involves the Ministry of Oceans and Fisheries, four port authorities, and the Korea Marine Environment Management Corporation. The joint initiatives will be applied to various agencies under the umbrella of the Ministry of Oceans and Fisheries. In addition, we disclose 100% of our e-procurement contracts (standard contracts) and pre-released specifications, while also operating a reward system for reporting illegal subcontracts, thereby further indicating our commitment to promoting a culture of fair trade. Aside from the aforementioned efforts, we also continuously operate a fair-trade TF in order to share and spread model cases.

4 Exemplary Trading Models of Port Authorities

Prepare standard conditions for approval to use port facilities

Apply unified conditions for approving access to port facilities by a port authority, thereby modifying unfair trade conditions and preparing standard conditions for approval

Prepare standard lease agreement for tenants

Apply a standard lease agreement per type of facility (port district complex, container terminal, etc.) to eradicate any unfair trade practices

Introduce reward system for reporting unfair trade

Reward those who report any violation of laws related to subcontracting among bids carried out by port authorities

Improve the practice of reducing the basic bidding price in purchasing projects

Ensure appropriate profits for the partner company by applying the same design price (100%) to the basic price during the bidding announcement

Rectify unfair practices in order to establish a fair contract culture

At YGPA, we identify and rectify inappropriate existing practices in order to establish a culture of fair trade within the port industry. We reduced the tax burden ratio for e-stamp taxes and contract deposits, which were previously fully paid by partner companies, in half and we bear total responsibility for the full payment of e-stamp taxes if the contracting counterpart is a social enterprise. In addition, we founded a base for precluding any possible unjust theft of the technology of our partner companies by entering into an agreement to protect the technology data of our partner companies and by imposing an obligation to abide by the principles of confidentiality.

Ensure suitable business expenses and stable flow of payment

The lowest bidding system is the main culprit of extreme competition and low-priced orders, resulting in cutbacks being made to construction costs and unreasonable reductions in construction periods. We ensure appropriate construction costs and superior construction quality by excluding companies whose construction costs are less than 98% of the bid. We also abolished performance restrictions in order to encourage the increased participation of new startups in public procurement.

In addition, we enforce a mandatory duty to use a co-prosperous payment system so that direct subcontractor payments and a wage payment system are applied to all existing construction projects of KRW 50 million and over. Therefore, we are able to prevent any delay in the payment of wages and subcontractor fees, and we offer special training to construction supervisors in order to facilitate an early establishment of the system. In addition, we shortened screening and payment periods and increased the pre-payment rates and eligibility so as to make things more convenient for partner companies in terms of the contracting process.

Pursuit of strategic social contribution activities

Strengthen the drive for social contribution system

Establish YGPA social contribution strategy system

Under the slogan of 'Create a Happy World By Opening the Sea of Sharing', we established a social contribution strategy system and carry out a range of social contribution activities. Reflecting the meaning of social value, we set our directions of social contribution in the form of 'With Sharing (業)', 'With Hope (愛)', and 'With People (民)' and we continue to be devoted to social contribution activities revolving around social value.



Operate a social contribution organization

The social value team of our social value and innovation office is in charge of social contribution activities with a view to implementing more organized and effective social contribution activities. The social value team is engaged in planning and operating social contribution activities, identifying new projects, organizing and running a committee for social contribution, and fund operation and management, etc. It also holds semi-quarterly social contribution committees in order to audit various programs or activities such as the social contribution fund, and budget execution, etc.

Enhance our ability to conduct social contribution activities

There are many ways in which we at YGPA, promote social contribution activities. For example, we run the 'YGPA Port Love Service Corps' to facilitate the execution of sharing activities for the local community, and we provide incentives to model employees who exhibit excellence in terms of social contribution activity. In addition, we continue to forge a stronger network with leading local welfare organizations such as those for people with disabilities, the elderly, and multicultural families in order to listen to their grievances and collect ideas for quality social contribution activities.






Pursuit of strategic social contribution activities

Push ahead with the YGPA's smart social contribution



Build a social contribution platform through 'Collective Impact' with the local community

We set out to establish 'Collective Impact' through our social contribution activities in the form of the execution of mutual projects in conjunction with the UN SDGs and in cooperation with various entities such as municipalities, corporations, civic groups, and others. In order to do so, we will strengthen, as part of our role as a public organization, our programs based on themes such as safety, environment, education, sports, medical/health, etc., to further advance our creation of social value.

Classification	Safety	Environment	Education	Medicine	Sports
Project name	Safe house project	3yo! Marine environment warden	Stepping stones for hope	Dream! A smile of hope	Inclusive bowling and healing walks
Relevant UN SDG	 Goal 11 Make cities and human settlements inclusive, safe, resilient, and sustainable	 Goal 14 Conserve and sustainably use the oceans, seas, and marine resources	 Goal 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	 Goal 3 Ensure healthy lives and promote well-being for all at all ages	 Goal 10 Reduce inequality within and among countries
Direction of projects	• Minimize fire damage to houses of the underprivileged	• Designation of a day as a coast cleaning day by the marine business group in eastern Jeonnam	• Educational therapy program for exceptional children	• Support teenagers from low-income households and the elderly with medical expenses	• Health support program to promote sports for people with disabilities
Project details	• Provide 407 households in fire-prone areas with residential fire-fighting systems	• Take part in marine environment cleaning activities six times a year	• Cultivate an environment suitable for raising children • Partake in core local projects	• Drive the first ever medical welfare project via public-private partnership in Korea	• Cultivate bowling players with disabilities • Conduct healing walks for people with disabilities
Outcome	• Presented with an award by the head of the National Fire Agency	• Participated in by around 1,000 persons • 35 tons collected in one year	• 35 children with disabilities benefitted • Created 15 new positions	• Provided to approx. 140 teenagers	• Offered to about 300 people with disabilities • Helped 11 persons to find jobs
Collaborating Organizations	YGPA, Gwangyang fire station	YGPA, GS Caltex, Yeosu Regional Office of Oceans & Fisheries	YGPA, POSCO, Gwangyang city	YGPA, LG Chemicals, Yeosu city	YGPA, POSCO, Gwangyang city

Pursue cooperative projects to solve key issues within local communities

Here at YGPA, we solve the main issues facing the local community by continuously implementing specialized projects for the underprivileged such as multicultural families, people with disabilities, and single seniors. In particular, we conduct the 'Happiness-sharing lunch box delivery' project designed to offer both suitable jobs and meals to the elderly in order to tackle issues associated with a growing senior population such as single seniors, elderly people with disabilities, and low-income elderly people. We also directed our efforts at family members of the underprivileged including multicultural families, single-parent families, and families in which children are raised by grandparents, by offering a community space where extracurricular activities, language skills development, school adaptation programs, etc., were offered, while providing jobs for migrant women, etc.

Key social issues	Projects driven by YGPA	Outcome
Increase in senior population in the area Growing senior population, insufficient jobs for the elderly	Happiness-sharing lunch box delivery Support healthy living for the elderly and utilize senior talent (Joint project) POSCO, Gwangyang City	[Implement social responsibility] Supply lunch boxes to single seniors, generate jobs for the elderly (19 persons) No. of beneficiaries : 70 persons on 264 occasions in a year
Increase in multicultural families Lack of opportunity to adapt to life in Korea, zero no. of specialized educational institutions	Bringing up together Identify programs to promote and support multicultural families (Join project) Ministry of Gender Equality and Families, Jeonnam Province, POSCO, Gwangyang City	[Implement a customized welfare initiative] Provide a community space, assist 10 immigrant women to find jobs, No. of beneficiaries : approx. 7,200

Sharing with Members (業)

Environment

Marine environment protection activities

We run environmental purification activities via public-private partnership in order to conserve the marine environment of Yeosu Gwangyang port. As for the Gwangyang area, we collect marine waste from the green zones in parks at the district complex, container parks, port roads, etc., once a month in cooperation with the terminal operators and tenants of the distripark. In the case of the Yeosu area, we conduct an environment cleaning activity with an emphasis on state-owned ports such as Jungheung Pier and Petrochemical terminal once a month.



Incubating PLM+

With a view to fostering port logistics specialists from among future port talent, we run an 'Incubating Port Logistics Master (PLM)' program.

We provide students at specialized vocational high schools for port logistics with practical education and training programs so as to help them grow into practically talented individuals and to help them find jobs. As for local college students and jobseekers, we offer employment competency enhancement programs such as the YGPA micro-degree and recruitment trips. In addition, we also provide less fortunate students with circle activities, special lectures on port logistics, etc., in order to support the pursuit of their dreams.



Education

Customized support for those vulnerable to safety issues

We carefully engaged in safety education and supplying items in order to safely protect local residents and those who, when a disaster occurs, are particularly vulnerable. From July to November 2020, in conjunction with the relevant organizations, such as the fire department and Korea Gas Safety Corporation, we carried out a project aimed at supporting practical safety education and supplying emergency goods for about 160 underprivileged people in preparation for natural and social disasters. As an organization which is responsible for disaster safety, we will continue to be involved in the effort to eliminate any blind spots in terms of the safety of vulnerable people, and we will continue to conduct preventive measures aimed at strengthening the safety capabilities of the local community.



Safety



Hope for the Less Fortunate (愛)

Sports

Inclusive bowling and healing walk

Since 2020, we have been engaged in cultivating athletes with disabilities and supporting sport activities in cooperation with POSCO Gwangyang Steel Mill. The bowling players were trained under the guidance of a coach who was a former player in the national team. In addition, we enable people with disabilities to generally enjoy sports such as walking and strolling so as to help them achieve emotional stability and lead a healthy lifestyle. Beginning with a launching ceremony of the 'Bowling and Healing Walk Project', aimed at enhancing the social skills of people with disabilities, we assisted around 300 disabled people with various sport activities.



Launched the 'Dream! A Smile of Hope' welfare project

At YGPA, we implemented the 'Dream! A Smile of Hope' welfare project* in conjunction with Yeosu city, LG chemicals, and the Korean Dental Association, etc., in support of the medically ostracized. In 2020, we conducted an inclusive program that selected 105 teenagers from lower income families as priority targets and provided them with dental care. In addition, we provided elderly people with disabilities with welfare equipment such as canes and adult walkers in order to raise their quality of life and help secure their general safety.

* A dental treatment sponsoring project in cooperation with the private sector that supports the co-pay of dental care expenses of up to KRW 500k per child or teenager living in Yeosu city

Medicine

Education

'Stepping stones for hope' for children with disabilities

We operate the 'stepping stones for hope' project which is designed to provide exceptional local children in need of help with various treatment programs. We seek to promote the physical health and emotional stability of these exceptional children through art therapy, music therapy, psychological rehabilitation, and a forest experience program, etc. The 3rd stepping stones for hope project for exceptional children was launched in 2020 and 35 children received therapy and psychological support.



The 'Safe house project' for the underprivileged

Since 2017, we have been engaged in the 'safe house project' which was designed with a view to repairing the old and weathered houses of the underprivileged in order to transform them into safe living environments. This project is not merely a case of simple repair work but rather customized living environment improvements that ensure the safety of people with disabilities and the elderly. In 2020, we provided 8 underprivileged households with redeveloped homes, in addition to preventing fires by installing residential fire extinguishers and standalone smoke detectors, etc., in 407 households in areas vulnerable to fire accidents.

Safety



Together with the People (民)

Support local micro businesses

At YGPA, we expanded direct and indirect support aimed at revitalizing local micro businesses suffering due to the spread of Covid-19. In order to revitalize traditional markets and the local economy, we established sisterhood ties with traditional markets in order to purchase agricultural and fishery products and extensively purchase products that would have been supplied to schools had it not been for Covid-19. In an effort to make a social contribution, we also held a Kimchi-making event which was participated in by local micro businesses and the elderly, and we subsequently delivered kimchi to 500 underprivileged households. In addition, our efforts to revitalize the local economy extended to holding a 'flower-sharing event' in order to help flower farmers who, due to Covid-19, are experience plummeting sales due to the cancellation of major events such as graduation ceremonies and matriculation ceremonies.



Making Kimchi with Love (the underprivileged)

Supports **500** households



Support the local community shattered by natural disasters

We were involved in drone-assisted quarantine activities and offering emergency items to residents of Daap-myeon and Gurye-gun which were damaged by downpours and typhoons between August and September 2020. We provided local residents with daily necessities tailored to their needs, amounting to KRW 28 million, including rice, microwave ovens, etc., and performed intensive drone-assisted quarantine activities for prioritized areas such as those inaccessible by vehicles, nearby collapsed cattle sheds, and the area surrounding waste treatment centers, etc. Our swift drone-assisted quarantine activities were especially helpful in maintaining the good health of local residents.



Support resuscitation of the local economy

We sealed an agreement with the Gwangyang Love Sharing Welfare Foundation in Feb. 2020 to boost consumer spending in Gwangyang city by entrusting donations to the foundation, which in turn supplied these donations to the less fortunate in the form of 'Gwangyang love gift certificates'. An anticipated reduction in consumer spending and the setback to the local economy due to the spread of COVID-19 will continue to pose a significant challenge to micro businesses. Therefore, we remain actively committed to sponsoring local gift certificates and supporting local products.



Donating local gift cards

KRW **190** million

Donation of the local specialties of Jeollanamdo

KRW **38** million



YGPA MOVES ALONG WITH OTHERS

WITH OTHERS

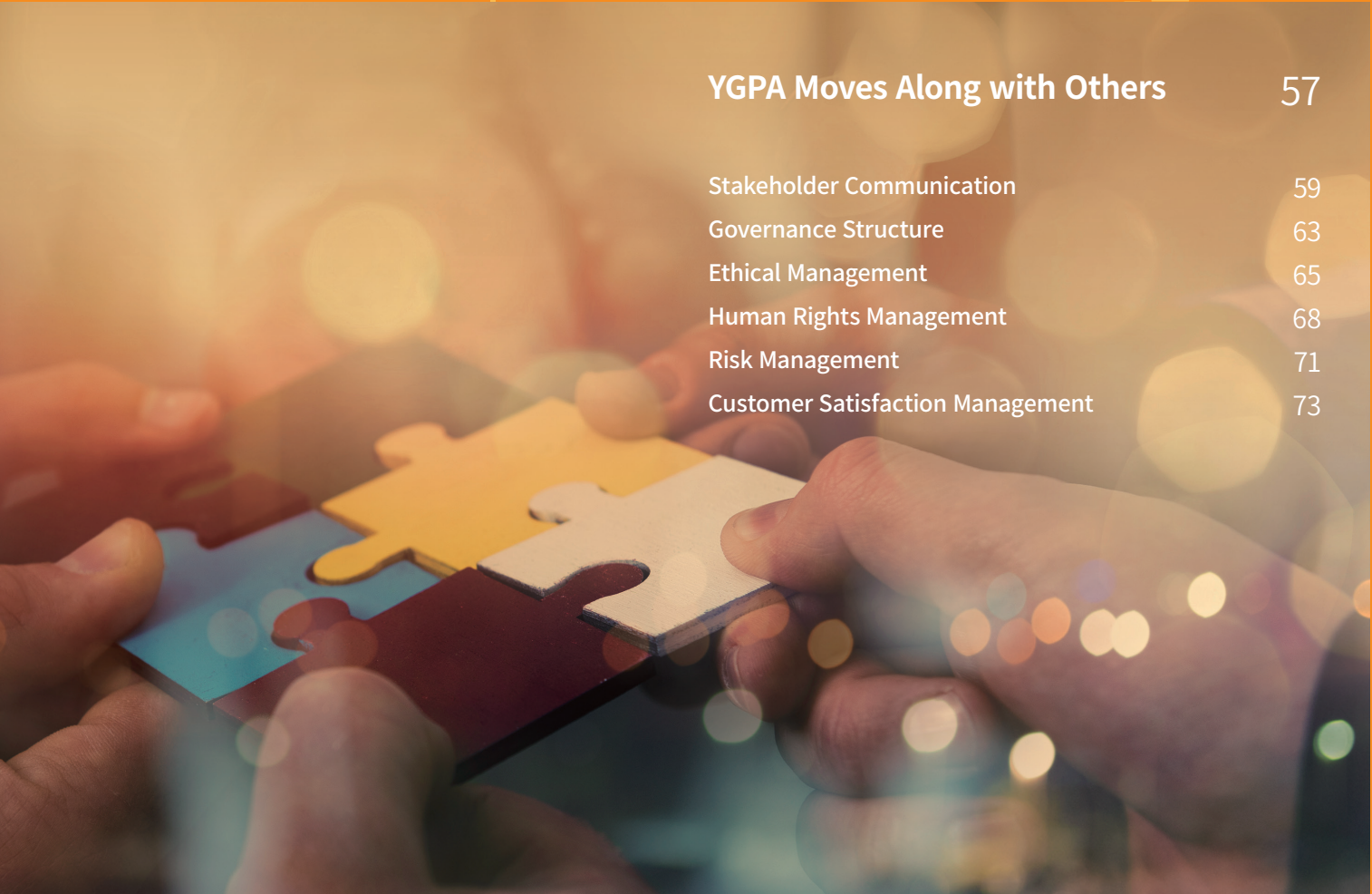
At YGPA, we recognize the differences in various stakeholders and, as such, we strive to create unity out of difference.

To this end, we will continue to appreciate and respect diverse ideas and opinions, transparently disclose relevant information, and transform ourselves into a trusted organization.



YGPA Moves Along with Others 57

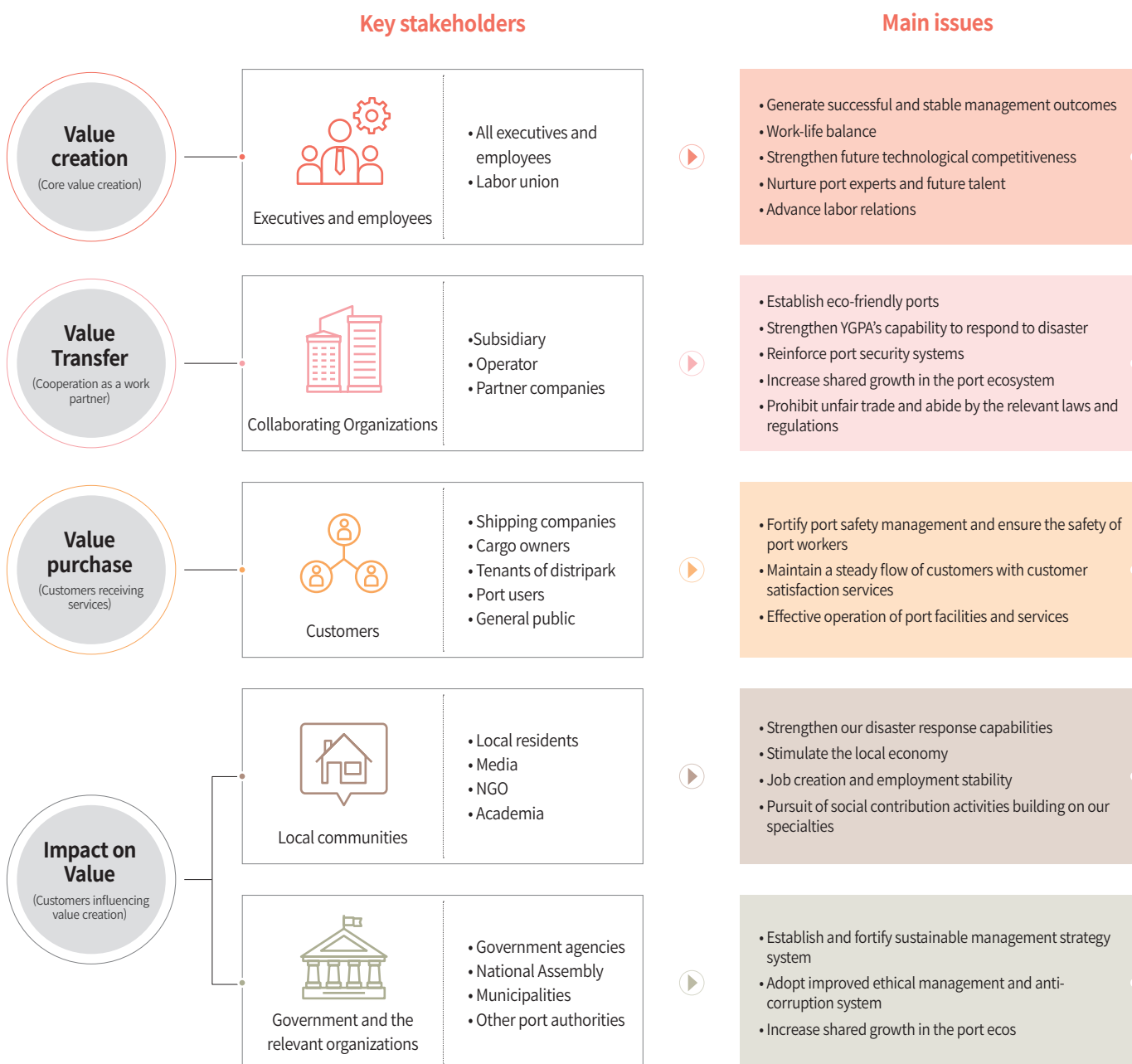
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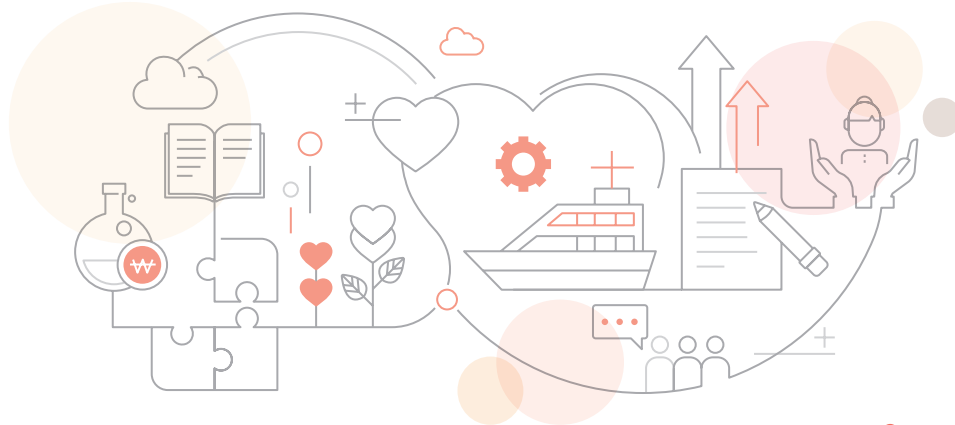


Stakeholder Communication

Stakeholder participation system

We define key stakeholders as executives and employees, partner organizations, customers, the local community, the government, and relevant agencies, and we are determined to create a co-prosperous ecosystem based on communication and cooperation with stakeholders so as to become 'the best port logistics partner trusted by the people'. In addition, we will keep on gathering the voices and opinions of our stakeholders in order to implement sustainable management that is recognized by the general public, and in order to reflect upon our management activities.





Communication Channels

Strategic connection with social value

- The evaluation of awareness of the Vision 2030 Management Strategy System
- CEO culture understanding day
- Open competitions for learning and core projects
- Communication workshops
- Safety management consultative body

- Labor-Management Committee, Labor-Management Practice TF, Labor-Management Communication Cone, labor-management workshops
- Kakao talk audit consultation channel
- Remote communication channel, etc.



Establish an advanced management system, Create a cohesive organizational culture

- Mutual cooperation Committee
- Operator/Tenant Committee
- Berth Operation Committee
- Safety and Health Committee

- Safety manager conference
- Discussion regarding petrol system by port-related businesses
- Port business and organization conference
- Conference of the Korea Cargo Workers Union (KCWU) and operators, etc.



Pursuit of local co-prosperous shared growth

- Citizen Participation Innovation Group
- Online business presentation
- Distripark Safety Committee
- Hold the Yeosu Gwangyang international forum (online)

- Customer satisfaction survey
- Business presentation to attract tenant companies
- Shipping company meeting regarding port operation

- Cruise Development Committee
- Tenant company conference
- Hold competition to gather ideas of the general public
- SNS, Youtube, newspaper articles, etc.



Spread open participation based on public interest

- Patent-based R&D meetings
- Expert discussion and public hearing for local residents
- Satisfaction survey on disaster/safety education for the underprivileged

- Conclude MOU on joint R&D
- Consultation with reporters from the press
- Opinion polls for residents




Create better jobs, and drive local co-prosperous shared growth

- Yeosu Gwangyang Development Committee
- Port Revitalization Group
- International Anti-Corruption Conference
- Employment foothold center in Jeollanamdo
- Joint marketing with the relevant agencies

- Working-level meeting for free trade zone
- Conference for those involved in ports
- Gwangyang Investment Promotion Committee
- Working-level meeting for the relevant agencies
- Discussion of Ministry of Oceans and Fisheries' policies

- Parliamentary audit and follow-ups
- Safety and security meetings by the relevant organizations
- Bit Garam Integrity Practice Network
- Participation in seminars, etc.



Establish advanced management system, spread open participation based on public interest

Stakeholder Communication

Stakeholder interviews

Secure sustainable growth engine with the pursuit of IST* strategies



Gi-Cheol Jeong Director Planning and Cooperation Office, Yeosu Gwangyang Port Authority

Under the vision of a "Smart Port With You", YGPA pursues management strategies consisting of four strategic directions, social value creation, and the advancement of sustainable management, etc. In 2020, thanks to YGPA's preemptive safety management, there was not a single case of death from COVID-19, and the organization boasted excellent performances regarding social value including the achievement of the top rating for integrity, the presidential citation for outstanding public purchase organization, and the 1st prize for social responsibility, among other accolades. Going forward, we will fully commit to IST strategies, our future direction for development, in order to secure sustainable growth engines and accumulate public trust by transparently disclosing relevant information within the sustainability report.

* Composed of Industrial Core Port, Smart Port, and Tourism Port.



Total socially responsible management

Prioritize safety and strengthen the safety management system



Yun-Seok Jo Assistant Manager Safety and Security Office, Yeosu Gwangyang Port Authority

YGPA places the highest priority on the life and safety of people in its management activities and fundamentally reforms its management system such that the system is rooted in the field. In particular, it has strengthened its organization with several measures such as the foundation of the new Safety and Security Office under the direct control of the President, and the continued operation of the safety consultation body, etc., in addition to consolidating the management system via the rearrangement of safety management provisions, stricter safety responsibility guidelines for partner companies, and safety responsibility management, etc. It also cultivates the safety awareness of port workers with customized training and even looks after their health by opening the first ever health care center at a port in Korea. We will continue to do our utmost to materialize a safer port by adopting technologies based on Industry 4.0.



Safety

Internal

Proactively respond to risks by establishing climate change strategies



Seul-A Lee Senior Staff Digital Logistics Leading Office, Yeosu Gwangyang Port Auth

With the growing scope and frequency of damage caused by climate change, it is no surprise that Yeosu Gwangyang Port has also been repeatedly exposed to meteorological disasters such as typhoons, storms, and flood damage. In response, YGPA established adaptation measures against climate change in 2017 and has been actively implementing necessary initiatives against risks posed by climate change since 2018. In 2020, the enterprise made a preemptive response against risks brought about by climate change by offering shelters for port workers to use during heat waves, installing electric signs displaying current air quality, and fitting unloading equipment such as yard tractors with emission reduction systems, etc. While the 1st climate adaptation measures revolved around preventive objectives, the 2nd measures (from 2023 to 2027) will be implemented after we establish initiatives (in 2022) that can be recognized by the general public through the advancement of our customized disaster response projects.



Climate change

Enhance employee competencies by building a remote educational platform



Seung-Jai Yun Director Management Support Department, Yeosu Gwangyang Port Authority

YGPA continues to make a concerted effort to sharpen the competitive edge of its employees and to develop manpower so as to transform itself into a "Smart Port With You". The enterprise has established a remote educational platform to make up for the lack of face-to-face education and training owing to Covid-19, in addition to strengthening employee competencies via domestic/overseas long-term education and training as well as a Community of Practice (CoP) composed of executives and employees, among other initiatives. Furthermore, YGPA continues to foster a corporate culture which is pleasant to work in through accessible childcare leave and recommending that employees freely use vacation hours, etc. All employees of YGPA will strive to accomplish the organization's vision in their own fields, and enable the organization to lead the future by thoroughly preparing for the post-Covid era.



Executives and employees

Necessity of expanding CSR awareness for further community development



Rae-Wan Lee Manager KMA Consultants Inc.

Today, as the social value of public organizations has been brought to the fore, the scope of influence of such organizations is broadening accordingly and their role in espousing public interest has been redefined. There is much emphasis on the role these organizations play in terms of revitalizing the local economy, and strengthening the ability of industry workers to weather the crisis caused by Covid-19, in addition to the calls for preemptive measures such as forecasting tourism demands and developing products in the post-Covid era, etc. Moreover, as a public enterprise that represents a region, it is imperative for YGPA to build a strategic system in order to keep on producing social value for local community development. In addition, it should do its utmost to expand the awareness of CSR for the purpose of community development and so as to internalize social value within its organization.

Port trends

Improve operation efficiency by integrating container terminals



Gil-Hwan Kim General Manager Gwangyang port West Container Terminal Co., Ltd.*

The year 2020 has brought about many changes to our port because of the Covid-19 outbreak. In particular, the integration of container terminals was sought in order to ensure a higher operational efficiency and, accordingly, was successfully completed in November, 2020 with the full support of YGPA. YGPA's effort to raise customer satisfaction can be found in its enhanced communication with customers via SNS and the preemptive response to customer needs and complaints spanning from the support for harbor handling devices to port site provisions, etc. We look forward to witnessing YGPA being reborn as the main state-of-the-art comprehensive port in Asia through the sharpening of its competitive edge via system modernization and transformation into an environmentally-friendly port.

* Gwangyang port West Container Terminal Co., Ltd. signed a lease agreement with YGPA at the Phase 3-1 Gwangyang Port Container Terminal and runs a container stevedore and storage business.

Customer satisfaction

External

Elevate corporate competitiveness with YGPA's support of shared



Chan-Pyo Joo Director Gwangyang Tech. Co., Ltd.

Founded in 2000, Gwangyang Tech is a total maintenance service company specializing in construction machinery. It offers a range of services including construction machinery system & equipment maintenance, repair and supply of construction machinery accessories, and parts for the tenants of the container terminals at Yeosu Gwangyang port. The company took part in various shared growth programs organized by YGPA and subsequently received support such as innovation activities, technology protection, and field consultation by experts. Among these initiatives, the financial support offered to us in order to increase our productivity was of great, practical help throughout our management efforts in general. We sincerely ask YGPA to maintain operation of its competency-building programs by which a major company's operation system and management methods, and automation system, etc., can be accessed such that partner companies can take advantage of programs in order to develop their own long-term competitiveness.

Shared Growth

YGPA's unique and specialized philanthropic activities!



Byung-Kwan Jung Supervisor Jungma Elderly Welfare Center

In conjunction with YGPA, Jungma Elderly Welfare Center conducts the "Happiness-Sharing Lunch Box" delivery project for 70 households consisting of less fortunate seniors with disabilities, single seniors, etc. This project is a two-birds-one-stone solution in that the project not only provides less fortunate elderly people in the community with balanced meals, and helps them to maintain their health, but also prevents lonely deaths by cultivating frequent contact with other people and emotional support from volunteer workers. What's more is that it actually offers jobs to about 20 seniors working in lunch box preparation and delivery. Thus, the project helps these seniors to earn money as well as the means to maintain a healthy lifestyle. I send my sincere support to YGPA for its future philanthropic activities based on its expertise, and for the social responsibility achievements it has made as the public organization taking the lead in solving problems within the local community.

Local community

Governance Structure

Operate the Board of Directors (BoD) in order to facilitate optimal decision-making

BoD operation strategies

In supporting the effective performance of the core roles of the board of directors, we have strengthened the communication and cooperation of the BoD and we have elevated the expertise and independence of non-executive directors. In addition, we have established and operate BoD operation strategies and processes in an organized manner to fortify its decision-making functions.

Goals of the BoD	Optimal decision making via the BoD's expertise and independence		
Strategies and initiatives	Increase support for the operation of the BoD	Enhance the role of the board of directors	Efforts to implement social obligations
	<ul style="list-style-type: none"> Strengthen the communication and cooperation of the BoD Preliminary review, and promote understanding of agenda 	<ul style="list-style-type: none"> Seek to fully utilize the expertise of the BoD Secure independence, fairness, and checks 	<ul style="list-style-type: none"> Introduce the workers' observation system Transparent management and stronger integrity
Performance goals	No. of meetings held 12 or more sessions per year	Participation rate of the BoD Over 90%	Preliminary review rates Over 95%
Operation process	<pre> graph LR D30[D-30: Inform all departments prior to BoD meetings] --> D14[D-14: Agenda admission and review] D14 --> D7[D-7: Send agenda] D7 --> D7_1[D-7~1: Preliminary review of agenda and prior-explanation] D7_1 --> Dday[D-day: Agenda deliberation and voting] Dday --> Dplus5[D+~5: Result reporting and public disclosure (reflect to management and monitoring)] </pre>		

Organization of the BoD

The Port Commission, which is the top decision-making body here at YGPA, is responsible for keeping management in check and for making management proposals based on its expertise. Matters to be resolved and reported by the Port Commission are outlined in Article 7 of the YGPA regulations, and the Port Commission shall review and resolve important matters concerning the operation of our business such as management goals, budgets, fund plans, business plans, budget transfers, settlements, acquisition and disposal of basic property, revision of articles, and enactments of and changes to bylaws.

(As of the end of Dec. 2020)

Name of Commissioner	Key work experience	Gender	Tenure
Shin Seung-sik (Chairperson)	<ul style="list-style-type: none"> Professor at Chonnam National University (Present) Executive director of Korea Logistics Research Association 	Male	Feb 11, 2019 ~ Feb 10, 2021
Lee Min-ah	<ul style="list-style-type: none"> Partner lawyer at Seoseok Law Firm (Present) Principal Attorney at Lee Min-ah Law Firm 	Female	Feb 11, 2019 ~ Feb 10, 2021
Gang Cheol-min	<ul style="list-style-type: none"> Pilot of Yeosu port (Present) Captain at PAN OCEAN SHIPPING Co., Ltd. 	Male	Feb. 30 2019 ~ Apr. 29 2021
Choi Myeong-bum	<ul style="list-style-type: none"> Secretary-general of the Korea Ocean Foundation (Present) President of the Marine Environment Research & Training Institute, Korea Marine Environment Management Corporation (2016 - 2018) 	Male	Apr. 8 2020 ~ Apr. 7 2022
Kim Hyun-deok	<ul style="list-style-type: none"> Professor of Logistics at Suncheon National University (Present) Professor of Logistics Management at Tongmyong University (2005 - 2006) 	Male	Apr. 8 2020 ~ Apr. 7 2022
Jang Wook	<ul style="list-style-type: none"> Executive Director at Anse Accounting Firm/CPA (Present) Executive Director at Caleb and Company (2014 - 2018) 	Male	Apr. 8 2020 ~ Apr. 7 2022

Enhancing the role of the BoD

Enhanced transparency and a greater ability to keep management in check via employee participation

Introduction stage | 2018 - 1H 2019

Discussed workers' observation system in order to address flaws prior to the launching of a fully-fledged worker-director system



Maturity stage | 2H 2019

Legalization of the worker-director system via amendments to the Port Commission operation regulations



Settlement period | 2020

Full implementation of worker-director system

Enhance the role of the BoD by utilizing diversity

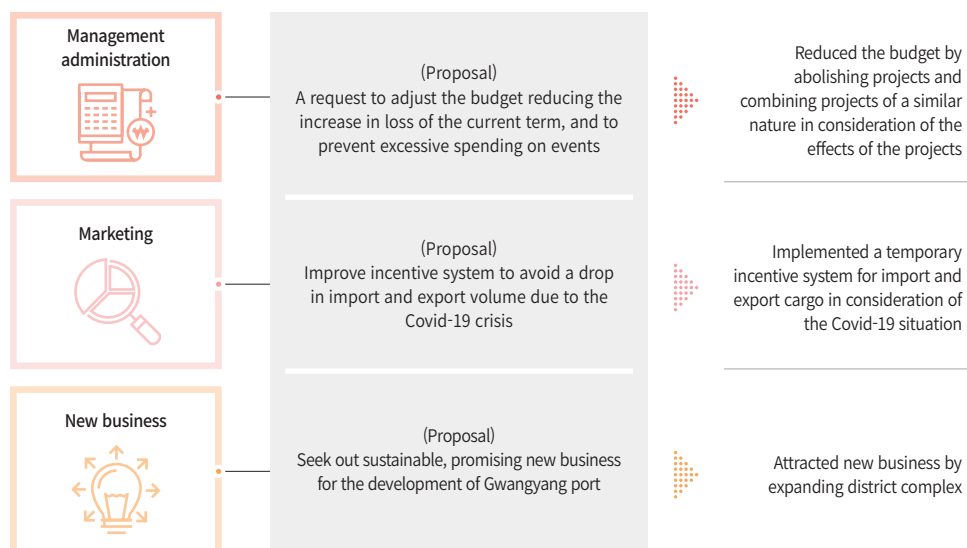
The BoD capitalizes on the diversity of its members in order to enhance its role. Based on its expertise in port logistics, it carries out field audits in order to follow-up on the implementation of the safety and management responsibility plans deliberated by and voted on by the BoD. Moreover, the BoD utilizes various members' expertise in terms of law in order to enact and amend company regulations. The BoD also provides support with various current issues by utilizing its local community expertise. In addition, it runs specialized sub-committees organized around non-executive directors such as the non-executive directors' preliminary review meetings, the audit committee, and the sub-committee for budget deliberation, etc., so as to substantially and materially assist management with their decision making.

Committee	Organization	Roles	Meetings	Affirmative voting on the original items
Port Commission	Non-executive directors (6)	Management consultation/proposals for preliminary deliberation on safety	14 times	100%
Audit Committee	Non-executive directors (3)	Audits on business and accounting	4 times	100%
Sub-committee on budget deliberation	Non-executive directors (3)	Consultation/proposals for budget distribution for the coming year	3 times	100%

Provide information in order to encourage participation in BoD meetings

We provide non-executive directors on the BoD with information indicating our various agenda items and current issues, as well as special reporting sessions. By offering prior explanations of agenda items to the non-executive directors every month, we help to elevate the quality of the discussion on agenda items and help to conduct more effective BoD meetings. Special reporting on the current issues facing our organization serves to further enhance the non-executive directors' understanding of our organization. We also prepare a platform of communication in which non-executive directors can freely exchange their ideas through a joint workshop with executives. As such, we are fully committed to supporting the board of directors to be able to participate in all aspects of our organization while keeping management in check.

Management proposals by non-executive directors and reflection of their opinions



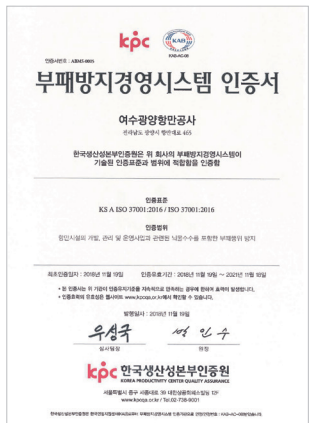
Ethical Management

Enhance ethical management

Results of comprehensive integrity



* Public organization integrity assessment in 2020 (conducted by the Korean Anti-Corruption and Civil Rights Commission) : "Class 2" is the highest rating for public entities and relevant groups (type V) to which YGPA belongs, and there is no organization within that group that was rated "Class 1".



Enhance ethical management strategies

At YGPA, we are actively pursuing the implementation of ethical management in order to establish a global integrity port trusted by the people. In 2020, we selected key tasks aimed at establishing a culture of integrity, including strengthening infrastructure related to ethical management, enhancing ethics-related competencies in executives and employees, and spreading and sharing ethical management with a view to making a leap forward as an organization displaying excellent ethical management founded on a clean organizational culture and fair business management. As a result of these efforts, our approach to ethical management has received recognition in the form of being awarded the highest rating by the Korean Anti-Corruption and Civil Rights Commission in both 2019 and 2020 in terms of the 'Integrity of Public Organizations'.

Goals of ethical management	Take a leap toward becoming an excellent organization in terms of ethical management with a clean organizational culture and fair business		
Initiatives	Strengthen infrastructure related to ethical management	Enhance ethic-related competencies in employees and executives	Spread and share ethical management
Strategic Initiatives	<ul style="list-style-type: none"> Expand and strengthen the relevant rules and regulations Solidify reporting system 	<ul style="list-style-type: none"> Increase participatory/customized programs Seek to improve organizational culture 	<ul style="list-style-type: none"> Increase ethical cooperation with related organizations Communication and cooperation with stakeholders
Regulation system	Ethics charter, codes of ethics, code of conduct for executives and employees, agreement provision on work integrity contract for executives, guidance on reporting violations of public interest		
Dedicated organizations	General Ethical Management Commission (Chairperson : President)	Execution Audit Office Integrity and Ethics Practice Commission	Consultation and cooperation Virtuous Citizen Inspectors Public Enterprise Integrity Committee
Evaluation & feedback	Self-integrity inspection, due-diligence survey on the hierarchical abuse of power	Internal	External Integrity investigation by the Korean Anti-Corruption and Civil Rights Commission

Establish world-class ethical management

In order to take the initiative in establishing an anti-corruption and integrity-based culture, we have established a world-class, in-house anti-corruption system and acquired the ISO 37001 certificate of international standards. In 2020, we were able to maintain our ISO 37001 status by being engaged in continuous follow-ups and re-certification audits including the enactment/revision of documents concerning standards, corruption risk assessments, the resolving of issues via internal audits and management reviews, and other similar measures.

Strengthen our ability to practice ethical management

We established organizations dedicated to ethical management in order to ensure the implementation of ethical management in a well-organized manner. To ensure the effectiveness of ethical management throughout our organization, we established an ethical management committee and an integrity & management practice commission composed of people holding various positions and worked in various fields with a view to formulate policy-based proposals, etc. In addition, we appoint Virtuous Citizen Inspectors in the form of external experts including lawyers, university professors, technical experts, etc., to improve the transparency of our ethical management.

Current organizations dedicated to ethical management

Ethical Management Commission	Integrity and Ethics Practice Commission	Virtuous Citizen Inspectors
<ul style="list-style-type: none"> Mandatory to appoint president as the chairperson Deliberate on and process serious violations of ethics principles 	<ul style="list-style-type: none"> Identify, manage, and share integrity contents Effort to bridge the gap between different positions 	<ul style="list-style-type: none"> Audit activities from outside experts (law, logistics, and technology)

Internalize culture of ethical management

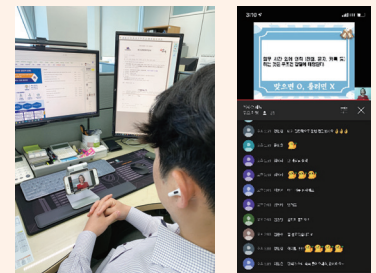
Enhance customized education relating to ethical management

In an effort to establish a culture of ethical management, we offer various content in terms of education and PR. We offer anti-corruption training customized according to various stages of the life cycle and customized for various fields that are particularly vulnerable to corruption, etc. In addition, we strive to induce active participation from our executives and employees by developing differentiated, bilateral, and interactive educational content such as a self-diagnostic ethics learning system, and other such initiatives. Going forward, we will continue to expand such interactive and customized ethics programs in order to facilitate the establishment of a culture of ethical management by enabling our employers to internalize anti-corruption and ethical principles.

Classification		Initiative outcome
Participatory integrity & ethics programs		<ul style="list-style-type: none"> • Remote education : real-time lectures offered by outside lecturers via Youtube and Zoom (171 persons) • Participatory events : making three-line poems and cross-word puzzles, etc., about anti-corruption (70 persons) • 365 integrity education : regular self-diagnostic learning via intranet, pop-up quiz (52 times, 142 persons)
Customized anti-corruption training	By stages of the life cycle	<ul style="list-style-type: none"> • New employees : integrity training related to their duties together with integrity mentoring (18 persons, duration of 3 months) • Newly promoted : complete education on the code of conduct of public officials within the year (28 persons) • Manager/executives : education on the Act Regarding Prevention of Dishonest Solicitation, public interest violation reporter protection (twice)
	Persons in positions of management in fields particularly prone to corruption	<ul style="list-style-type: none"> • Contract/budget/HR : Integrity-strengthening training concerning duties with a focus on case studies • Education on the hierarchical abuse of power regarding port facility access, public interest violation reporting system
	Cultivate ethical awareness in public officials	<ul style="list-style-type: none"> • Education on corruption & public interest violations, and the code of conduct of public officials (98 persons, 2 hours (Zoom)) • Education on the Act Regarding Prevention of Dishonest Solicitation, and prevention of four violations (150 persons, 7 hours (cyber)) • Training to prevent the hierarchical abuse of power (73 persons, 2 hours (Youtube))

Enhance the remote ethical management engagement program

We have implemented interactive education such as crossword puzzles in order to foster a culture of integrity and ethical management in our organization, in addition to striving to prevent Covid-19 from causing further damage through the implementation of our online education programs using Zoom and Youtube.



Create a port ecosystem based on integrity

Here at YGPA, we established the 'PA integrity & ethics consultation body' in order to prevent corruption and enhance the level of integrity of major ports in Korea. In 2019, we hosted the first ever joint integrity day in cooperation with four port authorities through consultation body activities*, and we implemented various anti-corruption and integrity enhancement activities such as a joint integrity and ethics campaign for the purpose of spreading a public sector culture of integrity to the private sector. In addition, we formed a Bit Garam Integrity Practice Network made up of 28 organizations and groups in Jeollanam-do, including Gwangju. As such we continue to take the lead in establishing a culture of integrity at Yeosu Gwangyang port and within the local community.

* There was no consultative body activity due to Covid-19 in 2020.

Ethical Management

Stricter prevention and control of corruption

With strengthened corruption prevention systems and active implementation of reporting systems, the no. of corruption cases was



Zero

(2020)

Audit and inspection on major current issues

As part of our commitment to tackle risks related to corruption in the realm of management, we conducted an internal audit regarding major issues including our response to risks related to Covid-19, and corruption in relation to safety, unfairness, and the hierarchical abuse of power, etc. In 2020, we also carried out an internal audit on our response to risks posed by Covid-19 in order to identify and encourage caution around four key areas, and an audit on our management and operation of subsidiaries which resulted in the subsequent identification of ten issues and resulted in measures being taken for those ten issues. In addition, a thorough inspection was held on the safety management status of Gwangyang port distripark with a view to preventing safety accidents and illegal violations. We will continue to run an exhaustive self-audit system in order to secure the establishment of an organizational culture of anti-corruption and a transparent management environment.

Areas	Duration	Inspection details	Performance
Response to Covid-19	April to May	• Special audit on the risk response to the refusal of Cargo Truckers Solidarity to transport cargo.	• Warning : 1 per., Warning of dept. : 1 case, Rectification : 2 cases
Subsidiaries	July to August	• Comprehensive audit on status of management and operation of subsidiaries	• Warning of dept. : 3 case, Rectification : 2 cases, Notice : 5 cases
Corruption regarding safety	September	• Inspection of the safety management at Gwangyang Port distripark	• Notice : 3 cases
Unfairness & hierarchical abuse of power	Quarterly	• Planned inspection to eradicate unfairness & wrong	• No inappropriate action found
Passive administration services	October	• Investigate civil complaints from the passive administration reporting center via E-People	• Request that the relevant department takes appropriate action
Parliamentary inspection	November	• Special inspection on the matters indicated in the parliamentary inspection	• Notice : 2 cases
Inspection of public services	Throughout the year	• Vulnerable periods including the new year, lunar new year holiday, Chuseok holiday, summer vacation period, etc.	• Request to establish stern discipline in terms of bureaucracy

Revitalize reporting systems

In order to strengthen voluntary public interest monitoring features against any violations such as corruption and dishonest solicitation, we operate various channels for reporting and communication. We operate internal reporting and consultation channels such as the clean reporting center on our homepage, our in-house intranet, and e-audit system, etc., and, externally, we are part of the E-People initiative operated by the Anti-Corruption and Civil Rights Commission, Help Line, and a legal home doctor system consisting of human rights lawyers from the Ministry of Justice. All of these initiatives are geared toward enhancing our monitoring capabilities. In addition, we strive to get rid of any blind spots from our reporting via an anonymous reporting system, which blocks IP address tracking, and mobile and application reporting channels, in addition to intensifying safeguard arrangements for reporters. As we revitalize our voluntary public interest monitoring functions, the number of reports and consultations has risen, which in turn has contributed to the establishment of an internal/external anti-corruption and ethical culture.

Classification	Internal		External		
Online	E-audit system (Intranet)	YGPA Clean Reporting Center (Internet)	Kakao Talk audit consultation channel	E-People (Anti-Corruption and Civil Rights Commission)	Help-Line (Internet)
	Code of Conduct, sexual harassment, outside lectures, clean reporting center	Public interest violation, corruption, hierarchical abuse of power, the Act Regarding Prevention of Dishonest Solicitation, sexual harassment and sexual violence	+	Real-time ethics and laws violation reporting and consulting	Civil complaint, petition/ inquiry, reporting of hierarchical abuses of power, etc.
Offline	Audit Office			Legal home doctor	
	Public interest violation, corruption, Code of Conduct, the Act Regarding Prevention of Dishonest Solicitation, sexual harassment, and hierarchical abuse of power			Human rights lawyers at the Ministry of Justice	

Human Rights Management

Enhance system for the promotion of human rights management

The 2nd Human Rights Management Committee



Results of operating the Human Rights Management Committee*

- 2019 ▶ resolutions : 4 cases, recommendation : 2 cases
- 2020 ▶ resolutions : 4 cases, audit : 1 case, recommendation : 2 cases

* Reviewed our open competition for human rights management slogans, introduced alternative work schedule for the Secretary Office, etc.

Operating process of system for remedying human rights infringements



Establish YGPA human rights management strategy system

There is an increasing demand from the public at large for social responsibility and human rights management from public organizations. With this in mind, we adopted the 'YGPA human rights management strategy system' which was designed with the goal of executing more effective human rights management in three directions, through six key initiatives and eleven detailed plans. In addition, we broadened the scope of human rights education offered to our partner companies and improved our system of remedying human rights infringements in ensuring it is victim-centered. As such, we are continuously engaged in honing our human rights management system via an evolving implementation system.

Vision	Making Yeosu Gwangyang Port into a port that prioritizes human rights		
Mid- to long-term road map	Introduction stage (2018-2019) Establish a human rights management system	Development stage (2020-2022) Enhance the human rights management system	Dissemination stage (2023-2025) Promote and spread a culture of human rights
Directions of progress	Enhance system for promoting human rights management	Spread a culture of respect for human rights	Evaluation and diagnosis of human rights management
Key initiatives	<ul style="list-style-type: none"> Enhance regulations for human rights management Revitalize the operation of the Human Rights Management Committee 	<ul style="list-style-type: none"> Strengthen education and training on human rights management Raise awareness of the importance of respecting human rights 	<ul style="list-style-type: none"> Conduct a human rights impact assessment Human rights management system certificate
Feedback system	Evaluate the impact our operations and key projects have on human rights, Human Rights Management Committee, remedy procedure analysis, etc.		

Operation of Human Rights Management Committee

Here at YGPA, we hold meetings of the Human Rights Management Committee on a quarterly basis in order to make professional decisions regarding various issues related to human rights management. The committee has the same number of internal and external committee members with a view to securing objectivity in decision making, in addition to having the head of the labor union sit on the committee in order to fully represent the voice of staff members. Moreover, we hold these quarterly meetings of the Human Rights Management Committee in order to facilitate its continued effectiveness, and we ensure that every draft recommendation tabled by the committee is communicated to the president with a view to actual and practical implementation.

Improve system for remedying human rights infringements via relevant institutional reforms

One of the essential elements when it comes to implementing human rights management is to offer a suitable remedial procedure for victims of human rights infringements. In an effort to diversify reporting channels, we established a new Kakao Talk channel to provide victims with easy access in terms of reporting through their preferred channel, and installed a box which serves as the voice of human rights within the organization. Furthermore, we modified and amended our "Guidelines on Human Rights Management Implementation" by adding a provision which established a rule wherein any complaint must be fully resolved within 3 months of the organization receiving said complaint. We also allowed third-party organizations to provide the victims of human rights infringements with suitable remedies, thereby laying an institutional foundation. More executives, employees, and stakeholders have been informed of these remedy procedures provided to victims of human rights infringements. Moreover, we also created remedy system manuals with a view to making things more convenient, and we continue to be engaged in various promotional activities.

Presented a prize in human rights management for the slogan ‘Create unity out of difference’

Human rights management leaflet, “Hello, Human Rights!”

Strengthen evaluation and diagnosis of human rights management

Result of the human rights impact assessment of our business operations in 2020



97.0 point

The result of the human rights impact assessments of our major projects in 2020



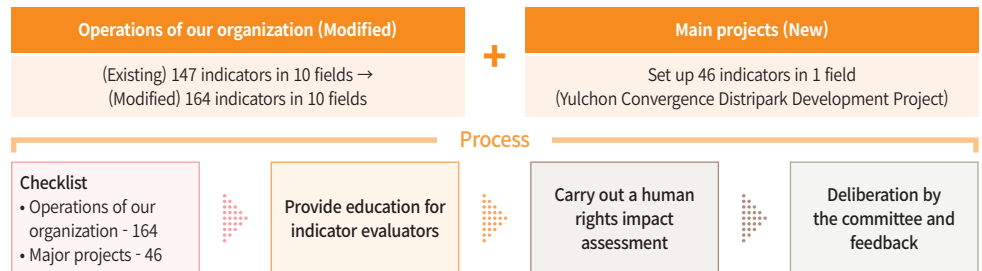
91.3 point

Human rights management certificate



Identify human rights-related risks by conducting a human rights impact assessment

One of the most important things in terms of securing continuous growth and improvement of human rights management is to diagnose the level of respect for human rights through regular evaluations, and identify problem areas. To this end, we annually evaluate the potential impact on human rights that the operation of our organization and our business activities may have. We diagnosed the impact on human rights for a total of ten areas by conducting a human rights impact assessment on the operation of our organization in 2020. In addition, we carried out a human rights impact assessment on one of our major projects, the Yulchon Integrated distripark Development Project, in order to examine the influence of the project on the human rights of both the general public and our stakeholders. Going forward, we plan to continue to diagnose our level of human rights management via continued evaluation, and thus manage the associated risks.



Improve human rights management by implementing the results of the human rights impact assessment

We intend to identify our current human rights issues through human rights impact assessments on the operations of our organization and on our major projects. We will establish the necessary initiatives in order to solve the problems and then reflect these solutions in next year's projects and operations. As a result of the human rights impact assessment on the operations of our organization, we found that there are three fields that require further measures: the establishment of a human rights management system; occupational safety; and the spread of human rights management. As for the human rights impact assessment on our major projects, it was discovered that we need to make some improvements in terms of the promotion of human rights management, fair operation, subcontractor worker protection, and occupational safety. We will reflect these results in the way we conduct business in 2021 in order to improve our human rights monitoring system, and, in addition, we plan to offer a program for human rights appreciation which will be participated in by our executives, employees, and stakeholders.

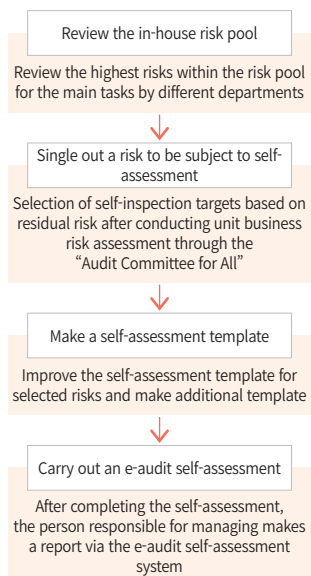
Acquisition of a human rights management system certificate

We took part in a human rights management system certification review organized by the Korea Management Certification, a comprehensive certification body, with a view to executing our human rights management tasks in a systemic way and to secure objective external recognition. In order to acquire this certificate, ten human rights management items were reviewed in two stages. We passed the evaluations on the maturity of our human rights appreciation culture and our human rights management system and were subsequently awarded with a human rights management certificate in December 2020. We will continue to evaluate our human rights management system and become a leader in the realm of human rights management.

Risk Management

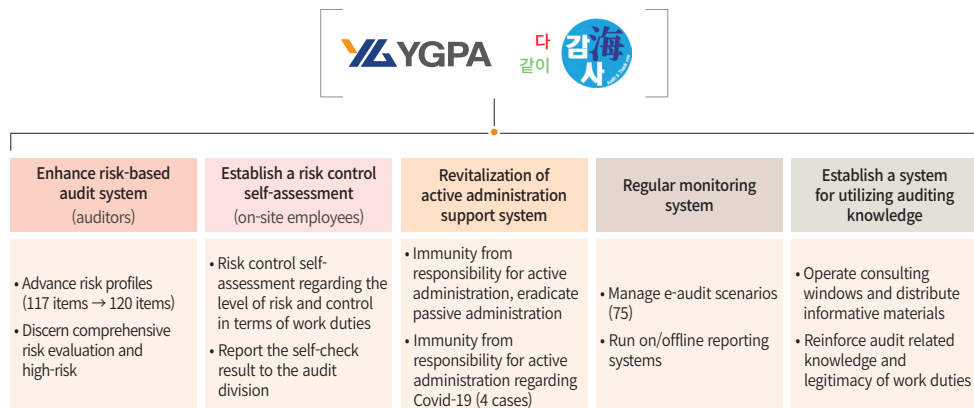
Establish a risk management system

* Risk Control Self-Assessment (RCSA or CSA) refers to a tool for perceiving and evaluating the risks inherent in key tasks of an organization and it relies on the assessment of the executives and employees who are most familiar with risks of particular duties.



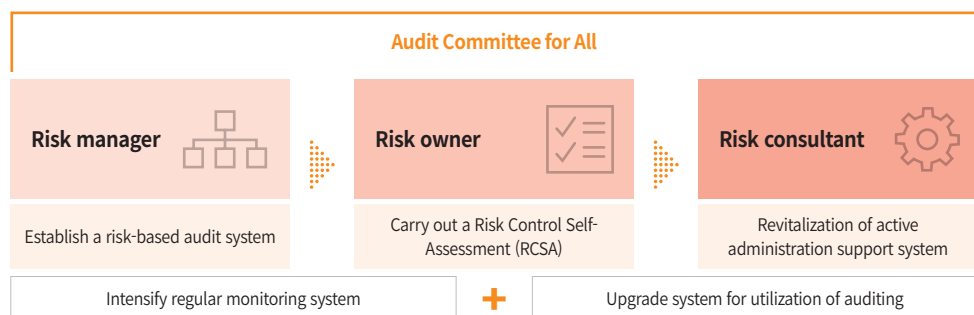
Enhance our risk management system

Nowadays, a corporation's ability to manage risks has become increasingly important against the background of the uncertain global economy, continued financial market uncertainty, and the outbreak of Covid-19. Here at YGPA, following the establishment of a self-auditing body, we also established our 'Integrity Vaccine' program, which followed our 'Audit Committee for All' program in 2019, and we upgraded our risk management system. Our risk management system is a prevention-oriented, pre-risk management system, and we are actively bracing our organization against changes in both internal and external environments via risk identification and evaluation, risk control self-assessment, and by intensifying our monitoring.



Risk management organizational structure

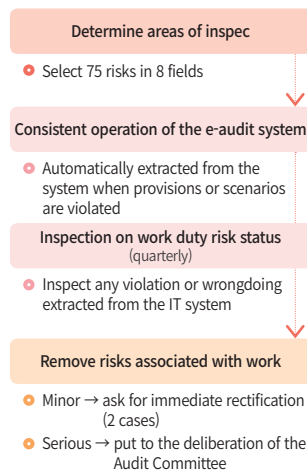
We established the 'Audit Committee for All', a preventive audit system implementation body driven by employees with a view to preemptively limiting risks. The committee, which consists of a total of 13 individuals, one from each department, has an auditor as executive secretary and plays a pivotal role in implementing major tasks related to risks. We support employees to play the roles of: risk managers in establishing a risk management system regarding their own work; risk owners who directly perceive and evaluate risks; and risk consultants who put forward alternative policies for these issues.



Carry out Risk Control Self-Assessment (RCSA)*

We select the type of work duties associated with high risk from among our in-house risk pool to be subject to risk control self-assessment. The person responsible for managing risk fills in the self-assessment template and reports the results of the risk control self-assessment to the Audit Office via the e-audit self-assessment system.

Intensify monitoring of non-financial risks



Intensive management of risks in vulnerable areas

We established and continue to operate 75 risk management scenarios in 8 fields via the e-audit self-assessment system so as to regularly monitor IT-related risks. In addition, we conduct quarterly inspections on violations and wrongdoing within our IT system and address these issues accordingly. In 2020, we asked for immediate changes to be made concerning two minor risks and we handled any serious issues through the deliberation of the audit committee. Moreover, as we continue to preemptively manage risk across our entire organization via general audits and corruption impact assessments, we are able to prevent any violation of the law in terms of vulnerable fields such as contracts, budgets, and recruitment, and we are further able to heighten the transparency of our business operations.

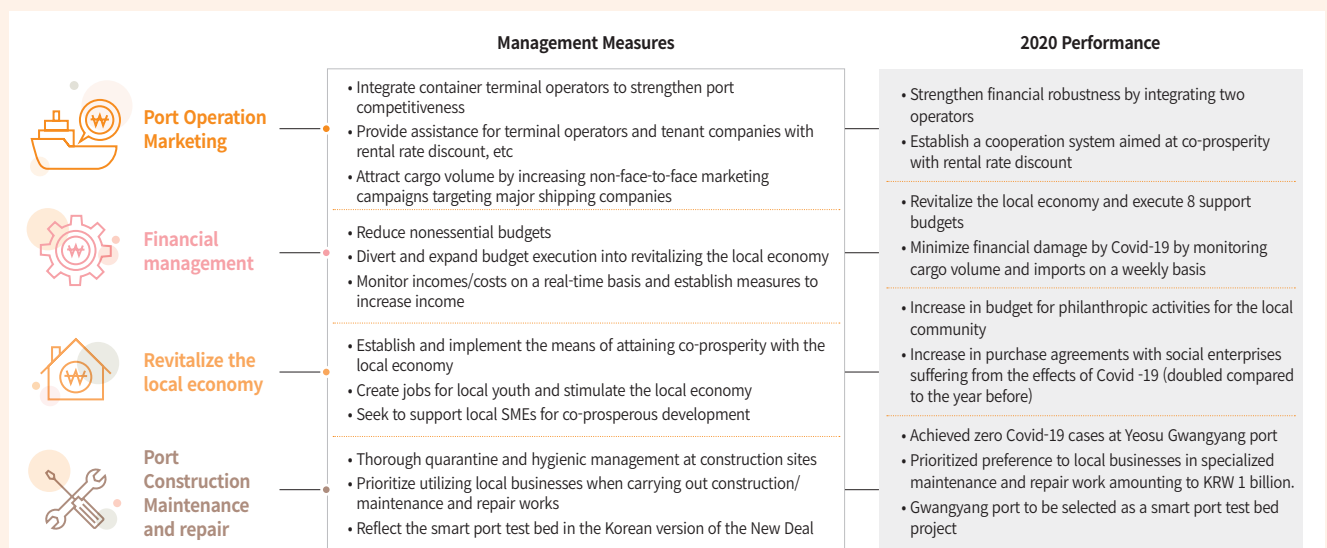
Introduce a pre-inspection system for non-financial risks

At YGPA, we preemptively handle non-financial risks in advance by: placing four non-financial areas (human rights, safety, co-prosperity, and the environment) onto the checklist for the pre-inspection of our general audit; and conducting regular voluntary inspections and making necessary modifications. We inspect several issues including: human right infringements such as discriminative behaviors, hierarchical abuse of power, unfair acts, etc.; safety such as safety accident prevention and responses to disasters; co-prosperity including social contribution, the local community, shared growth, and energy efficiency; and the environment.

Human rights	Safety	Co-prosperity	Environment
<ul style="list-style-type: none"> Check for any human rights infringements Prevent discriminative behaviors Eradicate hierarchical abuse of power and unfair acts 	<ul style="list-style-type: none"> Prioritize safety Prevent safety accidents Respond to various disasters 	<ul style="list-style-type: none"> Social responsibility activities Revitalize the local community Support SMEs 	<ul style="list-style-type: none"> Prioritize the environment Energy efficiency Environmentally-friendly techniques and materials

Operate an emergency management system in response to Covid-19

In response to Covid-19 and in preparation for the post Covid-19 era, we continually examine key matters according to various sectors, and we operate an intensive emergency management system in an attempt to deal with the management crisis. We classified risks induced by Covid-19 into the following four categories: port operation marketing; financial management; local economy revitalization; and maintenance and repair of port construction and buildings.



Customer Satisfaction Management

Establish information security management system



Cyber security incidents



Zero

Response to issues related to private information and cyber crises

We have established and are operating an information security management system in order to protect the infrastructure of Yeosu Gwangyang Port from cyber attacks, in addition to protecting the private information of our customers and our information assets. To begin the process of establishing superior information security management, we chose six key initiatives revolving around two strategic goals of 'the safe protection of customers' private information and our information assets, and upgrading our ability to respond to cyber crises'.

Vision	Protect Yeosu Gwangyang Port from cyber attacks	
Strategic Initiatives in 2020	Safe protection of customers and information assets	Enhance ability to respond to cyber crises
Key initiatives	<ul style="list-style-type: none"> Pursue private information protection activity throughout the organization Enhance our management system for private information protection Establish leakage/exposure prevention and checkup sys 	<ul style="list-style-type: none"> Remove system vulnerabilities Strengthen infrastructure to respond to cyber threats Systemic crisis response drills 
Achieved targets	<ul style="list-style-type: none"> 0 case of leaked private information Obtained the rating of excellent as a result of the diagnosis of our ability to manage important (private) information 	<ul style="list-style-type: none"> Maintained good marks in evaluation of information security management Zero reports regarding information security via our preemptive response to cyber attacks

Higher safety with private information protection

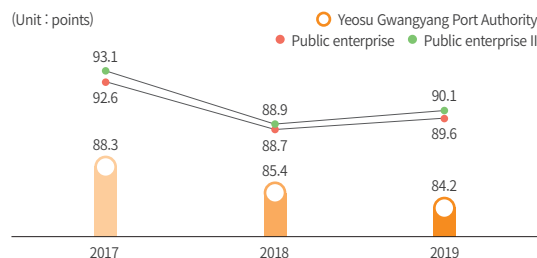
Through establishing a private information management system that accounts for different stages of the life cycle, and which strengthens step-by-step inspections from collection to destruction of private information, we are able to prevent any possibility of infringement or information leakage. In addition, we produce and distribute a guidebook for promoting daily information protection practices and launched a campaign on private information protection etc., thereby raising awareness of the importance of private information protection. Moreover, we have enhanced our ability to actively respond to cyber crises with systemic cyber crisis response drills including training for all employees to effectively deal with harmful emails, etc.

Efforts to enhance customer satisfaction

In 2019, our customer satisfaction (PCSI) score was 84.2, indicating a slight fall in terms of the yearly trend. Therefore, we are striving to make intensive improvements to businesses with lower CS standards, and we are not only improving our management system with a view to internal management innovation, but we are also strengthening our CS capabilities and professional expertise. We also reshuffled our VOC management system in order to solve the issues raised by customers in the form of civil complaints, etc., and in order to utilize these solutions as assets. Going forward, we will establish operating and managing standards for work processes and build a customer-oriented business foundation.

Yearly trend

(Unit : points)



APPENDIX



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Sustainable Management Performance

Economic Performance

Financial Position Summary (K-IFRS)

Classification	Unit	2018	2019	2020
Assets	Current assets	KRW million	94,849	96,185
	Non-current assets	KRW million	1,708,239	1,694,565
	Total assets	KRW million	1,803,088	1,790,750
Liabilities	Current liabilities	KRW million	80,276	113,155
	Non-current liabilities	KRW million	315,708	261,382
	Total liabilities	KRW million	395,984	374,537
Capital	Capital stock	KRW million	1,552,335	1,552,335
	Miscellaneous	KRW million	(145,231)	(136,122)
	Total capital	KRW million	1,407,104	1,416,213

Condensed consolidated statements of comprehensive income (K-IFRS)

Classification	Unit	2018	2019	2020
Sales revenue	KRW million	115,235	122,370	131,943
Cost of goods sold	KRW million	85,931	89,658	97,700
Selling, general, and administration expenses	KRW million	13,301	14,292	15,455
Operating income	KRW million	16,002	18,420	18,789
Other revenue	KRW million	1,060	1,920	2,671
Other expenses (loss)	KRW million	1,111	1,934	3,598
Other profits	KRW million	2,376	1,328	1,052
Financial income	KRW million	1,845	1,153	1,482
Financial cost	KRW million	11,955	9,384	8,149
Profit from businesses that fall under the equity method	KRW million	0	0	0
Net income before corporate tax expenses	KRW million	8,219	11,504	12,246
Corporate tax expenses	KRW million	(424)	1,800	(198)
Net income	KRW million	8,643	9,704	12,444
Other comprehensive income (loss)	KRW million	(235)	(595)	(608)
Total comprehensive income	KRW million	8,408	9,109	11,836

Performance on government subsidy support

Classification	Unit	2018	2019	2020
Amount of subsidy provided	KRW million	-	6,649	3,111

Creation and allocation of economic value

Classification		Unit	2018	2019	2020
Economic value creation	Sum of sales and other income	KRW million	115,235	122,370	131,943
Economic value allocation	Executives and employees (wages and benefits)	KRW million	19,910	25,769	27,996
	Government (corporate tax, etc.)	KRW million	971	2,349	1,357
	Local communities (donations)	KRW million	228	366	556
	Partner companies (transaction amount)	KRW million	20,160	24,151	28,609

Status of BoD

Classification	Unit	2018	2019	2020
No. of BoD meetings	sessions	17	16	14
No. of resolution items passed	sessions	38	53	53
Preliminary review rate	%	100	100	100
No. of revised resolution items	cases	7	3	0
No. of reporting items	cases	11	21	8

Stakeholder status

Classification	Unit	2020
Ministry of Economy and Finan	KRW million (%)	598,640(38.6)
Ministry of Oceans and Fisheries	KRW million (%)	506,633(32.6)
Korea Ocean Business Corporation	KRW million (%)	197,063(12.7)
Korea Development Bank	KRW million (%)	125,000(8.1)
The Export-Import Bank of Korea	KRW million (%)	125,000(8.1)

Sustainable Management Performance

Environmental Performance

Energy consumption (company building)

Classification	Unit	2018	2019	2020
Power	TJ	7.002	7.5	7.809
City Gas	TJ	1.831	1.879	2.212
Gasoline	TJ	0.212	0.187	0.15
Gas/diesel oil	TJ	0.071	0.095	0.098
LPG vehicles	TJ	0.013	-	-
Total	TJ	9.129	9.661	10.269

Greenhouse gas emissions (company building)

Classification	Unit	2018	2019	2020
Direct GHG emissions (Scope 1)	tCO ₂	113	115	129
Indirect GHG emissions (Scope 2)	tCO ₂	340	364	379
Total GHG emissions	tCO ₂	453	479	508

* Energy consumption, GHG emissions : refer to material reflected in the report on the outcome of the implementation the targets regarding reduction of greenhouse gas emissions and energy saving in accordance with the 'Enforcement Decree of the Framework Act on Low Carbon, Green Growth'

* Scope of estimation : estimated based on the World Marine Center (buildings, vehicles), in terms of buildings electricity and LNG were used, whereas vehicles consume diesel and gasoline

Renewable energy*

Classification	Unit	2018	2019	2020
Electrical energy consumption	GWh	73.2	73.9	84.4
Production of renewable energy	GWh	18.2	21.3	32.1
Share of renewable energy as proportion of total energy consumption**	%	24.86	28.82	38.06

* Scope of the estimation was the World Marine Center, container terminals, and the district complex

** As the in-house target is energy self-sufficiency, this has been modified to reflect production in relation to consumption

Water consumption

Classification	Unit	2018	2019	2020
Usage of water supply*	tons	6,626	7,767	6,241

* Total water supply usage at container terminals

Establish an eco-friendly port

Classification	Unit	2018	2019	2020
Vessel Speed Reduction (VSR) program participation rate	%	-	-	29

Note) Air quality data was measured from Sep. 2020 and the data collected from Sep. to Dec. 2020 will be calculated in Apr. 2021.

The air quality monitoring data will be disclosed in our next sustainability report.

Social Performance

* As the figures on executives and employees are classified according to our internal standards, they may partially differ from the Alio figures.

No. of executives and employees by different types of employment

Classification			Unit	2018	2019	2020
Full-time employment	Male		persons	122	116	133
	Female		persons	29	29	32
	Total		persons	151	145	165
Contract employment	Male		persons	0	0	0
	Female		persons	0	0	0
	Total		persons	0	0	0
Indefinite term employment	Male		persons	3	1	1
	Female		persons	2	5	5
	Total		persons	5	6	6
Grand Total	Male		persons	125	117	134
	Female		persons	31	34	37
	Total		persons	156	151	171

No. of executives and employees by age

Classification			Unit	2018	2019	2020
Under 30			persons	35	41	52
30 to 50			persons	88	80	86
Over 50			persons	33	30	33
Total			persons	156	151	171

Recruitment and turnover

Classification			Unit	2018	2019	2020
New recruitment*	New employees by age	Under 30	persons	17	17	16
		30 to 50	persons	4	4	3
		Over 50	persons	1	1	2
	New employees by gender	Male	persons	17	13	17
		Female	persons	5	9	4
	Total		persons	22	22	21
Turnover and retirees	Turnover and retirees by age	Under 30	persons	0	3	1
		30 to 50	persons	0	2	0
		Over 50	persons	7	9	5
	Turnover and retirees by gender	Male	persons	7	12	5
		Female	persons	0	2	1
	Total		persons	7	14	6

* The number of new hires includes executives

Sustainable Management Performance

Social Performance

Performance of new and socially equitable employment

Classification	Unit	2018	2019	2020
People with disabilities	persons	0	0	0
Veterans	persons	0	2	0
Local talent	persons	17	17	15
High school graduates	persons	4	2	1

Use of childcare leave

Classification	Unit	2019	2020
No. of female workers taking child-care leave	persons	3	3
No. of male workers taking child-care leave	persons	4	1
Total	persons	7	4
The rate of return of workers taking child-care leave	%	100	100

Use of flexible work system

Classification	Unit	2018	2019	2020
Part-time work	persons	3	9	7
Flexible time system	Flexible working hours system	21	34	31
	Alternative work schedule	21	29	14
Distance work	Remote work	0	0	133

Labor union membership status

Classification	Unit	2020
No. of executives and employees eligible for labor union membership	persons	113
No. of labor union members among current executives and employees	persons	111
Ratio of executives in labor union	%	98

Current state of employee education

Classification	Unit	2018	2019	2020
Education hours per person	hr/person	57.2	80.1	134

Customer satisfaction survey outcome

Classification	Unit	2018	2019	2020
Customer satisfaction of public company	persons	85.4	84.2	미정

Current situation of partner companies

Category	Classification	2018	2019	2020
No. of partner companies	Major companies	19	14	14
	SMEs	263	290	381
Transaction volume	KRW million	20,160	24,151	28,609
↳ Ratio of SMEs	%	95.7	98.04	95.20

Major support programs for SMEs in partnership

Classification	Unit	2018	2019	2020
Education and training	No. of companies	70	115	42
Co-prosperity fund	KRW 100 million	45	55	60
Amount contributed to investment in shared growth	KRW million	24	30	56
Mutual revitalization fund for agricultural and fishing villages	KRW 10 million	0	1	5
Sharing system for cooperation benefits	cases	5	10	18

Priority purchase performance

Classification	Unit	2018	2019	2020
Purchase of products from SMEs	KRW million	22,746	23,684	27,235
Tech. development products	KRW million	646	1,630	656
Social enterprises	KRW million	279	1,071	422
Female enterprises	KRW million	2,918	1,711	2,807
Companies for people with disabilities	KRW million	201	306	1,730
Green products	KRW million	118	784	1,038
Companies for people with severe disabilities	KRW million	2,154	91	128
Self-supporting veterans' village	KRW million	10	11	13

Social contribution

Classification	Unit	2018	2019	2020
Hours of volunteer work by executives and employees	hours	1,977	2,664	500
No. of persons participating in volunteer work	persons	124	126	133
Investment in philanthropic activities	KRW million	263	330	538

Sustainable Management Performance

Social Performance

Work accident

Classification	Unit	2018	2019	2020
No. of deaths from accidents	Direct management	persons	0	0
	Subcontract	persons	0	0
	Sub-total	persons	0	0
No. of safety accidents	cases	0	0	0
No. of injured persons	persons	0	0	0
Work accident rate	%	0	0	0
Death rate per 10,000 workers	%	0	0	0

Other Information

Current status of terminals (comprehensive)

Classification	No. of terminal (ea)	No. of berths (ea)	Length of terminals (m)	Stevedore capacity
Total	40	104	24,592.5	345,599K tons (excluding 2.72 million TEU)
Yeosu Port	2	2	692	-
Gwangyang Port	38	102	23,900.5	345,599K tons (excluding 2.72 million TEU)
General terminals	37	90	20,200.5	345,599K tons
Petrochemical	20	44	9,215	186,049K tons
Steel	8	25	6,072.5	130,776K tons
Automobile	1	4	1,300	13,280K tons
Other misc. items*	8	17	3,613	16,374K tons
Container terminals	1	12	3,700	2.72 million TEU

* Other misc. items : Hapo(4), Yulchon(1), Jungma(2), admin.(2), Cement(6), Taein(1), Yecheon(2), etc.

Conditions of location

Classification	Water area of the port	Sea route depth	Port district condition
Yeosu Port	4.7km ²	9-11m (max. quay depth - 11m) → Allowing 150K tons of cruise ships for port entrance and departure	Perform the role of maritime tourism (the venue of Yeosu World Expo 2012)
Gwangyang Port	106.7km ²	13-43m (max. quay depth - 23.5m) → Allowing 400K tons of ships for port entrance and departure	Gwangyang Industrial Complex (96.4 million m ²), Yeosu Industrial Complex (51.22 million m ²), Yulchon Industrial Complex (22.66 million m ²), etc.

Global Initiatives

UNGC

At YGPA, we joined the UN Global Compact (UNGC) in January 2021 as a means of upholding the 10 principles of the UNGC with respect to human rights, labor, environment, and anti-corruption. We are genuinely committed to transparently disclosing our major activities and performances on the 10 principles of the UNGC by issuing an annual Communication on Progress (COP) in the form of a sustainability report.



Principles	Page
Human rights	68~70
Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights.	
Principle 2. Businesses are not complicit in human rights abuses.	
Rules on labor	44~46, 68~70
Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	
Principle 4. Businesses should eliminate all forms of forced and compulsory labor.	
Principle 5. Businesses have the responsibility to abolish child labor.	
Principle 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	
Environment	22, 37~40
Principle 7. Businesses should support a precautionary approach to environmental challenges.	
Principle 8. Businesses undertake initiatives to promote greater environmental responsibility.	
Principle 9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	
Anti-corruption	65~67
Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.	

Global Initiatives

UN SDGs

The Sustainable Development Goals (SDGs) are the objectives that should be achieved by the UN and the international community from 2016 to 2030 with a view to solving the problem of world poverty and implementing sustainable development. By linking the SDGs with our corporate strategies and activities, we aspire to generate substantial and practical social value and fulfil our role as a public enterprise.

<p>03 Healthy lives and well-being</p>  <ul style="list-style-type: none"> • Provide customized health services to port workers of various professions • Establish health care centers, a first for a public organization in the marine and fishery field • Undertake medical welfare projects for the underprivileged • Support quarantine efforts to prevent the further spread of COVID-19 	<p>04 Quality education</p>  <ul style="list-style-type: none"> • Offer customized competency-building education & training for SMEs • Operate a VR safety training space for port workers • Establish a remote training system to respond to the post-COVID era • Introduce regular self-directed programs for executives and employees • Provide high school graduates without college degrees, indefinite-term contract workers, female workers etc., with customized training conducted by different groups 	<p>05 Gender equality and empowerment of all women and girls</p>  <ul style="list-style-type: none"> • Maintain the Family Friendly Certificate by the Ministry of Gender Equality and Family • Undertake intensive female manager cultivation training • Offer women whose careers have been interrupted, migrant women, etc., with employment opportunities • Assign female workers core work duties to enhance their work competencies • Foster a workable work environment for female workers
<p>08 Quality work</p>  <ul style="list-style-type: none"> • Generate inclusive work opportunities via socially-equitable recruitment • Incorporate container terminal operators, port core projects, and distripark companies etc., thereby creating sustainable jobs • Commercialization of innovation technologies, digital transformation etc., thereby creating future innovation jobs • Create, co-prosperous jobs with the local community for youths and groups of people marginalized in terms of employment 	<p>09 Build infrastructure, sustainable industrialization</p>  <ul style="list-style-type: none"> • Build a district complex in stages • Establish an integrated distripark • Establish a port logistics smart environment based on Industry 4.0 technology • Construct a Korean-version of a smart automation port • Seek to revitalize marine tourism in connection with the local community 	<p>10 Reduce inequality</p>  <ul style="list-style-type: none"> • Fair employment personnel • Human rights impact assessment • Mutually prosperous development with SMEs • Philanthropic activities for marginalized people (dental care project, educational program to assist physical development of exceptional children, etc.) • Services to support marginalized people
<p>13 Combat climate change and the impacts thereof</p>  <ul style="list-style-type: none"> • Substantiate energy independence (RE-100) via an increase in renewable energy-based activities at ports • Increase energy use efficiency by replacing 100% of lighting with LED, adopting high-efficiency energy systems, etc • Establish strategies for adapting to climate change and implement adaptation measures • Strengthen adaptive health care in accordance with "the measures for adapting to climate change," "improving facility safety," preparing precautionary measures, etc 	<p>14 Conserve the oceans, seas, and marine resources</p>  <ul style="list-style-type: none"> • Enter into MOUs with relevant port agencies for the purpose of well-organized pollutant source management • Decrease water pollutants at the port by non-point pollutant source management and operation • Promote the Vessel Speed Reduction program and reduce emissions from yard tractors by installing Diesel Particulate Filters, etc • Undertake environment cleaning at the district complex via marine environment protection activities, etc 	<p>16 Promote just, peaceful, and inclusive societies</p>  <ul style="list-style-type: none"> • Hold an open competition regarding Gwangyang port service improvement for the general public and reflect the results thereof in our policy • Solve difficulties faced by the local community in conjunction with the public and private companies • Maintained non-conflict collective bargaining for 10 consecutive years based on mutual respect and trust • Establish an inclusive system by running a worker support program • Employment retainment, "ZERO" dismissals via our port worker inclusion policy

ISO 26000

ISO26000 is the international standard for Corporate Social Responsibility (CSR) outlined by the International Organization for Standardization (ISO), and it defines the roles and obligations of an organization across the seven core subjects of governance, human rights, labor practices, environment, fair operating practices, consumer issues, and community involvement and development. We will continue to be fully engaged in identifying issues pertinent to ISO 26000 and keep on managing our implementation activities and performance.

Index		Core subjects	Main issues	Pages
6.2	6.2.3	Organizational Governance	Decision making process and structure	7, 63~64
6.3	6.3.3	Human rights	Due diligence	68~70
	6.3.4		Human rights risk situations	
	6.3.5		Avoidance of complicity/collusion	
	6.3.6		Resolving grievances	
	6.3.7		Discrimination and vulnerable groups	
	6.3.8		Civil and political rights	
	6.3.9		Economic, social, and cultural rights	
	6.3.10		Basic principles and rights at work	
6.4	6.4.3	Labor Practices	Employment and employment relationships	19~20, 34~36, 42~46
	6.4.4		Conditions of work and social protection	
	6.4.5		Social dialogue	
	6.4.6		Health and safety at work	
	6.4.7		Human development and training in the workplace	
6.5	6.5.3	Environment	Prevention of pollution	22, 37~40
	6.5.4		Use of sustainable resources	
	6.5.5		Climate change mitigation and adaptation	
	6.5.6		Protection of the environment, biodiversity, and restoration of natural habitats	
6.6	6.6.3	Fair operating practices	Anti-corruption	48~51, 65~67
	6.6.4		Responsible political involvement	
	6.6.5		Fair competition	
	6.6.6		Promoting social responsibility along the value chain	
	6.6.7		Respect for property rights	
6.7	6.7.3	Consumer issues	Fair marketing, factual and unbiased information, and fair contracting practices	19~20, 34~36, 73
	6.7.4		Protecting consumers' health and safety	
	6.7.5		Sustainable consumption	
	6.7.6		Consumer service, support, and dispute resolution	
	6.7.7		Protecting Consumer data and privacy	
	6.7.8		Access to essential services	
	6.7.9		Education and awareness	
6.8	6.8.3	Community involvement and development	Community involvement	19~21, 28~32, 52~56
	6.8.4		Education and culture	
	6.8.5		Job creation and skills development	
	6.8.6		Technology development and accessibility	
	6.8.7		Wealth and income creation	
	6.8.8		Health	
	6.8.9		Social investment	

GRI Standards Index

Universal Standards

GRI 102 : General Disclosures

Classification	Disclosures	Indicators	Pages listed	Comments
Profile of the organization	102-1	Name of the organization	5	
	102-2	Activities, major brands, products, and services	6, 13~18	
	102-3	Location of headquarters	5	
	102-4	Business zone	13~14	
	102-5	Ownership and legal form	5	
	102-6	Markets served	13~14	
	102-7	Scale of the organization	75, 78	
	102-8	Information on employees and other workers	78	
	102-9	Supply chain of the organization	80	
	102-10	Significant changes to the organization and its supply chain	N/A	
	102-11	Precautionary principle or approach	71~72	
	102-12	External initiatives	82~86	
	102-13	Membership of associations	90	
Strategy	102-14	Statement from senior decision-maker	3~4	
Ethics and integrity	102-16	Values, principles, and standards of organizational behavior	7, 65	
Governance structure	102-18	Governance structure	63~64	
Stakeholder engagement	102-40	List of stakeholder groups	59~60	
	102-41	Collective bargaining agreements	79	
	102-42	Identify and select stakeholders	59~60	
	102-43	Approach to stakeholder engagement	59~60	
	102-44	Key topics and concerns raised through stakeholder engagement	59~62	
Reporting practice	102-45	List of entities included in the consolidated financial statements	75	
	102-46	Defining report content and scope of topics	25~26	
	102-47	List of material topics	25~26	
	102-48	Restatements of information	N/A	
	102-49	Changes in reporting	N/A	
	102-50	Reporting Period	1	
	102-51	Date of most recent report	1	
	102-52	Reporting Period	1	Scheduled for annual publication
	102-53	Contact point for inquiries regarding the report	1	
	102-54	Option to apply GRI Standards	1, 85~86	
	102-55	GRI Index	85~86	
	102-56	Third-party assurance	87~88	
Management Approach	103-1	Explanation of the material topic and its scope	27, 33, 41, 47	
	103-2	Management approach and its components		
	103-3	Evaluation of the management approach		

Topic-specific Standards

GRI 200 Economic Topics

Topic	Disclosures	Indicators	Pages listed	Comments
Economic performance	201-1	Direct economic value generated and distributed	75~76	
	201-4	Performance from financial assistance received from government	75	
Indirect economic impact	203-1	Development and influence of infrastructure investments and supporting services	15~18, 80	
	203-2	Significant indirect economic impact including extent of influence	28~32, 52~56	
Procurement Practices	204-1	Proportion of spending on local suppliers at main business sites	80	
Anti-corruption	205-2	Communication and training on anti-corruption policies and procedures	66	

GRI 300 Environmental Topics

Topic	Disclosures	Indicators	Pages listed	Comments
Energy	302-1	Energy consumption within the organization	77	
Water and waste water	303-3	Water procured by source	77	
Emissions	305-1	Direct (Scope 1) Greenhouse gas (GHG) emissions	77	
	305-2	Energy indirect (Scope 2) GHG emissions	77	
Environmental laws and regulations	307-1	Non-compliance with environmental laws and regulations	-	No case of non-compliance

GRI 400 Social Topics

Topic	Disclosures	Indicators	Pages listed	Comments
Employment	401-1	New employee hires and employee turnover and rates	78	
	401-3	Parental leave	79	
Occupational health and safety	403-1	Operation of an occupational health and safety management system	34	
	403-3	Occupational health service	34~36	
Training and education	404-1	Average hours of training per year per employee by gender and employee type	79	
	404-2	Programs for upgrading employee skills and assistance programs for work transition	42~43, 79	
Prohibition of discrimination	406-1	Incidents of discrimination and corrective actions taken	-	No. of incidents of discrimination
Human rights	412-1	Operations that have been subject to human rights reviews or impact assessments	70	
	412-2	Employee training on human rights policies or procedures	69	
Local community	413-1	Operations with local community engagement, impact assessments, and development programs	52~56	
Customer privacy protection	418-1	Total number of verified complaints received concerning breaches of customer privacy	73	No complaints received

Third-party Assurance Statement

To the Readers of the '2020 Yeosu Gwangyang Port Authority Sustainability Report'

The Sustainable Management Institute (the "Assurer") was requested by Yeosu Gwangyang Port Authority to provide independent assurance of the 2020 Yeosu Gwangyang Port Authority Sustainability Report (the "Report") and hereby provides the following assurance statement.

Responsibility and Independence

Yeosu Gwangyang Port Authority is entirely responsible for all information and opinions presented in this Report. The Assurer is solely responsible for the assurance statement regarding the content of the Report. As an independent assurance agency, the Assurer was neither involved in the process of preparing this Report nor in any conflicts of interest that may undermine our independence.

Assurance Standards

The Assurer performed assurance in accordance with Type 1 and the level of Moderate as defined in AA1000AS 2016 (including ISAE 3000 of International Auditing and Assurance Standards Board IAASB). Based on the verification principles, we further confirmed the suitability of the possible impacts of the organization's activities and performance. This indicates that the Report was comprehensively reviewed in terms of the effectiveness and reliability of reporting standards as part of the assurance. The assurance standards are based on the risk reduction with limitations defined in ISAE 3000 and correspond to the moderate level of assurance defined in AA1000AS 2016. In other words, the Assurer confirmed compliance with the importance and understandability principles and evaluated the information and reliability of the GRI indicators listed in the report.

Limitations

The Assurer checked the reliability of the performance outlined in the Report based on the aforementioned assurance scope and standards, and the findings thereof are as follows. The financial data was verified through audit reports and public institution management information disclosure systems audited by independent auditors. Environmental and social data were also verified through the public institution management information disclosure system, and some data was verified through on-site verification or interviews. The assurer expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Methodology

This assurance was conducted through the following methods;

- Verified whether the requirements for Core options of GRI Standards were fulfilled.
- Verified compliance with the principles of the Report content and quality based on GRI Standards.
- Verified the selection of material issues covered and the appropriateness of the technical content through media research and benchmarking analysis.
- Verified the suitability of the content and any errors in expression through comparison analysis with other sources.
- Verified the basis of comprehensive data and information and the internal process and system through on-site inspection.

Findings and Conclusion

It is the verifier's opinion that the Report reflects Yeosu Gwangyang Port Authority's Sustainable management activity and performance faithfully and fairly. In addition, through this verification process, this verifier judges that Yeosu Gwangyang Port Authority's report meets the GRI Standards requirements for Core Options. Universal Standard Disclosures were prepared in full compliance with the requirements for Core Options while Topic-specific Standard Disclosures were reviewed in line with disclosures of the material topics identified through the process of determining the report content as follows;

- Reporting Principles
- Universal Standards
- Topic-Specific Standards

- Management Approach
 - Economic Performance 201-1, 201-4
 - Indirect Economic Impacts 203-1, 203-2
 - Procurement Practices 204-1
 - Anti-Corruption 205-2
 - Energy 302-1
 - Water 303-3

- Emissions 305-1, 305-2
 - Employment 401-1, 401-3
 - Occupational Health and Safety 403-1, 403-3
 - Training and Education 404-1, 404-2
 - Non-Discrimination 406-1
 - Human Rights Assessments 412-1, 412-2
 - Customer Privacy 418-1

Inclusivity : Stakeholder Engagement

The verifier confirmed that Yeosu Gwangyang Port Authority is promoting communication activities through a participation system for interested parties aimed at conforming to the principles of inclusivity. The company defines stakeholders and establishes an effective participation system in consideration of key issues for stakeholders. Stakeholder expectations identified through stakeholder engagement are reviewed in connection with the company's selection of social value creation activities and social responsibility management issues, strategic direction, and strategic tasks.

Materiality : Identification and Reporting of Material Issues

We confirmed that core issues were selected through the materiality evaluation process. For various sustainability issues, the core issue area was selected by analyzing the impact on stakeholders' decision making and the impact on the business in various ways in terms of operation, strategy, and reputation. The selected core issues are reflected in the sustainable management activities of the corporation, and the activities and performance of the corporation on each issue are reported for each promotion area.

Responsiveness : Organization's Response to Issues

The verifier also confirmed that Yeosu Gwangyang Port Authority is conducting social value creation activities to identify important social value issues and respond to the interests and expectations of stakeholders. The verifier also confirmed that the content is accurately described in the report. It was confirmed that they set clear targets on issues presented by stakeholders and transparently disclose their performance.

Impact : Consideration of the Impact of the Organization

Yeosu Gwangyang Port Authority identifies the social impact of the organization by setting boundaries on the impact of major issues, and they are making efforts to improve social impact. We were able to confirm that monitoring and measuring is being conducted to check the impact that the operation of the organization has on the economy, environment, society, and stakeholders.

Recommendation

The Assurer recognizes the efforts and achievements of the organization to establish a sustainability disclosure system, and suggests the following to improve the level of social responsibility management and social value creation activities.

- Yeosu Gwangyang Port Authority is fulfilling its social responsibilities as a public institution by preparing a social value creation strategy integrated with its business strategy. We recommend strengthening the net function of corporate information disclosure by further upgrading the key performance (KPI) and target management-based information disclosure activities that the organization currently conducts and developing more effective management communication with stakeholders.

February 16th, 2021

Director of the Sustainability Lab **Yang-Ho, Lee**



Awards & Certificates, Membership Affiliation Status

Awards·Certificates

Year	Name of Awards	Certifying organization
2020. 12.	Certification of leisure friendly company	Ministry of Culture, Sports and Tourism
2020. 12.	Re-certification of Family Friendly Company (first certified in 2012)	Ministry of Gender Equality and Family
2020. 11.	Awarded for excellence in the promotion of eco-friendly technology and green consumption (Ministerial Citation)	Ministry of Environment
2020. 11.	Awarded for excellence in public procurement (Presidential/Ministerial Citations)	Ministry of SMEs and Startups
2020. 11.	Acquired the prize for corporate social responsibility (Minister of Economy and Finance Citation)	Social Responsibility & Management Quality Institute
2020. 10.	Web service privacy “ePRIVACY PLUS” certification (7 consecutive years)	Korea Online Privacy Association
2020. 06.	Won 2020 IAPH World Ports Sustainability Awards (Field of Community Outreach and Port City Cooperation)	International Association of Ports and Harbors (IAPH)
2020. 06.	Awarded for excellence in national disaster management (Ministerial Citation) in 2019	Ministry of the Interior and Safety
2020. 04.	Web accessibility quality certification (7 consecutive years)	Korea Federation of Organizations of the Disabled, Korea Institute of Web Accessibility Certification and Value
2020. 02.	Awarded for excellence in anti-corruption activities (Chairperson Citation)	The Korean Anti-Corruption and Civil Rights Commission
2019. 12.	Awarded top prize for 2019 Global Quality Manag	Korean Society for Quality Management
2019. 12.	2019 Leadership Management Awards	Korea Academy of International Commerce
2019. 12.	Awarded top prize for Safety Quality Innovation	Korea Institute of Innovation, Korea Quality Management Association
2019. 12.	Awarded for excellence in the prevention of imported infectious diseases (Chief Director Citation)	The Korea Center for Disease Control and Prevention (KCDC)
2019. 12.	KOSHA-MS (Occupational Safety and Health Management System Certificate)	The Korea Occupational Safety and Health Agency
2019. 12.	Awarded for excellence in the development of an industrial complex in the province (Provincial Governor Citation)	Jollanam-do
2019. 11.	Awarded for excellence in promoting the free economic zone (Ministerial Citation)	Ministry of Trade, Industry and Energy
2019. 10.	Awarded for merit on reinforcing port security (Ministerial Citation)	Ministry of Oceans and Fisheries
2019. 09.	Awarded top prize for 2019 leadership sector of beloved public institutions	Asia Business Daily
2019. 09.	Awarded for excellence in Eulji exercise in 2019 (Ministerial Citation)	Ministry of Oceans and Fisheries
2019. 08.	Awarded top prize for new shipping business ideas competition	Korea Ocean Business Corporation
2019. 07.	Awarded the 1 st prize for excellence in preferential purchase of products manufactured by people with severe disabilities (Ministerial Citation)	Ministry of Health and Welfare
2019. 06.	“Best CEO Award” from International Conference of the Asian Journal of Shipping and Logistics	ICASL (International Conference of the Asian Journal of Shipping and Logistics)
2019. 01.	Awarded for excellence in achieving 300 million tons in Yeosu and Gwangyang Port (Ministerial Citation)	Ministry of Oceans and Fisheries
2018. 12.	Awarded for excellence in public service management (Ministerial Citation)	Ministry of Oceans and Fisheries
2018. 12.	Awarded for excellence in of full-scale national disaster response training	Ministry of the Interior and Safety
2018. 12.	Awarded for excellence in emergency rescue training (Provincial Governor Citation)	Jollanam-do
2018. 11.	ISO 37001 (Certificate on anti-bribery management systems)	Korea Productivity Center Quality Assurance

Membership of Associations

Name of association	Name of association
International Association of Ports and Harbors (IAPH)	Korea Trade Research Association
Korea Industrial Safety Association	Korea Comparative Public Law Association
Korean Society for Quality Management Inc.	The Korea Society for Simulation
Korea Petrochemical Industry Association	The Korea Association for International Commerce and Information
Eco Port Forum	The Korea Port Economic Association
UN Global Compact Network	Korea Port Logistics Association
Korea Automobile Manufacturers Association	Korea Ports and Harbors Association
The Institute of Internal Auditors Korea	Korean Institute of Navigation and Port Research
Korea Association of Procurement and Supply Management	The Korean Association of Shipping and Logistics
Korea Academy of International Commerce	The Korean Association for Public Administration



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